Prospectus
December 22, 2023

KOSAMATTAM FINANCE LIMITED

*Our Company was incorporated on March 25, 1987, as 'Standard Shares and Loans Private Limited', a private limited company under the Companies Act, 1956 with a certificate of incorporation issued by Registrar of Companies, Kerala at Kochi ("**RoC**"). The name of our Company was changed to 'Kosamattam Finance Private Limited' pursuant to a resolution passed by the shareholders of our Company at the EGM held on June 2, 2004 and a fresh certificate of incorporation dated June 8, 2004 issued by the RoC. Subsequently, upon conversion to a public limited company pursuant to a special resolution of the shareholders of our Company dated November 11, 2013, the name of our Company was changed to 'Kosamattam Finance Limited' and a fresh certificate of incorporation was issued by the RoC on November 22, 2013. Our Company has obtained a certificate of registration dated December 19, 2013 bearing registration no. B-16.00117 issued by the Reserve Bank of India ("**RBI**") to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934. Our Company has obtained a full fledged money changers license bearing license number FE. KOC.FFMC.40/2006 dated February 07, 2006 issued by the RBI which is valid up to February 28, 2025. Our Company holds a Certificate of Registration dated May 28, 2014 bearing Registration Number IN–DP–CDSL–717-2014 issued by the SEBI to act as Depository Participant in terms of Regulation 20 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996. Further, our company holds a Certificate of Renewal Registration dated March 28, 2022 bearing registration number - CA0179 issued by the IRDAI to commence/carry business in the capacity of a Corporate Agent (Composite) under the Insurance Regulatory and Development Authority Act, 1999, valid up to March 31, 2025. For details of changes in our name and registered office, see "History and Certain Other Corporate Matters" on page 138.*

Registered Office: Kosamattam City Centre, Floor Number 4th & 5th, T.B Road, Kottayam - 686001, Kerala, India; **Tel:** +91 481 258 6400
Company Secretary and Compliance Officer/ Contact Person: Sreenath P; **E-mail:** cs@kosamattam.com; **Tel:** +91 481 258 6506
Chief Financial Officer: Annamma Varghese C.; **E-mail:** cfo@kosamattam.com; **Tel:** +91 481 258 6451
Corporate Identity Number: U65929KL1987PLC004729; **Permanent Account Number:** AACCK4277A; **Website:** www.kosamattam.com

PUBLIC ISSUE BY KOSAMATTAM FINANCE LIMITED, ("COMPANY" OR "ISSUER") OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH ("NCDS"), AT PAR, AGGREGATING UP TO ₹ 10,000 LAKHS, HEREINAFTER REFERRED TO AS THE "BASE ISSUE" WITH AN OPTION TO RETAIN OVER-SUBSCRIPTION UP TO ₹ 10,000 LAKHS, AGGREGATING UP TO ₹ 20,000 LAKHS, HEREINAFTER REFERRED TO AS THE "OVERALL ISSUE SIZE" (THE "ISSUE"). THIS ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON - CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT, 2013") AND THE SEBI MASTER CIRCULAR.

PROMOTERS OF THE COMPANY

(i) Mathew K. Cherian, **Email:** md@kosamattam.com; **Tel:** 04812586401; (ii) Laila Mathew, **Email:** lailamathewkfl@gmail.com; **Tel:** 04812586400; and (iii) Jilu Saju Varghese **Email:** jiluhere@outlook.com; **Tel:** 04812586500. For further details, see "*Our Promoters*" on page 153.

GENERAL RISKS

Investment in non-convertible securites is risky and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, the investors must rely on their own examination of our Company and the Issue, including the risks involved. Specific attention of the investors is invited to "*Risk Factors*" on page 16 and "*Material Developments*" on page 427, before making an investment in such Issue. These risks are not, are not intended to be, a complete list of all risks and considerations relevant to the non-covertible securities or investor's decision to purchase such securities. This Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), Reserve Bank of India ("**RBI**"), the RoC, or any stock exchange in India.

COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, see "*Terms of the Issue*" on page 471. For details relating to eligible investors, see "*Issue Structure*" on page 463. The Issue is not underwritten.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated "IND A-/Stable", by India Ratings & Research Private Limited ("**IRRPL**") for an amount up to ₹ 20,000 lakhs *vide* its letter dated November 24, 2023. The rating of NCDs by IRRPLindicates that securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations and carry low credit risk. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating given by IRRPL is valid as on the date of this Prospectus and shall remain valid on date of the issue and allotment of NCDs and the listing of the NCDs on BSE. The rating provided by rating agency may be suspended, withdrawn or revised at any time by the assigning rating agency on the basis of new information etc., and should be evaluated accordingly. Please refer to page 599 for the rationale for the above rating.

PUBLIC COMMENTS

The Draft Prospectus dated December 12, 2023 was filed with BSE, pursuant to Regulation 27 of the SEBI NCS Regulations and is open for public comments for a period of 7 (seven) Working Days i.e. until 5 p.m. of December 19, 2023. No comments were received on the Draft Prospectus un till 5 p.m. on December 19, 2023.

LISTING

The NCDs offered through this Prospectus are proposed to be listed on the BSE Limited ("**BSE**"). Our Company has obtained 'in-principle' approval for this Issue from BSE *vide* their letter dated December 22, 2023. BSE shall be the Designated Stock Exchange for this Issue.

LEAD MANAGER TO THE ISSUE

SMC CAPITALS LIMITED
A-401/402, Lotus Corporate Park,
Off Western Express Highway,
Jai Coach Signal, Goregaon (East),
Mumbai – 400063, Maharashtra, India
Telephone: +91 22 6648 1818
E-mail: kfl.ncd@smccapitals.com
Website: www.smccapitals.com
Contact Person: Satish Mangutkar/ Bhavin Shah

DEBENTURE TRUSTEE*

VISTRA ITCL (INDIA) LIMITED
The IL&FS Financial Centre, Plot C – 22,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051,
Maharashtra, India
Telephone: +91 22 2659 3333
Email: itclcomplianceofficer@vistra.com
Website: www.vistraitcl.com
Contact Person: Jatin Chonani

REGISTRAR TO THE ISSUE

KFIN TECHNOLOGIES LIMITED
Selenium Tower B, Plot No – 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi - 500 032, Telangana, India
Telephone: +91 40 6716 2222
Fax: +91 40 2343 1551
Email: kosamattam.ncd@kfinech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna

CREDIT RATING AGENCY

INDIA RATINGS & RESEARCH PRIVATE LIMITED
Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex,
Bandra (E), Mumbai-400 051
Telephone: +91-22-4000 1700
E-mail: infogrp@indiaratings.co.in
Website: www.indiaratings.co.in
Contact Person: Aishwary Khandelwal

STATUTORY AUDITOR

M/S. SGS & COMPANY, CHARTERED ACCOUNTANTS
X/657/B, CA-MED Tower,
Pallikulam Road, Near Chaldean Centre, Thrissur – 680 001
Telephone: +91-487-2446109, 2425420
Email: mail@sgsandcompany.com
Website: sgsandcompany.com
Contact Person: CA Sanjo. N.G, F.C.A, D.I.S.A. (ICAI)

ISSUE PROGRAMME**

ISSUE OPENS ON MONDAY, JANUARY 1, 2024

ISSUE CLOSES ON FRIDAY, JANUARY 12, 2024**

**Vistra ITCL (India) Limited, by its letter dated December 8, 2023, has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue. For further details, see "General Information – Debenture Trustee" on page 37.*

*** This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of ten Working Days from the date of opening of the Issue as may be decided by the Board of Directors of our Company or the Committee thereof subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Issue our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, on Working Days during the Issue Period. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details, see "General Information – Issue Programme" on page 43.*

A copy of the Prospectus shall be delivered to the RoC, in terms of sub-section (4) of Section 26 of the Companies Act, 2013 along with the requisite endorsed/certified copies of all requisite documents. For further details, see "Material Contracts and Documents for Inspection" beginning on page 593.

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this Prospectus, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision.

The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI NCS Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations notified thereunder.

Notwithstanding the foregoing, the terms defined as part of "Our Business", "Risk Factors", "Industry Overview", "Key Regulations and Policies", and "Summary of Main Provisions of Articles of Association" beginning on pages 108, 18, 85, 267 and 284, respectively shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of "Our Business", "Risk Factors", "Industry Overview" and "Key Regulations and Policies", beginning on pages 108, 18, 85 and 267, shall have the meaning ascribed to them hereunder.

General Terms

Term	Description
Company / Issuer/ KFL	Kosamattam Finance Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at D Kosamattam City Centre, Floor Number 4th & 5th, T.B Road, Kottayam - 686001, Kerala, India
We / us / our	Unless the context otherwise requires, Kosamattam Finance Limited for the relevant financial year/period as applicable.

Company Related Terms

Term	Description
AoA/Articles/Articles of Association	Articles of Association of our Company, as amended.
Board/Board of Directors/BoD	The Board of Directors of our Company and includes any Committee thereof.
Company Secretary and Compliance Officer	The company secretary of our Company and Compliance Officer of our Company appointed in relation to this Issue i.e. Sreenath P
Compulsorily Convertible Preference Shares	Preference Shares of face value of ₹1,000 each of our Company, in the nature of Compulsorily Convertible Cumulative Preference Shares.
Debenture Committee	The committee re-constituted by the Board of Directors of our Company by a board resolution dated June 30, 2023.
Equity Shares	Equity shares of face value of ₹10 each of our Company.
Financial Information	The financial information stated in the Financial Statements (defined herein below).
Kosamattam Group/Group Companies	Entities that are ultimately promoted and controlled by Mathew K. Cherian, Laila Mathew or Jilu Saju Varghese including Kosamattam Ventures Private Limited, M/s Kosamattam Security Systems, Velampadikkal Enterprises LLP, Kosamattam Builders Private Limited, M/s. Kosamattam Builders (Partnership firm), Kosamattam Nidhi Limited and Kosamattam Traders LLP.
Key Managerial Personnel	The key managerial personnel of the Company as defined under Regulation 2(sa) of the SEBI NCS Regulations.
Loan Assets	Assets under financing activities.
Memorandum/MoA/ Memorandum of Association	Memorandum of Association of our Company, as amended.

Term	Description
Net Loan Assets	Assets under financing activities net of Provision for non-performing assets.
Promoters	Mathew K. Cherian, Laila Mathew and Jilu Saju Varghese.
Audited Financial Statements	The audited financial statements of our Company comprises of balance sheet as at March 31, 2023, March 31, 2022 and March 31, 2021, the statement of profit and loss (including other comprehensive income) for the financial years ended March 31, 2023 March 31, 2022 and March 31, 2021, statements of changes in equity for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, the statement of cash flows for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as audited by our Statutory Auditor as at and for the years ended March 31 2023, March 31 2022 and March 31 2021.
Registered Office	The registered office of our Company, situated at Kosamattam City Centre, Floor Number 4th & 5th, T.B Road, Kottayam - 686001, Kerala, India.
RoC/Registrar of Companies	The Registrar of Companies, Kerala at Kochi.
Statutory Auditor(s)/Auditor(s)	The statutory auditor of our Company, being M/s. SGS & Company, Chartered Accountants.
Senior Management	The senior management of our Company as defined under Regulation 2(iia) of the SEBI NCS Regulations.
Unaudited Financial Results	The unaudited financial information of the Company as at and for the six months period ended on September 30, 2023, prepared by our Company in the manner and format required by the SEBI Listing Regulations.

Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of the Prospectus.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Allot/Allotment/Allotted	The issue and allotment of the NCDs to successful Applicants pursuant to the Issue.
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
Allottee(s)	The successful Applicant to whom the NCDs are being/ have been Allotted pursuant to the Issue.
Applicant/Investor	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of the Prospectus, the abridged Prospectus and the Application Form for the Issue.
Application/ ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account and will include application made by UPI Investors using UPI where the Application amount will be blocked upon acceptance of UPI Mandate Request by UPI Investors, which will be considered as the application for Allotment in terms of the Prospectus.
Application Amount	The aggregate value of NCDs applied for, as indicated in the Application Form for the Issue.
Application Form/ ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process and which will be considered as the Application for Allotment of NCDs and in terms of the Prospectus.
Application Supported by Blocked Amount/ASBA	The Application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorising the SCSB to block the bid amount in the specified bank account maintained with such SCSB.
ASBA Account	A bank account maintained by an ASBA Bidder with an SCSB, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form, and will include a bank account of a retail individual investor linked with

Term	Description
	UPI, for retail individual investors submitting application value up to UPI Application Limit.
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process.
Banker(s) to the Issue	The banks, which are clearing members and registered with SEBI as bankers to the issue, with whom the Public Issue Accounts and/or Refund Account will be opened by our Company in respect of the Issue, and as specified in this Prospectus.
Base Issue	₹ 10,000 lakhs.
Basis of Allotment	The basis on which NCDs will be allotted to successful applicants under the Issue and which is described in "*Issue Procedure – Basis of Allotment for NCDs*" on page 507.
Bidding Centers	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchange at www.bseindia.com.
Business Days	All days excluding Second Saturdays, Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Collection Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs.
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered with the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI Master Circular.
Collecting Registrar and Share Transfer Agents/CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of the SEBI Operational Circular.
Credit Rating Agency	For the present Issue, the credit rating agency, in this case being India Ratings & Research Private Limited
CRISIL	CRISIL Limited.
Debenture Trust Deed	The trust deed to be executed by our Company and the Debenture Trustee for creating the security over the NCDs to be issued under the Issue.
Coupon Rate / Interest Rate	The aggregate rate of interest payable in connection with the NCDs in accordance with the Prospectus. For further details, see "*Issue Structure*" on page 463.
Debenture Trusteeship Agreement	Debenture Trusteeship Agreement dated December 8, 2023, entered into between our Company and the Debenture Trustee.
Debentures/NCDs	Secured, redeemable, non-convertible debentures issued pursuant to the Issue.
Deemed Date of Allotment	The date of issue of the Allotment Advice, or such date as may be determined by the Board or a duly constituted committee thereof, and notified to the Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on the NCDs shall be available to the investors from the Deemed Date of Allotment.
Demographic Details	The demographic details of an Applicant such as his address, bank account details, category, PAN, UPI ID, etc. for printing on refund/interest orders or used for refunding through electronic mode as applicable.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	National Securities Depository Limited (NSDL) and/or Central Depository Services (India) Limited (CDSL).
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time.
Designated CDP	Such centres of the Collecting Depository Participants where Applicants can submit the

Term	Description
Locations	Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the website of the Stock Exchange and updated from time to time.
Designated Date	The date on which the Registrar to the Issue issues the instruction to SCSBs for unblocking of funds from the ASBA Accounts to the Public Issue Account in terms of the Prospectus and the Public Issue Account and Sponsor Bank Agreement and following which the Board, shall Allot the NCDs to the successful Applicants.
Designated Intermediaries	Collectively, the Lead Manager, the Syndicate Member/ Lead Brokers, Trading Members, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants, in the Issue. In relation to the ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Manager, Members of the Syndicate, Trading Members and Stock Exchange where applications have been submitted through the app/web interface as provided in the SEBI Operational Circular.
Designated Stock Exchange/ DSE	BSE Limited
Designated RTA Locations	Such centres of the CRTAs where Applicants can submit the Application Forms (including Application Forms by UPI Investors under the UPI Mechanism). The details of such Designated RTA Locations, along with the names and contact details of the CRTAs are available on the website of the Stock Exchange (www.bseindia.com) and updated from time to time.
DP/Depository Participant	A depository participant as defined under the Depositories Act.
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility.
Draft Prospectus/Draft Offer Document	The draft prospectus dated December 12, 2023 filed by our Company with the Designated Stock Exchange for receiving public comments, in accordance with the provisions of the Companies Act, 2013, as applicable and the SEBI NCS Regulations.
Existing Secured Creditors	Bank of Baroda, Canara Bank, Dhanlaxmi Bank Limited, The Karur Vysya Bank Limited, Punjab National Bank, State Bank of India, CSB Bank Limited, The South Indian Bank Limited, Union Bank of India, DCB Bank Limited, The Federal Bank Limited, Bank of Maharashtra, IDFC First Bank Limited, Tata Capital Financial Services Limited, Indian Bank, HDFC Bank Limited, ESAF Small Finance Bank Limited, Northern Arc Capital Limited, Bandhan Bank, Equitas Small Finance Bank Limited, Vivriti Capital Private Limited, UCO Bank, Jana Small Finance Bank Limited, IndusInd Bank Limited, STCI Finance Limited, Kotak Mahindra Bank, Woori Bank, Yes Bank, City Union Bank, Indian Overseas Bank, Karnataka Bank, Axis Bank, Oxyzo Financial Services Private Limited, Sundaram Finance Limited and debenture holders of the secured non-convertible debentures issued by way of public issues
Existing Unsecured Creditors	Debenture holders of the privately placed subordinated debts, debenture holders of the privately placed perpetual debt instruments (PDI) and debenture holders of the subordinated debts issued by way of public issues.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
Interest Payment Date / Coupon Payment Date	The dates on which interest/coupon on the NCDs shall fall due for payment which will be specified in the Prospectus.
Institutional Portion	Portion of Applications received from Category I of persons eligible to apply for the issue which includes Resident Public Financial Institutions as defined in Section 2(72) of the Companies Act 2013, Statutory Corporations including State Industrial Development Corporations, Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs, Provident Funds of minimum corpus of ₹2,500 lakhs, Pension Funds of minimum corpus of ₹2,500 lakhs,

Term	Description
	Systemically Important Non-Banking Financial Companies, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs, Venture Capital funds and/or Alternative Investment Funds registered with SEBI, Insurance Companies registered with the IRDA, National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India), Insurance funds set up and managed by the Indian Army, Navy or the Air Force of the Union of India or by the Department of Posts, India Mutual Funds, registered with SEBI.
Issue/ Issue Size	Public issue by our Company of NCDs aggregating up to ₹ 10,000 lakhs ("**Base Issue Size**") with an option to retain over-subscription up to ₹ 10,000 lakhs cumulatively aggregating up to ₹ 20,000 lakhs, on the terms and in the manner set forth herein. The Issue is being made pursuant to the provisions of SEBI NCS Regulations, the Companies Act, 2013 and rules made thereunder as amended to the extent notified and the SEBI Master Circular
Issue Closing Date	Friday, January 12, 2024
Issue Opening Date	Monday, January 1, 2024
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days during which prospective Applicants may submit their Application Forms
Lead Manager	SMC Capitals Limited
Market Lot	1 (one) NCD.
Maturity Amount	In respect of NCDs Allotted to NCD Holders, the repayment of the face value of the NCD along with interest that may have accrued as on the redemption date.
Mobile App(s)	The mobile applications listed on the website of Stock Exchanges as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism.
NCD Holder/Debenture Holder	Any debenture holder who holds the NCDs issued in this Issue and whose name appears on the beneficial owners list provided by the Depositories.
Non-Institutional Portion	Category II of persons eligible to apply for the Issue which includes Companies falling within the meaning of Section 2(20) of the Companies Act 2013; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs, Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorised to invest in the NCDs, Trust Including Public/private charitable/religious trusts which are authorised to invest in the NCDs, Association of Persons, Scientific and/or industrial research organisations, which are authorised to invest in the NCDs, Partnership firms in the name of the partners, Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009), Resident Indian individuals and Hindu undivided families through the Karta aggregating to a value exceeding ₹10 lakhs.
Offer Document	The Draft Prospectus, this Prospectus, Application Form and abridged Prospectus read with any notices, corrigenda, addenda thereto.
Prospectus	The prospectus to be filed with the RoC in accordance with the SEBI NCS Regulations, containing *inter alia* the coupon rate for the NCDs and certain other information.
Public Issue Account	Account(s) opened with the Public Issue Account Bank to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI Mechanism) on the Designated Date.
Public Issue Account Bank	HDFC Bank Limited
Public Issue Account and Sponsor Bank Agreement	The agreement dated November 21, 2023 entered into amongst our Company, the Registrar to the Issue, the Lead Manager, the Public Issue Account Bank, the Sponsor Bank in accordance with the SEBI Operational Circular for collection of the Application Amounts from ASBA Accounts under the UPI Mechanism and where applicable refunds of the amounts collected from the Applicants on the terms and conditions thereof.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 10 (ten) days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange,

Term	Description
	as the case may be. In case Record Date falls on a day when stock exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Recovery Expense Fund	Our Company will create a recovery expense fund in the manner as specified by SEBI in circular bearing reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109 titled "Master Circular for Debenture Trustees" dated March 31, 2023 and as updated on July 6, 2023, as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and will inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made and as specified in this Prospectus.
Refund Bank	The Banker(s) to the Issue with whom the Refund Account will be opened and as specified in this Prospectus.
Registrar to the Issue/Registrar	KFin Technologies Limited
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 as amended from time to time, and the stock exchange having nationwide terminals, other than the Consortium and eligible to procure Applications from Applicants
Register of NCD Holders	The statutory register in connection with any NCDs which are held in physical form on account of rematerialisation, containing name and prescribed details of the relevant NCD Holders, which will be prepared and maintained by our Company/Registrar in terms of the applicable provisions of the Act.
Registrar Agreement	Agreement dated August 01, 2023 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
RTAs/ Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue at the Designated RTA Locations.
SCSBs or Self Certified Syndicate Banks	The banks registered with SEBI, offering services in relation to ASBA and UPI, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes for ASBA and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
SEBI NCS Regulations/ NCS Regulations/ SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021, as amended from time to time.
SEBI Delisting Regulations	Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended from time to time.
SEBI Master Circular	Master Circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 issued by SEBI and as updated on July 7, 2023, as amended
SEBI Master Circular for Debenture Trustees	Circular no. SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated March 31, 2023 issued by SEBI and updated as on July 6, 2023, as amended
SEBI Listing Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
Security	The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of creating security over on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹ 10,80,91,696/-), including book debts and

Term	Description
	receivables, cash and bank balances, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued.
Specified Locations	Collection centres where the Members of the Syndicate shall accept Application Forms, a list of which is included in the Application Form.
Sponsor Bank	Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchange and NPCI in order to push the UPI Mandate Requests and / or payment instructions of the retail individual investors into the UPI.
Stock Exchange	BSE Limited
Syndicate ASBA	Applications through the Designated Intermediaries.
Specified Locations	Centers where the member of the Consortium shall accept ASBA Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on https://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Tenor	Tenor shall mean the tenor of the NCDs which will be specified in the Prospectus.
Trading Member(s)	Individuals or companies registered with SEBI as “trading member(s)” under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, and who hold the right to trade in stocks listed on stock exchanges, through which investors can buy or sell securities listed on stock exchanges whose list is available on stock exchanges.
Transaction Registration Slip/TRS	The acknowledgement slip or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of upload of the Application on the application platform of the Stock Exchange.
Tripartite Agreement(s)	Agreements as entered into between our Company, Registrar and each of the Depositories under the terms of which the Depositories shall act as depositories for the securities issued by our Company.
Trustees/Debenture Trustee	Trustees for the holders of the NCDs, in this case being Vistra ITCL (India) Limited.
UPI	Unified Payments Interface, is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing and merchant payments into one hood. UPI allows instant transfer of money between any two person’ bank accounts using a payment address which uniquely identifies a person’s bank account.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NCPI.
UPI Application Limit	Maximum limit to utilize the UPI mechanism to block the funds for application value up to ₹500,000 for issues of debt securities pursuant to SEBI Master Circular or any other investment limit, as applicable and prescribed by SEBI from time to time.
UPI Investor	An Applicant who applies with a UPI number whose Application Amount for NCDs in the Issue is up to ₹5,00,000.
UPI Mandate Request	A request (intimating the UPI Investors, by way of a notification on the UPI application and by way of an SMS directing the UPI Investor to such UPI application) to the UPI Investors using the UPI Mechanism initiated by the Sponsor Bank to authorise blocking of funds equivalent to the Application Amount in relevant ASBA Account through the UPI, and the subsequent debit of funds in case of Allotment.
UPI Mechanism	Unified Payments Interface mechanism in accordance with SEBI Master Circular as amended from time to time, to block funds for application value up to UPI Application Limit submitted through intermediaries.
UPI PIN	Password to authenticate UPI transaction.
Web Interface	Web interface developed by Designated Stock Exchange wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism.
Wilful Defaulter	Includes wilful defaulters as defined under Regulation 2(1)(lll) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,

Term	Description
	2018 which includes a Person or a company categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as a wilful defaulter.
Working Days	All days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs on the Stock Exchange, Working Days shall mean all trading days of Stock Exchange, excluding Sundays and bank holidays in, as per the SEBI NCS Regulations, however, with reference to payment of interest/ redemption amount of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai.

Business/Industry Related Terms

Term	Description
AFC	Asset Finance Companies
ALM	Asset Liability Management
ALCO	Asset Liability Committee
AUM	Assets Under Management
Average Cost of Borrowing	Amount that is calculated by dividing the interest paid during the period by average of the monthly outstanding
CIBIL	Credit Information Bureau (India) Limited
CIC-ND-SI	Systemically Important Core Investment Company
CPI	Consumer Price Index
CRAR	Capital to Risk Weighted Assets Ratio
DSA	Direct Sales Agent
ECLGS	Emergency Credit Line Guarantee Scheme
EMI	Equated Monthly Instalment
GNPAs	Gross Non-Performing Assets
GLP	Gross Loan Portfolio
Gross Spread	Yield on the average minus the cost of funds
HFC	Housing Finance Company
ICs	Investment Companies
IDF-NBFC	Infrastructure Debt Fund
IFC	Infrastructure Finance Company
IND AS	Indian Accounting Standards
IPO	Initial Public Offering
IRDAI	Insurance Regulatory and Development Authority of India
IRR	Interest Rate Risk
KYC/KYC Norms	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
LAP	Loan Against Property
LCs	Loan Companies
Loan Book	Outstanding loans net of provisions made for NPAs
LTV	Loan to value
MGC	Mortgage Guarantee Companies
MIS	Management Information Systems
MSME	Micro, Small and Medium Enterprises
NABARD	National Bank for Agriculture and Rural Development
NAV	Net Asset Value
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934
NBFC – AA	NBFC-Acocunt Aggregator
NBFC-ND-NSI (NBFC-BL/ NBFC – Base Layer)	Non-deposit taking NBFCs below the asset size of ₹ 1,00,000 lakh and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFCP2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and

Term	Description
	not having any customer interface
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-ML/ NBFC – Middle Layer	(a) all deposit taking NBFCs (NBFC-Ds), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1,00,000 lakh and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFC)
NBFC-ICC	NBFC registered as an Investment and Credit Company
NBFC-MFI	NBFC – Microfinance Institutions
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-ND-NSI	Non Systemically Important NBFC-ND, i.e. a non-banking financial company not accepting / holding public deposits and which is not systemically important i.e. having total assets of less than ₹ 50,000 lakhs as per the last audited balance sheet
NBFC-ND-SI	Systemically Important NBFC-ND, i.e. a non-banking financial company not accepting / holding public deposits and which is systemically important i.e. having total assets of ₹ 50,000 lakhs and above as per the last audited balance sheet
NBFIs	Non-banking Financial Institutions
NBFC-P2P	NBFC–Peer to Peer Lending Platform
NBFC - TL	NBFC-UL which in the opinion of RBI has substantial increase in the potential systemic risk
NBFC – UL	NBFCs which are specifically identified by the RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in SBR Framework
NHAI	National Highways Authority of India
NII	Net Interest Income
NOF	Net Owned Fund
NOFHC	Non-Operative Financial Holding Company
NPA	Non-Performing Asset
NPCI	National Payments Corporation of India
NSO	National Statistical Office
OLC	Overdue Loan Cell
RBI NSI Master Directions	RBI’s Master Direction - Non-Banking Financial Company – Non - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended
RBI SI Master Directions	RBI’s Master Direction - Non-Banking Financial Company –Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended
ROA	Return on Assets
ROI	Return on Investment
SBR Framework	Scale Based Regulation: A Revised Regulatory Framework for NBFCs (as amended)
SIDBI	Small Industries Development Bank of India
SME	Small and Medium Enterprises
STPLs	Small Ticket Size Loans
TAT	Turnaround Time
Tier I Capital	For NBFC-ND-NSI: Tier I Capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiary and companies in the same group exceeding, in aggregate, ten percent of the owned fund For NBFC-ND-SI: Tier I Capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and

Term	Description
	advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II Capital	For NBFC-ND-NSI: Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty-five percent; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and To the extent, the aggregate does not exceed Tier I capital. For NBFC-ND-SI: Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier I capital
TLTRO	Targeted Long-Term Repo Operations

Conventional and General Terms or Abbreviations

Term	Description
₹ or Rupees or Rs. or Indian Rupees or INR	The lawful currency of Republic of India
AGM	Annual General Meeting
AML	Anti-Money Laundering
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CGST Act	Central Goods and Services Tax Act, 2017
Companies Act, 1956	The Companies Act, 1956 to the extent in force
Companies Act/Companies Act 2013	The Companies Act, 2013 (to the extent notified) read with rules framed by the Government of India from time to time
DIN	Director Identification Number
DRR	Debenture Redemption Reserve
DT Circular	Circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 issued by SEBI on November 3, 2020, as amended from time to time
EGM	Extraordinary General Meeting
EPS	Earnings Per Share

Term	Description
FDI	Foreign Direct Investment
FDI Policy	FDI in an Indian company is governed by the provisions of the FEMA read with the FEMA Regulations and the Foreign Direct Investment Policy
FEMA	Foreign Exchange Management Act, 1999
FEMA Non-Debt Regulations	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Debt Regulations	Foreign Exchange Management (Debt Instrument) Regulations, 2019
FFMC	Full Fledged Money Changer
Financial Year/FY	Financial Year ending March 31
FPI	Foreign Institutional Investors defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 registered with SEBI and as repealed by Foreign Portfolio Investors defined under the SEBI (Foreign Portfolio Investors) Regulations, 2019
GDP	Gross Domestic Product
GoI	Government of India
G-Sec	Government Securities
GST	Goods and services tax.
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IGST Act	Integrated Goods and Services Tax Act, 2017
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended.
IRDA	Insurance Regulatory and Development Authority
IT	Information Technology
IT Act	The Income Tax Act, 1961
KYC	Know Your Customer
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
MIS	Management Information System
MoU	Memorandum of Understanding
NA	Not Applicable
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NII(s)	Non-Institutional Investor(s)
NIM	Net Interest Margin
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
PDI	Perpetual Debt Instrument
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
RM	Relationship Manager
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992
SGST Act	State Goods and Services Tax Act, 2017, as enacted by various state governments.
TDS	Tax Deducted at Source
WDM	Wholesale Debt Market

PRESENTATION OF FINANCIAL, INDUSTRY AND OTHER INFORMATION

Certain Conventions

All references to “India” are to the Republic of India and its territories and possessions and all references to the “Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless otherwise stated, references in this Prospectus to a particular year are to the calendar year ended on December 31 and to a particular “fiscal” or “fiscal year” are to the fiscal year ended on March 31.

All references to “India” are to the Republic of India and its territories and possessions, and the “Government”, the “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Financial Data

Our Company publishes its financial statements in Rupees. Our Company’s financial statements for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 are prepared in accordance with Ind AS, as applicable standards and guidance notes specified by the ICAI including the applicable provisions of the Companies Act, 2013. With effect from April 1, 2019, as per the roadmap issued by the MCA under the Companies (Indian Accounting Standards) Rules, 2015, for Non-Banking Finance Companies, for financial reporting purposes, the Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 and/or Rule 7 of the Companies (Indian Accounting Standard) Rules, 2015 (“**Ind AS**”), as applicable.

The Audited Financial Statements and the related audit reports as issued by our Company’s Statutory Auditors, M/s. SGS & Company, Chartered Accountants, are included in this Prospectus in the chapter titled *“Financial Statements”* beginning on page 156.

Further, for the purposes of disclosure in this Prospectus, we have prepared and presented our Unaudited Financial Results prepared in accordance with the SEBI Listing Regulations which are reviewed by our Statutory Auditor SGS & Company, Chartered Accountants. Further, Unaudited Financial Results is not indicative of full year results and are not comparable with annual financial statements

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Unless stated otherwise, the financial data used in this Prospectus is derived from our Company’s Audited Financial Statements for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with Ind AS, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards prescribed by the Institute of Chartered Accountants of India, Companies Act and other applicable statutory and / or regulatory requirements. Additionally, unless stated otherwise or unless the context requires otherwise, the financial data as at and for the quarter and half year ended September 30, 2023 and used in this Prospectus, is derived from the Unaudited Financial Results.

In this Prospectus, any discrepancies in any table, including “*Capital Structure*” and “*Objects of the Issue*” between the total and the sum of the amounts listed are due to rounding off. All the decimals have been rounded off to two decimal places.

Further, the financial data and numbers used in this Prospectus are under IND AS, as specifically mentioned in this Prospectus and is not strictly comparable.

Currency and units of Presentation

In this Prospectus, all references to ‘Rupees’/ ‘Rs.’/ ‘INR’/ ‘₹’ are to Indian Rupees, the official currency of the Republic of India.

Except where stated otherwise in this Prospectus, all figures have been expressed in ‘lakhs’. All references to ‘lakh/lakhs’ means ‘one hundred thousand’ and ‘crore’ means ‘ten million’ and ‘billion/bn/billions’ means ‘one hundred crores’.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although our Company believes that industry data used in this Prospectus is reliable, it has not been independently verified. Also, data from these sources may not be comparable. Similarly, internal reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Certain information and statistics in relation to the industry in which we operate, which has been included in this Prospectus has been extracted from an industry report titled "*CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Industry Report on Gold Loans released in Mumbai in October 2023*" dated November 10, 2023, prepared and issued by CRISIL Limited ("Industry Report"). Please refer to "Industry Overview" on page 85 for further details. Following is the disclaimer of CRISIL in relation to the Industry Report:

"CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Kosamattam Finance Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval"

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*", on page 18. Accordingly, investment decisions should not be based solely on such information.

FORWARD LOOKING STATEMENTS

This Prospectus contains certain statements that are not statements of historical fact and are in the nature of "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "expect", "estimate", "intend", "objective", "plan", "potential", "project", "will", "will continue", "will pursue", "will likely result", "will seek to", "seek" or other words or phrases of similar import. All statements regarding our expected financial condition and results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability and other matters discussed in this Prospectus that are not historical facts.

All statements regarding expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to business strategy, revenue and profitability, new business and other matters discussed in this Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including financial conditions and results of operations to differ from expectations include, but are not limited to, the following:

1. Any increase in the levels of non-performing assets ("**NPA**") in our loan portfolio, for any reason whatsoever, would adversely affect our business and results of operations;

2. Any volatility in interest rates which could cause our Gross Spreads to decline and consequently affect our profitability;

3. Unanticipated turbulence in interest rates or other rates or prices; the performance of the financial and capital markets in India and globally;

4. Our operations are concentrated in South India, and any adverse developments in the southern states of India may have an adverse effect on our business, results of operations, financial condition and cash flows;

5. Changes in Indian and/or foreign laws and regulations, including tax, accounting, banking, securities, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations;

6. Any changes in connection with policies, statutory provisions, regulations and/or RBI directions in connection with NBFCs, including laws that impact our lending rates and our ability to enforce our collateral;

7. We have been subject to penalties as a result of non-compliance with the RBI's observations made during its periodic inspections

8. Competition from our existing as well as new competitors;

9. Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations;

10. The rate of growth of our loan assets;

11. The outcome of any legal or regulatory proceedings we are or may become party to;

12. Availability of adequate debt and equity financing at commercially acceptable terms;

13. General, political, economic, social and business conditions in Indian and other global markets; and

14. Other factors discussed in this Prospectus, including under the chapter titled "*Risk Factors*" beginning on page 16.

For further discussion of factors that could cause our actual results to differ from our expectations, please refer to the chapter titled "*Risk Factors*" and chapters titled "*Industry Overview*" and "*Our Business*" beginning on pages

16, 86 and 118, respectively.

The forward-looking statements contained in this Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

By their nature, certain market risk disclosures are only estimate(s) and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company or the Lead Manager or any of its respective Directors and officers, or any of its respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI NCS Regulations, as amended, our Company and the Lead Manager will ensure that investors are informed of material developments between the date of filing the Prospectus with the RoC and the date of receipt of listing and trading permission being obtained from the Stock Exchange for the NCDs.

SECTION II - RISK FACTORS

An investment in NCDs involves a certain degree of risk. You should carefully consider all the information contained in this Prospectus, including the risks and uncertainties described below, and the information provided in the sections titled "Our Business" on page 118 and "Financial Statements" on page 156, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown or now deemed immaterial, if materialise, may have a material adverse effect on our business, financial condition and results of operations in the future. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment including interest thereon.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated `in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with the Audited Financial Statements and and the Unaudited Financial Result.

Internal Risk Factors

1. ***We have been subject to an inspection by the RBI and any adverse action taken could affect our business and operations.***

As an NBFC, we are subject to periodic inspection by the RBI under Section 45N of the Reserve Bank of India Act, 1934 (the "**RBI Act**"), pursuant to which the RBI inspects our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI. Any irregularities found during such investigations by such regulatory authorities could, similarly, expose us to warnings, penalties and restrictions.

During the course of finalization of inspection, regulatory authorities share their findings and recommendations with us and give us an opportunity to provide justification and clarifications. Further, such regulatory authorities also seek certain clarifications and share their findings in the ordinary course of business. We have responded to observations made by such authorities and addressed them; however we cannot assure you that these authorities will not find any deficiencies in future inspections or otherwise/ the authorities will not make similar or other observations in the future. An inspection of our Company by RBI was conducted based on the financials of the Company as on March 31, 2022 and RBI issued the inspection report ("**Inspection Report**"). Under the Inspection Report, the RBI has, *inter -alia*, made certain observations regarding the business and operations of our Company in relation to violation of the instructions contained in Para 1 of Chapter IV of Master Direction - Monitoring of frauds in NBFCS Directions, 2016 dated September 29, 2016, violation of the instructions contained in Pata 4.4 of Master Directionlnformation Technology Framework for the NBFC Sector dated June 08. 2017, violation of instructions contained in Para 100 of the Master Direction Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01,2016 and violation of Annexure IV of Master Direction Non-BankingFinancial Company – Systemically lmportant Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016. Our Company *vide* its letter dated November 9, 2022 responded to the Inspection Report and provided further compliance along with documentary evidence. Further, our Company has received letter from RBI dated December 27, 2022 seeking further clarifications on inspection comments. Accordingly, our Company has submitted its reply *vide* letter dated February 17, 2023.

Further, our Company has received letter from RBI dated March 17, 2023 seeking further clarifications on inspection comments and RBI had issued a show cause notice *vide* letter dated April 13, 2023 pursunt to Sections 45JA, 45L, 45M, 58-B(5)(aa) and 58G of Reserve Bank of India Act, 1934. Accordingly, our Company had replied to the show cause notice and RBI letter dated March 17, 2023, *vide* letters dated April 28, 2023 and May 08, 2023, respectively. Subsequently, our Company has received letter from RBI dated May 30, 2023 seeking further clarifications on inspection comments. Our Company had replied *vide* its letter dated July 10, 2023. Subsequently, our Company has received letter from RBI dated July 12, 2023 seeking further clarifications on inspection comments. Our Company had replied *vide* its letter dated August 04, 2023. Subsequently, our Company has received letter from RBI dated August 11, 2023 seeking further clarifications on inspection comments. Our Company had replied *vide* its letter dated September 05, 2023. Subsequently, our Company has received letter from RBI dated October 09, 2023 seeking further clarifications on inspection comments. Our Company had replied *vide* its letter dated November 06, 2023. Further, RBI imposed penalty of ₹ 13.38 lakh vide it's letter dated October 25, 2023 and Company has paid the penalty amount on November 13, 2023. Subsequently, our Company has received letter from RBI dated November 16, 2023 seeking further clarifications on inspection comments. Our Company had replied *vide* its letter dated December 14, 2023.

While our Company strives to address all the concerns raised by RBI in relation to its inspection and observations made thereunder, any adverse action taken by RBI with regard to such inspections could adversely affect our business and operations. There can be no assurance that in the future the RBI will not pass any orders levying penalty, on our Company, on the basis of its periodical inspection of our Company, which may in turn adversely affect our reputation, business, operations and profitability. In the event we are unable to resolve such deficiencies or irregularity or noncompliance to the satisfaction of the relevant authority, we may be restricted in our ability to conduct our business as we currently do and may have an impact on our financial including our capital adequacy ratio.

2. ***We have received a letter dated February 10, 2014 from the RBI ("RBI Letter") inter-alia alleging non-compliance with RBI circular DNBS (T) No. 983/02.03.057/2013-14 dated October 29, 2008 ("RBI Circular"). Further, we have also received a letter dated July 29, 2016 from the RBI, pursuant to an inspection under Section 12(1) of the FEMA, relating to our money changing business ("RBI Inspection Letter"). Any adverse order by RBI could adversely affect our ability to conduct business, which would in turn result in material adverse effect on our business and results of operations.***

Our Company has received the RBI Inspection Letter wherein the RBI has observed certain irregularities and deficiencies in relation to our money changing business, such as unavailability of the declaration by the Directors on 'fit and proper criteria' as on March 31, 2016; failure to submit the annual statement showing foreign currency as written-off as on March 31, 2016; non-conformity of application cum declaration format used for sale for foreign exchange with instructions issued by the RBI; unavailability of statutory auditor's certificate on compliance with KYC/AML/CFT guidelines; and non-submission of audited balance sheet and NOF certificate as on March 31, 2016. Consequently, our Company has been directed by the RBI to take necessary action and rectification, and to submit a compliance report within a period of 30 days from the date of receipt of the RBI Inspection Letter.

Our Company has responded to the RBI *vide* a letter dated August 12, 2016, wherein our Company has categorically addressed the concerns raised by the RBI. Subsequently, the RBI, *vide* letters dated September 20, 2016 and November 30, 2016 directed our Company to rectify deficiencies detected during the RBI inspection. Our Company *vide* its letter dated December 15, 2016 confirmed compliance with the instructions regarding the application cum declaration form and submitted date wise data of forex purchased and sold by its authorised branches for period from November 8, 2016 to November 30, 2016. Any adverse action taken by RBI with regard to such inspections could adversely affect our business and operations.

3. ***We are subject to inspections by CDSL in our capacity as a depository participant and any adverse action taken by CDSL could affect our business and operations.***

As a depository participant, we are subject to periodic inspection by CDSL. For instance, CDSL conducted an inspection for the period between July 1, 2018 to September 30, 2019 and *vide* its inspection report dated July 23, 2019 observed certain discrepancies with respect to CKYC records and activation status of our Company's login credentials with FIU India and directed our Company to rectify the aforesaid discrepancies. In this regard, our Company *vide* its letter dated August 22, 2019 submitted a compliance report to CDSL. Further our Company has received inspection report dated June 25, 2021 ("***Inspection Report***"), pursuant to the inspection conducted by CDSL for the period July 1, 2019 to April 30, 2021. CSDL *vide* its Inspection Report observed certain discrepancies with respect to KYC records, annexure not obtained for payment details of market transfers, supporting documents and affidavit not obtained for account transmission in case of holder name mismatch, investor grievance email ID not designated on website and action not taken for hold and under process cases of CKYC registration. In this regard, our Company *vide* its letter dated August 14, 2021 submitted a compliance report dated August 11, 2021 to CDSL

Further, our Company has received an inspection report dated June 14, 2022 ("***Inspection Report***"), pursuant to the inspection conducted by CDSL for the period May 1, 2021 to April 30, 2022. CSDL *vide* its Inspection Report observed certain discrepancies with respect to DP does not have an official who has undergone CDSL 4 days training programme and DP has not implemented provision for generating surveillance alerts in their back office. Our Company has submitted its response to the Inspection Report *vide* its letter dated July 11, 2022.

Further, our Company has received an inspection report dated May 30, 2023 ("***Inspection Report***"), pursuant to the inspection conducted by CDSL for the period May 1, 2022 to April 30, 2023. Our Company has submitted its response to the Inspection Report vide its letter dated June 20, 2023. While our Company strives to address all the concerns raised by CDSL, there can be no guarantee that CDSL shall be satisfied with our Company's responses and that the CDSL shall not take any adverse action pursuant to such inspections. Any such actions by CDSL could adversely affect our business and operations.

4. ***We are subject to restrictive covenants in certain short-term and long-term debt facilities provided to us by our lenders.***

We have entered into agreements for availing financial facilities from various lenders. Certain covenants in these agreements require us to obtain approval / permission from our lenders in certain conditions. These conditions include, amongst others, implementation of any scheme of expansion / diversification / renovation / capital expenditure, formulation of any scheme of amalgamation or reconstruction, undertaking of guarantee obligation, any change in our capital structure. In the event of default or the breach of certain covenants, our lenders have the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business.

For further details in this regard, including approvals obtained from our lenders for this Issue, please refer chapter "*Financial Indebtedness*" on page 428.

5. ***Our ability to access capital also depends on our credit ratings. Any downgrade in our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, thus, would negatively affect our net interest margin and our business.***

The NCDs proposed to be issued under this Issue have been rated "IND A-/Stable", by India Ratings & Research Private Limited ("**IRRPL**") for an amount up to ₹ 20,000 lakhs vide its letter dated November 24, 2023. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any, downgrade of our credit ratings would increase borrowing costs and constrain our access to debt and bank lending markets and, thus, would adversely affect our business. In addition, downgrading of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements. For details regarding ratings received by our Company, please refer to "*Our Business - Our Borrowings and Credit Ratings*" on page 135.

6. ***Our Company, two of our Promoter Directors and one of our Group Companies are subject to certain legal proceedings and any adverse decision in such proceedings may have a material adverse effect on our business, financial condition and results of operations.***

Our Company, two of our Promoter Directors and one of our Group Companies are subject to certain legal proceedings including civil suits, consumer litigations, tax litigations, trademark infringement suits etc. We incur substantial cost in defending these proceedings before a court of law. Moreover, we are unable to assure you that our Company, our Promoter Directors or our Group Company shall be successful in any or all of these actions. In the event we or our Promoter Directors suffer any adverse order, it may have an adverse impact on our reputation, business and results of operations. We cannot assure you that an adverse order by any statutory or governmental authority will not have a negative impact on our profit and financial condition. For further details of the legal proceedings that we are subject to, please refer to the chapter titled "*Outstanding Litigations*" beginning on page 514.

7. ***Most of the supporting documents in connection with the biographies of the directors included in the section "Our Management" of this Prospectus are unavailable.***

Certain documents supporting the information included in this Prospectus with respect to previous work experience of the directors, disclosed in the sections titled "*Our Management*" on page 130 may not be available. Accordingly, reliance has been placed on declarations and undertakings furnished by such director to us and the

Lead Manager to disclose details of their previous work experience in this Prospectus. We and the Lead Manager have been unable to independently verify these details prior to inclusion in this Prospectus. Further, there can be no assurances that our Director will be able to trace the relevant documents pertaining to their previous work experience in future, or at all.

8. Some of our Group Companies are enabled by their respective memorandums of association to undertake activities similar to the activities conducted by our Company which may be potential source of conflict of interest for us and which may have an adverse effect on our operations.

Our Promoter Directors are the sole shareholders and directors on the board of our Group Company, Kosamattam Nidhi Limited ("**KNL**"), which was incorporated on May 21, 2018 pursuant to a certificate of incorporation issued by the RoC, and can be expected to devote some of their time and resources to these Group Companies. There can be no assurance that our Promoter Directors' role in KNL will not present any conflicts of interest or potential conflicts of interest.

Further, KNL has been registered as a 'nidhi company' in accordance with Section 406 of the Companies Act, 2013 and shall undertake the business of lending to its members. There are no non-compete agreements/arrangements between our Company and KNL. The memorandum of association of KNL entitles it to undertake and carry out businesses activities that are similar or related to our business. There can be no assurance that KNL will not provide comparable services, expand their presence or acquire interests in competing ventures in the locations in which we operate. As a result, a conflict of interest may occur between our business and the business of KNL, which could have an adverse effect on our operations.

9. Our Company was unable to trace certain secretarial records, including records pertaining to the allotment of Equity Shares acquired by our past shareholders prior to August 2004.

We have been unable to locate the copies of certain of our secretarial records, i.e. prescribed forms filed by us with the Registrar of Companies, including, among others, in respect of the allotment of Equity Shares from incorporation until August 2004. While we believe that these forms were duly filed on a timely basis, we have not been able to obtain copies of these documents, including from the Registrar of Companies. We cannot assure you that we will not be subject to any adverse action by a competent regulatory authority in this regard.

10. A major part of our branch network is concentrated in southern India and we derive majority of our revenue from southern India. Any breakdown of services in these areas could have a material and adverse effect on our results of operations and financial conditions.

We derive majority of our revenue from our 976 branches situated in southern India out of 994 of our total branches as on September 30, 2023. As a result, we are exposed to risks including any change in policies relating to these states, any localised social unrest, any natural disaster and any event or development which could make business in such states less economically beneficial. Any such risk, if materialises, could have a material adverse effect on the business, financial position and results of operations of our Company. For further details of our branch network within India, please refer to the chapter titled "*Our Business - Branch Network*" on page 130.

11. Our business is capital intensive and any disruption or restrictions in raising financial resources could have a material adverse effect on our liquidity and financial condition.

Our liquidity and ongoing profitability is largely dependent upon our timely access to and the costs associated in raising resources. Our funding requirements historically have been met from a combination of borrowings such as working capital limits from banks and issuance of secured and unsecured redeemable non-convertible debentures on private placement basis and public issues of secured and unsecured redeemable non-convertible debentures. Thus, our business depends and will continue to depend on our ability to access diversified low-cost funding sources.

Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition.

The crisis in the global credit market that began in mid-2007 destabilised the then prevailing lending model by banks and financial institutions. The capital and lending markets were highly volatile and access to liquidity had been significantly reduced. In addition, it became more difficult to renew loans and facilities as many potential lenders and counterparties also faced liquidity and capital concerns as a result of the stress in the financial markets. If any event of similar nature and magnitude occurs again in the future, it may result in increased borrowing costs and difficulty in accessing debt in a cost-effective manner. Moreover, we are a NBFC-ND-SI, and do not have access to public deposits.

The RBI has issued guidelines *vide* notification no. DBOD.BP.BC.No. 106/21.04.172/2011-12 on May 18, 2012 whereby it has instructed banks to (i) reduce their regulatory exposure on a single NBFC having gold loans to the extent of 50.00% or more of its financial assets from 10.00% to 7.50% of their capital funds; and (ii) have an internal sub-limit as decided by the boards of the respective banks on their aggregate exposure to all such NBFCs having gold loans to the extent of 50% or more of their financial assets, taken together, which sub-limit should be within the internal limits fixed by banks for their aggregate exposure to all NBFCs taken together.

The RBI *vide* its circular RBI/2014-15/475 DNBS (PD) CC No.021/03.10.001/2014-15 dated February 20, 2015 issued certain guidelines with respect to raising money through private placement by NBFCs in the form of non-convertible debentures. These guidelines include restrictions on the minimum subscription amount for a single investor at ₹20,000, the issuance of private placement of NCDs shall be in two separate categories, those with a maximum subscription of less than ₹1 crore and those with a minimum subscription of ₹1 crore and above, the restriction of number of investors in an issue to 200 investors for a maximum subscription of less than ₹1 crore which shall be fully secured, there is no limit on the number of subscribers in respect of issuances with a minimum subscription of ₹1 crore and above while the option to create security in favour of subscribers will be with the issuers and such unsecured debentures shall not be treated as public deposits, restriction on NBFCs for issuing debentures only for deployment of funds on its own balance sheet and not to facilitate resource requests of group entities/parent company/associates, prohibition on providing loan against its own debentures, etc. This has resulted in limiting our Company's ability to raise fresh debentures on private placement basis.

A significant portion of our debt matures each year. Out of the total amount of our outstanding NCDs, ₹ 2,44,994.60 lakhs, issued by our Company as of September 30, 2023, NCDs amounting to ₹ 242,73.14 lakhs will mature on or before March 31, 2024. In order to retire these instruments, we either will need to refinance this debt, which could be difficult in the event of volatility in the credit markets, or raise equity capital or generate sufficient cash to retire the debt.

Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. As a NBFC, we also face certain restrictions on our ability to raise money from international markets, which may further constrain our ability to raise funds at attractive rates. Any disruption in our primary funding sources at competitive costs would have a material adverse effect on our liquidity and financial condition.

12. *Our financial performance is primarily dependent on interest rate risk. If we are unable to manage interest rate risk in the future it could have an adverse effect on our net interest margin, thereby adversely affecting business and financial condition of our company.*

Our results of operations are substantially dependent upon the level of our Net Interest Margins. Income from operations is the largest component of our total income, and constituted 99.49%, 99.44% and 99.32% for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Interest rates are sensitive to many factors beyond our control, including the RBI's monetary policies, domestic and international economic and political conditions and other factors.

Over the last several years, the Government of India has substantially deregulated the financial sector. As a result, interest rates are now primarily determined by the market, which has increased the interest rate risk exposure of all banks and financial intermediaries in India, including us.

Our policy is to attempt to balance the proportion of our interest earning assets, which bear fixed interest rates, with interest bearing liabilities. A significant portion of our liabilities, such as our NCDs carry fixed rates of interest. Moreover, we do not hedge our exposure to interest rate changes. We cannot assure you that we can adequately manage our interest rate risk in the future or can effectively balance the proportion of our fixed rate loan assets and liabilities. Further, changes in interest rates could affect the interest rates charged on interest earning assets and the interest rates paid on interest bearing liabilities in different ways. Thus, our results of operations could be affected by changes in interest rates and the timing of any re-pricing of our liabilities compared with the re-pricing of our assets.

In a rising interest rate environment, if the yield on our interest earning assets does not increase at the same time or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline at the same time or to the same extent as the yield on our interest earning assets, our net interest income and net interest margin would be adversely affected.

13. *We have had negative net cash flows from our operating, investing and financing activities in the recent fiscal years. Any negative cash flows in the future may adversely affect our results of operations and financial condition.*

We have had negative net cash flows from our operating, investing and financing activities in the last three fiscal years ended March 31, 2023, March 31, 2022 and March 31, 2021, the details of which are summarised below:

(in ₹ lakhs)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash generated from/ (used in) operating activities	(73,285.07)	(37,899.93)	(41,903.57)
Net cash generated from/ (used in) investing activities	(6,079.51)	(8,900.58)	(6,045.42)
Net cash generated from/ (used in) financing activities	75,834.91	37,743.62	60,814.66

Any negative cash flows in the future may adversely affect our results of operations and financial condition. For further details, please see the sections titled "*Financial Statements*" on page 156.

14. *We face increasing competition in our business which may result in declining interest margins. If we are unable to compete successfully, our market share may also decline.*

Our principal business is providing Gold Loan to customers in India secured by gold jewellery. Historically, the Gold Loan industry in India has been largely unorganised and dominated by local jewellery pawn shops and money lenders, with little involvement from public sector or private sector banks. Gold Loan financing was availed predominantly by lower income group customers with limited or no access to other forms of credit, however, such income group has gained increased access to capital through organised and unorganised money lenders, which has increased our exposure to competition. The demand for Gold Loans has also increased due to relatively lower and affordable interest rates, increased need for urgent borrowing or bridge financing requirements, the need for liquidity for assets held in gold and increased awareness and acceptance of Gold Loan financing.

All of these factors have resulted in increased competition from other lenders in the Gold Loan industry, including commercial banks and other NBFCs, who also have access to funding from customers' savings and current deposits. We are reliant on higher cost loans and debentures for our funding requirements, which may reduce our margins compared to competitors. Our ability to compete effectively will depend, to some extent, on our ability to raise low cost funding in the future. If we are unable to compete effectively with other participants in the Gold Loan industry, our business, financial condition and results of operations may be adversely affected. Furthermore, as a result of increased competition in the Gold Loan industry, Gold Loans are becoming increasingly standardised. Variable interest rates, variable payment terms and waiver of processing fees are also becoming increasingly common.

In our microfinance business, we face competition from other NBFCs, microfinance companies as well as both commercial and small finance banks. In addition, the RBI has set out guidelines applicable to microfinance institutions which restrict the number of microfinance institutions that can extend loans to the same borrower and also limit the maximum amount of loan that can be extended. The presence of microfinance institutions in India is not uniform and certain regions have a concentration of a large number of microfinance institutions while there are regions which have very few and even no microfinance institution presence. In any particular region, the level of competition depends on the number of microfinance institutions that operate in such area. In addition, our target customers also borrow from money lenders and non-institutional lenders which may lend at higher rates of interest.

Our ability to compete effectively will depend, to an extent, on our ability to raise low-cost funding in the future as well as our ability to maintain or decrease our operating expenses by increasing operational efficiencies and managing credit costs. As a result of increased competition in the various sectors we operate in, products in our industry have become increasingly standardised and variable interest rate and payment terms and lower processing fees are becoming increasingly common across our products. There can be no assurance that we will be able to effectively address these or other finance industry trends or compete effectively with new and existing commercial banks, NBFCs, payment banks, other small finance banks and other financial intermediaries that operate across our various financing products.

In addition, the government has issued schemes such as Pradhan Mantri Jan-Dhan Yojana to ensure access to financial services in an affordable manner. Further, public sector banks as well as existing private sector banks, have an extensive customer and depositor base, larger branch networks, and in case of public sector banks, Government support for capital augmentation, due to which they may enjoy corresponding economies of scale and greater access to low-cost capital, and accordingly, we may not be able to compete with them. An inability to effectively address such competition may adversely affect our market share, business prospects, results of operations and financial condition.

15. ***Volatility in the market price of gold may adversely affect our financial condition, cash flows and results of operations.***

We extend loans secured mostly by household gold jewellery. A sustained decrease in the market price of gold could cause a corresponding decrease in new Gold Loans in our loan portfolio and, as a result, our interest income. In addition, customers may not repay their loans and the gold jewellery securing the loans may have decreased significantly in value, resulting in losses which we may not be able to support. The impact on our financial position and results of operations of a hypothetical decrease in gold values cannot be reasonably estimated because the market and competitive response to changes in gold values is not pre-determinable.

16. ***We may not be able to realise the full value of our pledged gold, which exposes us to potential loss.***

We may not be able to realise the full value of our pledged gold, due to, among other things, defects in the quality of gold or wastage that may occur when melting gold jewellery into gold bars. We have in place an extensive internal policy on determining the quality of gold prior to disbursement of the Gold Loan. However, we cannot assure you that the methods followed by us are fool proof and the impurity levels in the gold can be accurately assessed.

In the case of a default, we may auction the pledged gold in accordance with our auction policy. We cannot assure you that we will be able to auction such pledged gold jewellery at prices sufficient to cover the amounts under default. Moreover, there may be delays associated with the auction process or other processes undertaken by us to recover the amount due to us. Any such failure to recover the expected value of pledged gold could expose us to a potential loss and which could adversely affect our financial condition and results of operations.

17. ***We may not be able to successfully sustain our growth strategy. Inability to effectively manage our growth and related issues could materially and adversely affect our business and impact our future financial performance.***

Our income from operations increased from ₹ 54,175.03 lakhs in the Financial Year ended March 31, 2021 to ₹ 78,222.21 lakhs in the Financial Year ended March 31, 2023, thereby achieving compounded annual growth rate ("**CAGR**") of 13.03%. In this same period, the loan book increased from ₹ 3,50,975.89 lakhs for the Financial Year ended March 31, 2021 to ₹ 4,90,966.58 lakhs for the Financial Year ended March 31, 2023 at a CAGR of 11.84%.

Our growth strategy includes growing our loan book, expanding network of branches and expanding the range of products and services. We cannot assure you that we will be able to execute our growth strategy successfully or continue to achieve or grow at the levels of revenue earned in recent years, or that we will be able to expand further our loan book. Furthermore, there may not be sufficient demand for our services or they may not generate sufficient revenues relative to the costs associated with offering such services. Even if we were able to introduce new services successfully, there can be no assurance that we will be able to achieve our intended return on such investments.

Further, principal component of our strategy is to continue to grow by expanding the size and geographical scope of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. It also includes undertaking permission from various authorities, including RBI and various regulatory compliances. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure.

18. ***If we are not able to control the level of non-performing assets in our portfolio, the overall quality of our***

loan portfolio may deteriorate and our results of operations may be adversely affected.

We may not be successful in our efforts to improve collections and/or enforce the security interest on the gold collateral on existing as well as future non-performing assets. Moreover, as our loan portfolio increases, we may experience greater defaults in principal and/or interest repayments. Thus, if we are not able to control our level of non-performing assets, the overall quality of our loan portfolio may deteriorate and our results of operations may be adversely affected. Our gross NPAs for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 were ₹ 7,754.86 lakhs, ₹ 5,742.29 lakhs and ₹ 4,642.11 lakhs, respectively.

The RBI Master Directions prescribe the provisioning required in respect of our outstanding loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our non-performing assets. Furthermore, although we believe that our total provision will be adequate to cover all known losses in our asset portfolio, our current provisions may not be adequate when compared to the loan portfolios of other financial institutions. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross non-performing assets or otherwise, or that the percentage of non-performing assets that we will be able to recover will be similar to our past experience of recoveries of non-performing assets. In the event of any further increase in our non-performing asset portfolio, there could be an even greater, adverse impact on our results of operations.

19. Our ability to lend against the collateral of gold jewellery has been restricted on account of guidelines issued by RBI, which may have a negative impact on our business and results of operation.

RBI *vide* the Master Directions has stipulated all NBFCs to maintain a loan to value (LTV) ratio not exceeding 75% for loans granted against the collateral of gold jewellery and further prohibits lending against bullion/primary gold and gold coins. This notification will limit our ability to provide loan on the collateral of gold jewellery and thereby putting us at a disadvantage vis-à-vis unregulated money lenders offering similar products. Further, RBI in the Master Directions, has mandated NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets) to maintain a minimum Tier 1 capital of 12%. Such restrictions imposed by RBI may erode our margins, impact our growth and business prospects.

RBI in the Master Directions further tightened the norms for lending against the security of gold ornaments by pegging the maximum lendable value (LTV) to 30 day moving average closing price of 22 carat gold quoted by India Bullion and Jewellers Association Limited (formerly known as Bombay Bullion Association Limited). Any such future restrictions by RBI could have a negative impact on our business and results of operation.

20. We are subject to certain restrictive covenants in our loan documents, which may restrict our operations and ability to grow and may adversely affect our business.

There are restrictive covenants in the agreements we have entered into with our lender. These restrictive covenants require us to seek the prior permission of these banks/financial institutions for various activities, including, amongst others, to declare dividend, for any change in the management/constitution, takeovers/mergers etc. or any expansion, new project/investment/acquiring assets under lease/enter into borrowing arrangements, to undertake any new project, or diversification, modernisation, amend or modify its Memorandum and Articles of Association/Bye Laws/Trust Deeds etc. For details of these restrictive covenants, see the chapter titled "*Financial Indebtedness*" beginning on page 428.

21. We are subjected to supervision and regulation by the RBI as a NBFCs- Middle Layer, and changes in RBI's regulations governing us could adversely affect our business.

We are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI's regulations of NBFCs could change in the future which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance. Through the Master Directions, RBI has amended the regulatory framework governing NBFCs to address concerns pertaining to risks, regulatory gaps and arbitrage arising from differential regulations and aims to harmonise and simplify regulations to facilitate a smoother compliance culture among NBFCs.

As a NBFCs – Middle Layer, our Company is required to maintain a capital adequacy ratio of at least 15.00% of our aggregate risk-weighted assets of our balance sheet (on-balance sheet and of risk adjusted value of off balance sheet items) on an ongoing basis. Our Company's capital adequacy ratio was 17.71% as of March 31, 2023. If we continue to grow our Total Credit Exposure and asset base, we will be required to raise additional capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, which could result in non-compliance with applicable capital adequacy ratios and may adversely affect the growth of our business. Further, our Tier I capital comprising of 14.56% as of March 31, 2023. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios and Tier I capital requirements with respect to our business of Gold Loans. There can be no assurance that we will be able to maintain adequate capital adequacy ratio or Tier I capital by raising additional capital in the future on terms favourable to us, or at all. Failure to maintain adequate capital adequacy ratio or Tier I capital may adversely affect the growth of our business.

Moreover, under the Master Directions – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, the threshold for defining the NBFCs based on their size, activity and perceived riskiness. NBFCs-Middle Layer will be those NBFCs which are above asset size of ₹ 100,000 lakhs as per the last audited balance sheet. We cannot assure you that the Master Directions and its applicability to us will not have a material and adverse effect on our future financial conditions and results of operations.

Even though the RBI, has not provided for any restriction on interest rates that can be charged by non-deposit taking NBFCs, there can be no assurance that the RBI and/or the Government will not implement regulations or policies, including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that could have an adverse effect on non-deposit taking NBFCs. In addition, there can be no assurance that any changes in the laws and regulations relative to the Indian financial services industry will not adversely impact our business.

22. We may be subject to regulations in respect of provisioning for non-performing assets. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, this could have an adverse effect on our financial condition, liquidity and results of operations.

RBI guidelines prescribe the provisioning required in respect of our outstanding loan portfolio. These provisioning requirements may require us to reserve lower amounts than the provisioning requirements applicable to financial institutions and banks in other countries. The provisioning requirements may also require the exercise of subjective judgments of management. The RBI *vide* the Master Directions provides for the regulatory framework governing NBFCs pertaining to provision for standard assets.

There are multiple factors that affect the level of NPAs in our Company. Prominent among them are fall in value of gold, increase in the LTV ratio for gold loan etc.

The level of our provisions may not be adequate to cover further increases in the amount of our nonperforming assets or a decrease in the value of the underlying gold collateral. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, or if we are required to increase our provisions, this could have an adverse effect on our financial condition, liquidity and results of operations and may require us to raise additional capital.

23. Microfinance loans are unsecured and are susceptible to certain operational and credit risks which may result in increased levels of NPAs.

Our microfinance customers typically belong to the economically weaker sections and are diverse in nature, which include customers involved in income generating business activities, with limited sources of income, savings and credit records, and are therefore unable to provide us with any collateral or security for their loans. Such customers are at times unable to or may not provide us with accurate information about themselves which is required by us in connection with loans. Further, in case of emergencies like death of the borrower or the borrower's nominee, our microfinance borrowers are given a holiday period from payment of instalment on the outstanding borrowings which is later settled against payment received from the insurance companies.

In our microfinance business, we rely on non-traditional guarantee mechanisms rather than any tangible assets as security collateral. Our microfinance business involves a joint liability mechanism whereby borrowers form a joint liability group and provide guarantees for loans obtained by each member of such group. There can however be no assurance that such joint liability arrangements will ensure repayment by the other members of the joint liability group in the event of default by any one of them. Such joint liability arrangements are likely to fail if there is no meaningful personal relationship or bond among members of such group, if inadequate risk management procedures have been employed to verify the group members and their ability to repay such loans, or as a result of adverse external factors such as natural calamities and forced migration.

As a result, our micro finance customers potentially present a higher risk of loss in case of a credit default compared to that of customers in other asset-backed financing products. In addition, repayment of microfinance loans are susceptible to various political and social risks, including any adverse publicity relating to the microfinance sector accessing capital markets, public criticism of the microfinance sector, the introduction of a stringent regulatory regime, and/or religious beliefs relating to loans and interest payments, which adversely affect repayment by our customers and may have a material and adverse effect on our business prospects and future financial performance.

There can be no assurance that we will be able to maintain our current levels of NPAs. In addition, it is difficult to accurately predict credit losses, and there can be no assurance that our monitoring and risk management procedures will succeed in effectively predicting such losses or that our loan loss reserves will be sufficient to cover any such actual losses. As a result of the uncertain financial and social circumstances of our microfinance customers and the higher risks associated with lending to such customers, we may experience increased levels of NPAs and we may be required to make related provisions and write-offs that could have a material and adverse effect on our business prospects and financial performance.

24. *Our microfinance business involves transactions with relatively high-risk borrowers that typically do not have access to formal banking channels, and high levels of customer defaults could adversely affect our business, results of operations and financial condition.*

Our microfinance business involves lending money to smaller, relatively low-income entrepreneurs and individuals who have limited access or no access to formal banking channels, and therefore may not have any credit history and as a result we are more vulnerable to customer default risks including default or delay in repayment of principal or interest on our loans.

Some of our customers, especially the first-time borrowers, may not have any documented credit history, may have limited formal education, and are able to furnish very limited information for us to be able to assess their creditworthiness accurately. Consequently, we may not have past data on the customer’s borrowing behaviour. In addition, we may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation on the part of our customers. It is therefore difficult to carry out credit risk analysis on our clients. Although we believe that our risk management controls are stringently applied and are sufficient, there can be no assurance that they will continue to be sufficient or that additional risk management strategies for our customers will not be required.

Further, our customers may default on their obligations as a result of various factors including bankruptcy, lack of liquidity and / or failure of the business or commercial venture in relation to which such borrowings were sanctioned. Although our microfinance business operates through a system of joint liability, we may still be exposed to defaults in payment, which we may not be able to recover in full. If our borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted.

25. *Our ability to borrow from various banks may be restricted on account of guidelines issued by the RBI, imposing restrictions on banks in relation to their exposure to NBFCs. Any limitation on our ability to borrow from such banks may increase our cost of borrowing, which could adversely impact our growth, business and financial condition.*

Under RBI Master Circular DBR.BP.BC.No.5/21.04.172/2015-16 on bank finance to NBFCs issued on July 1, 2015, the exposure (both lending and investment, including off balance sheet exposures) of a bank to a single NBFC engaged in lending against collateral of gold jewellery (i.e. such loans comprising 50% or more of its financial assets) should not exceed 7.5%, of its capital funds. Banks may, however, assume exposures on a single NBFC up to 12.5%, of their capital funds, provided the exposure in excess of 7.5% is on account of funds on-lent by the NBFC to the infrastructure sector. Further, banks may also consider fixing internal limits for their aggregate exposure to all NBFCs put together and should include internal sub-limit to all NBFCs providing Gold Loans (i.e. such loans comprising 50% or more of their financial assets), including us. This limits the exposure that banks may have on NBFCs such as us, which may restrict our ability to borrow from such banks and may increase our cost of borrowing, which could adversely impact our growth, business and financial condition.

26. Our Gold Loans are due within 12 months of disbursement, and a failure to disburse new loans may result in a reduction of our loan portfolio and a corresponding decrease in our interest income.

The Gold Loans we offer are due within a period of upto 12 months of disbursement. The relatively short-term nature of our loans means that we are not assured of long-term interest income streams compared to businesses that offer loans with longer terms. In addition, our existing customers may not obtain new loans from us upon maturity of their existing loans, particularly if competition increases. The short-term nature of our loan products and the potential instability of our interest income could materially and adversely affect our results of operations and financial position.

27. Inaccurate appraisal of gold by our personnel may adversely affect our gold loan business and financial condition.

The accurate appraisal of pledged gold is a significant factor in the successful operation of our business and such appraisal requires a skilled and reliable workforce. Inaccurate appraisal of gold by our workforce may result in gold being overvalued and pledged for a loan that is higher in value than the gold's actual value, which could adversely affect our reputation and business. Further, we are subject to the risk that our gold appraisers may engage in fraud regarding their estimation of the value of pledged gold. Any such inaccuracies or fraud in relation to our appraisal of gold may adversely affect our reputation, business and financial condition.

28. We are subject to regulations in relation to minimum capital adequacy requirements and our inability to maintain our capital adequacy ratio could adversely affect our business.

The RBI Master Directions currently require NBFCs to comply with a capital to risk (weighted) assets ratio ("**CRAR**"), consisting of Tier I and Tier II capital. Under these requirements, Tier I and Tier II capital should not be less than 15% of the sum of the NBFC's risk-weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items, as applicable. In addition, our Tier I capital, at any point in time, shall not be less than 10%. For details, see "*Key Regulations and Policies*" on page 267.

As of March 31, 2023, our CRAR was 17.71%, with Tier I capital comprising 14.56% and Tier II capital comprising of 3.15%. As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to remain in compliance with the applicable CRARs. Further, the RBI may increase its minimum CRAR threshold, which may require us to raise additional capital. We cannot assure you that we will be able to raise adequate capital in the future on terms favourable to us, or at all, which may adversely affect the growth of our business. Further, the RBI may also in the future require compliance with other prudential norms and standards, which may require us to alter our business and accounting practices or take other actions that could adversely affect our business and operating results.

29. Our branches are vulnerable to theft and burglary. While we are insured against the risk of burglary arising from our business, such insurance may not be sufficient to fully cover the losses we suffer and this may result in adverse effect on our financial condition and results of operations.

Storage of pledged gold jewellery as part of our business entails the risk of theft/burglary and resulting loss to our reputation and business. The short tenure of the loans advanced by us and our practice of processing loan repayments within short timelines require us to store pledged gold on our premises at all points in time. With regard to cases of theft/burglaries, we may not be able to recover the entire amount of the loss suffered and may receive only a partial payment of the insurance claim. While we are insured against the risk of burglary arising from our business, such insurance may not be sufficient to fully cover the losses we suffer. Further, the actual recovery of the insured amount from the insurer requires the undertaking of certain procedures, and any delay in recovery could adversely affect our reputation and results of operation.

30. The insurance coverage taken by us may not be adequate to protect against certain business risks. This may adversely affect our financial condition and result of operations.

Operating and managing a Gold Loan business involves many risks that may adversely affect our operations and the availability of insurance is therefore important to our operations. We believe that our insurance coverage is adequate to cover us. However, to the extent that any uninsured risks materialise or if it fails to effectively cover any risks, we could be exposed to substantial costs and losses that would adversely affect our financial condition. In addition, we cannot be certain that the coverage will be available in sufficient amounts to cover one or more large claims or that our insurers will not disclaim coverage as to any particular claim or claims. Occurrence of any such situation could adversely affect our financial condition and results of operations.

31. ***Our entire customer base comprises individual borrowers, who generally are more likely to be affected by declining economic conditions than larger corporate borrowers.***

A majority of our customer base belongs to the low to medium income group. Furthermore, unlike many developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial information available about individuals, particularly our focus customer segment of the low to medium income group. It is therefore difficult to carry out precise credit risk analyses on our customers. While we follow certain procedures to evaluate the credit profile of our customers before we sanction a loan, we generally rely on the quality of the pledged gold rather than on a stringent analysis of the credit profile of our customers. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to maintain sufficient credit assessment policies, particularly for individual borrowers, could adversely affect our loan portfolio, which could in turn have an adverse effect on our financial condition, cash flows and results of operations.

32. ***We strive to attract, retain and motivate key employees, and our failure to do so could adversely affect our business. Failure to hire key executives or employees could have a significant impact on our operations.***

While we strive to attract, train, motivate and retain highly skilled employees, especially branch managers and gold assessment technical personnel, any inability on our part to hire additional personnel or retain existing qualified personnel may impair our ability to expand our business could lead to a decline of our revenue. Hiring and retaining qualified and skilled managers and sales representatives are critical to our future, and competition for experienced employees in the gold loan industry is intense. In addition, we may not be able to hire and retain enough skilled and experienced employees to replace those who leave, or may not be able to re-deploy and retain our employees to keep pace with continuing changes in technology, evolving standards and changing customer preferences. The failure to hire key executives or employees or the loss of executives and key employees could have a significant impact on our operations.

33. ***We are subject to the risk of fraud by our employees and customers. Our lending operations involve significant amounts of cash collection which may be susceptible to loss or misappropriation or fraud by our employees. Specifically, employees operating in remote areas may be susceptible to criminal elements which may adversely affect our business, operations and ability to recruit and retain employees***

We are exposed to the risk of fraud and other misconduct by employees and customers. While we carefully recruit all of our employees and screen all our employees who are responsible for disbursement of Gold Loans and custody of gold, there could be instances of fraud with respect to Gold Loans and cash related misappropriation by our employees. We are required to report cases of internal fraud to the RBI, which may take appropriate action. We have also filed police complaints alleging fraud and misappropriation of gold by our employees in the past. We cannot guarantee you that such acts of fraud will not be committed in the future, and any such occurrence of fraud would adversely affect our reputation, business and results of operations.

Our lending and collection operations involve handling of significant amounts of cash, including collections of instalment repayments in cash which is the norm in the finance industry. Large amounts of cash collection expose us to the risk of loss, fraud, misappropriation or unauthorised transactions by our employees responsible for dealing with such cash collections. While we obtain insurance, coverage including fidelity coverage and coverage for cash in safes and in transit, and undertake various measures to detect and prevent any unauthorised transactions, fraud or misappropriation by our employees, these measures may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our business operations and financial condition. In addition, we may be subject to regulatory or other proceedings in connection with any such unauthorised transaction, fraud or misappropriation by our agents or employees, which could adversely affect our goodwill, business prospects and future financial performance.

Further, our employees operating in remote areas may be particularly susceptible to criminal elements as they are involved in cash collection and transportation due to lack of local banking facilities. In the event of any such adverse incident our ability to continue our operations in such areas will be adversely affected and our employee recruitment and retention efforts may be affected, thereby affecting our expansion plans. In addition, if we determine that certain areas of India pose a significantly higher risk of crime or political strife and instability, our ability to operate in such areas will be adversely affected.

34. We are subject to the risk of unknowingly receiving stolen goods as collateral from customers which may result in loss of collateral for the loan disbursed

We have a policy in place to satisfy ownership of the gold jewellery and have taken adequate steps to ensure that the KYC guidelines stipulated by RBI are followed and due diligence of the customer is undertaken prior to the disbursement of loans. However, in the event that we unknowingly receive stolen goods as collateral from a customer, the goods can be seized by authorities. Once seized by the authorities, gold items will be stored in court storage facilities without a surety arrangement. No recourse is generally available to our Company in the event of such seizure, except the recovery of the loss from the customer. Any seizure of the gold ornaments by the authorities shall result in us losing the collateral for the loan disbursed and could adversely affect our business and results of operations.

35. System failures or inadequacy and security breaches in computer systems may adversely affect our operations and result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation.

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Through our information technology systems, we manage our operations, market to our target customers, and monitor and control risks. We are dependent upon the IT software for effective monitoring & management, and any failure in our IT systems or loss of connectivity or any loss of data arising from such failure can impact our business and results of operations.

36. We have entered into, and will continue to enter into, related party transactions.

We have entered into certain transactions with related parties and are likely to continue to do so in the future. Although all such related-party transactions are at arm's length, as required under the Companies Act and SEBI Listing Regulations. We cannot assure you that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Such related-party transactions may potentially involve conflicts of interest which may be detrimental to our interest and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition and results of operations. For further details, see "*Financial Information - Transactions with Related Parties*" beginning on page 156.

37. Our internal procedures, on which we rely for obtaining information on our customers and loan collateral, may be deficient and result in business losses.

We rely on our internal procedures for obtaining information relating to our customers and the loan collateral provided. In the event of lapses or deficiencies in our procedures or in their implementation, we may be subject to business or operational risk. For example, in the event that we unknowingly receive stolen goods as collateral from a customer, the goods can be seized by authorities. Once seized by the authorities, gold items will be stored in court storage facilities without a surety arrangement. No recourse will generally be available to our Company in the event of such seizure, except the recovery of the loss from the customer.

38. Our inability to open new branches at correct locations may adversely affect our business.

Our business is dependent on our ability to service and support our customers from proximate locations and thereby giving our customers easy access to our services. Further, it is vital for us to be present in key locations for sourcing business as we depend on these branches to earn revenue. Thus, any inability on our part to open new branches at correct locations may adversely affect our business and results of operations.

39. Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business, financial condition and results of operations.

NBFCs in India are subject to strict regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as a NBFC with the RBI, we are required to maintain certain statutory and regulatory permits and approvals for our business. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure on our part to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. Some of our branches have not applied for such registration while other branches still have applications for registration pending. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities.

40. All our branch premises, except two branches are acquired on lease. Any termination of arrangements for lease of our branches or our failure to renew the same in a favourable, timely manner, could adversely affect our business and results of operations.

As on September 30, 2023, we had a total of 994 branches in 8 states and 1 union territory. Except 2 branches which are owned by us, the remaining are located on leased premises. If any of the owners of these premises does not renew an agreement under which we occupy the premises, attempts to evict us or seeks to renew an agreement on terms and conditions non-acceptable to us, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations.

41. We have ventured into new business areas and the sustainability, effective management and failure of growth strategy could adversely affect our business and result of operations.

We have entered new businesses as part of our growth strategy. For example, we have received a corporate insurance agency license from IRDA under the Insurance Act, 1938 for acting as a corporate agent for the Life Insurance Corporation of India, which will enable us to market their life insurance plans. Additionally, we have also entered into corporate agency agreements with SBI Life Insurance Limited, to act as a corporate agent for soliciting or procuring insurance business. Further, our Company entered into corporate agency agreement with HDFC Life Insurance Company Limited on September 14, 2019 for providing corporate agent services including soliciting, procuring and marketing of HDFC life insurance products. In furtherance to these objectives our Company had obtained a certificate of renewal registration from the IRDA, dated March 28, 2022 to commence/carry business in the capacity of a Corporate Agent (Composite) under the Insurance Regulatory and Development Authority Act, 1999.

Our Company has also started microfinancing activities. Additionally, our Company owns a parcel of agricultural land in Kattappana village, Udumpanchola Taluk, Idukki district, admeasuring 108.74 acres, through which our Company undertakes agricultural activity of cultivating cardamom. Our Company, on the basis of the definitive agreements entered into for installation of four windmill units at Ramakkalmedu, Idukki district of Kerala has completed the commissioning of the project and the windmills at Ramakkalmedu, Thookkupalam in Idukki District have become operational. Our Company has also submitted a tariff petition with the energy commission for fixing the tariff rate.

Our Company has also entered into agreements for its money transfer business with EBIX Money Express Private Limited ("**EBIX**") to act in the capacity of a sub representative to offer money transfer services. Our Company also holds a FFMC license and carries on money changing activities through its branches authorised by RBI. As on September 30, 2023, we had 1 head office and 61 authorised branches. Our currency operations include sale and purchase of foreign exchange at different authorised branches.

We have little or no operating experience with such businesses, and you should consider the risks and difficulties we may encounter by entering into new lines of business. New businesses may require significant capital investments and commitments of time from our senior management, and there often is little or no prospect of earnings in a new business for several years. Moreover, there is no assurance any new business we develop or enter will commence in accordance with our timelines, if at all, which could result in additional costs and time commitments from our senior management. There also can be no assurance that our management will be able to develop the skills necessary to successfully manage these new business areas. Our inability to effectively manage any of the above issues could materially and adversely affect our business and impact our future financial performance.

42. ***Our contingent liabilities have not been provided for in our financial statements which, if materialize, may impact our financial condition.***

As at March 31, 2023, our financial statements disclosed and reflected the following contingent liabilities:

Particulars	**₹ in lakhs**
Income Tax Demand for the period 2011-12 to 2016-17	1,337.62
Kerala Value Added Tax demand for the period 2014-2015	83.36
Total contingent liabilities	**1,420.98**

Contingent liabilities based on the last audited financials:

(₹ in lakhs)

Particulars	**As at March 31, 2023**
(I) Contingent Liabilities	-
(a) Claims against the company not acknowledged as debt	
(i) Income Tax Demands	1,337.62
(ii) Sales Tax Demands	83.36
Total contingent liabilities	**1,420.98**

If at any time we are compelled to pay all or a material proportion of these contingent liabilities, it would have a material and adverse effect on our business, future financial performance and results of operations.

43. ***We rely significantly on our management team, our Key Managerial Personnel/Senior Management and our ability to attract and retain talent. Loss of any member from our management team or that of our Key Managerial Personnel/Senior Management may adversely affect our business and results of operation.***

We rely significantly on our core management team which oversees the operations, strategy and growth of our businesses. Our Key Managerial Personnel/Senior Management have been integral to our development. Our success is largely dependent on our management team which ensures the implementation of our strategy. If one or more members of our management team are unable or unwilling to continue in their present positions, they may be difficult to replace, and our business and results of operation may be adversely affected.

RISKS PERTAINING TO THIS ISSUE

44. ***Changes in interest rates may affect the price of our NCDs which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.***

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e., when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

45. ***The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.***

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending and for repayment of interest and principal of existing loans and also for general corporate purposes. For further details, see "*Objects of the Issue*" at page 81. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. The utilization details of the proceeds of the Issue shall be adequately disclosed as per applicable law. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

46. ***The liquidity for the NCDs in the secondary market is very low and it may remain so in the future and the price of the NCDs may be volatile.***

The Issue will be a new public issue of NCDs for our Company and the liquidity in NCDs at present is very low in the secondary market. Although an application has been made to list the NCDs on BSE, there can be no assurance that liquidity for the NCDs will improve, and if liquidity for the NCDs were to improve, there is no obligation on us to maintain the secondary market. The liquidity and market prices of the NCDs can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of NCDs. Such fluctuations may significantly affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs.

47. You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including, *inter-alia* our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure minimum 100.00% asset cover for the NCDs, which shall be free from any encumbrances, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

48. As the NCDs of our Company are listed on BSE, our Company is subject to certain obligations and reporting requirements under SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us/our promoter liable to prosecution and/or penalties.

Our Company is subject to the obligations and reporting requirements under SEBI Listing Regulations. In the past, our Company had not complied with certain provisions relating to the submissions of documents and intimations, in respect of the previous public issues, with Debenture Trustee. Our Company has received an email dated September 14, 2022, from BSE stating that the Company was in non-compliance of regulations 52(7)/ 7A of SEBI Listing Regulations in relation non-submission of statement indicating the utilisation of issue proceeds/ material deviation in issue proceeds and accordingly a fine of ₹ 7,080 was levied on our Company. Our Company has paid the said fine amount. Additionally, we have received two emails dated September 27, 2022 and September 28, 2022 from BSE stating that the company was in non-compliance of Regulation 57(4) and Regulation 50(1) of SEBI Listing Regulations amounting to ₹ 5,900 and ₹ 28,320 respectively in relation to non-submission of details of payable interest/ dividend/ principal obligations during the quarter ended September 30, 2022 and delay in furnishing prior intimation with respect to date of payment of interest/ redemption amount or intimation regarding board meeting effecting the rights or interest of the NCDs/NSCRPS. Our Company is yet to pay the said fines. Though our Company endeavors to comply with all such obligations/reporting requirements, there have been certain instances of non-compliance and delays in complying with such obligations/reporting requirements. Any such delays or non-compliance would render our Company to prosecution and/or penalties. Although our Company have not received any further communication from the Stock Exchange or any authority in this regard, there could be a possibility that penalties may be levied against our Company for certain instances of non-compliance and delays in complying with such obligations/reporting requirements.

49. There can be no assurance that the NCDs issued pursuant to this Issue will be listed on the Stock Exchange in a timely manner, or at all.

In accordance with Indian law and practice, permission for listing and trading of the NCD issued pursuant to this issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issue of NCDs to be submitted. There could be a failure or delay in listing the NCDs in BSE for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by BSE, our Company will forthwith repay, without interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Prospectus.

50. There may be no active market for the NCDs on the retail debt market/capital market segment of the BSE.

As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and, (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

51. Our Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders. In such a scenario, the Debenture Holders holding the NCDs will rank pari passu with other secured creditors and to that extent, may reduce the amounts recoverable by the Debenture Holders upon our Company's bankruptcy, winding up or liquidation

Our Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, raise further borrowings and charge its assets. Our Company is free to decide the nature of security that may be provided for future borrowings. In such a scenario, the Debenture Holders holding the NCDs will rank *pari passu* with other creditors and to that extent, may reduce the amounts recoverable by the Debenture Holders upon our Company's bankruptcy, winding up or liquidation.

52. In the event of liquidation or bankruptcy, the new bankruptcy code in India may affect our Company's right to recover loans from its borrowers.

The Insolvency and Bankruptcy Code, 2016 ("**Bankruptcy Code**") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a vote of not less than 66% of the voting share of all financial creditors. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees, and debts owed to unsecured credits. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority.

Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code.

Further, the GoI *vide* notification dated March 24, 2020 ("**Notification**") has amended section 4 of the Bankruptcy Code due the lingering impact of the COVID-19 pandemic. Pursuant to the said Notification, GoI has increased the minimum amount of default under the insolvency matters from ₹1,00,000 to ₹1,00,00,000. Therefore, the ability of our Company to initiate insolvency proceedings against the defaulters where the amount of default in an insolvency matter is less the ₹1,00,00,000 may impact the recovery of outstanding loans and profitability of our Company

53. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the NBFC and Gold Loan industries contained in this Prospectus.

While facts and other statistics in this Prospectus relating to India, the Indian economy as well as the Gold Loan industry have been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials, particularly since there is limited publicly available information specific to the Gold Loan industry. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics, the same have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "*Industry Overview*" beginning on page 86. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

EXTERNAL RISK FACTORS

54. *Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.*

We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. Some co-operative banks (which tend to operate in rural sector) have also faced serious financial and liquidity crises. There has been a trend towards consolidation with weaker banks, NBFCs and HFCs being merged with stronger entities. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect our business, our future financial performance, our shareholders' funds and the market price of our NCDs.

55. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business*

Terrorist attacks and other acts of violence or war may negatively affect our business and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect our business.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our NCDs.

56. *Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.*

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. Further, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy thereby, adversely affecting our business. For example, we were impacted by the floods in Kerala in Fiscal 2019 as a result of which we had to temporarily close some of our branches in Kerala which resulted in a decline in our cash flows and revenues during that period. As a result, any present or future outbreak of natural calamities could have a material adverse effect on our business and the market price of the NCDs.

57. *Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.*

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance and our ability to obtain financing for capital expenditures.

58. *Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry.*

There is no assurance that the liberalisation policies of the government will continue in the future. Protests against privatisation could slow down the pace of liberalisation and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalisation could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalisation policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced polices and taken initiatives that support continued economic liberalisation.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.

59. *Changing laws, rules and regulations and legal uncertainties, including tax laws and regulations, may adversely affect our business, results of operation and prospects and could lead to new compliance requirements that are uncertain.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example:

- The Government of India announced the Union Budget for Financial Year 2023 ("Budget 2023"), pursuant to which the Finance Bill 2023 has proposed various amendments. The Finance Bill 2023 has received assent from the President of India on March 31, 2023 and has been enacted as the Finance Act 2023. We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments proposed by the Finance Act, 2023 will have an adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

- On September 2, 2022, the RBI issued the 'Guidelines on Digital Lending' following the 'Recommendations of the Working Group on Digital Lending – Implementation' (the "**Recommendations**") issued by the RBI on August 10, 2022. Our Company is engaged in digital lending within the meaning of the Guidelines on Digital Lending. On June 8, 2023, the RBI issued the 'Guidelines on Default Loss Guarantee' ("DLG Guidelines") in Digital Lending. The DLG Guidelines is applicable to our Company. Failure to comply with the obligations in a timely manner may lead to imposition of penalties, and/or other regulatory action being taken by the RBI against us, which may adversely affect our business operations.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

SECTION III - INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated on March 25, 1987, as '*Standard Shares and Loans Private Limited*', a private limited company under the Companies Act, 1956 with a certificate of incorporation issued by the RoC. The name of our Company was changed to *'Kosamattam Finance Private Limited'* pursuant to a resolution passed by the shareholders of our Company at the EGM held on June 2, 2004 and a fresh certificate of incorporation dated June 8, 2004 issued by the RoC. Subsequently, upon conversion to a public limited company pursuant to a special resolution of the shareholders of our Company dated November 11, 2013, the name of our Company was changed to '*Kosamattam Finance Limited*' and a fresh certificate of incorporation was issued by the RoC on November 22, 2013. For details of changes in our name and registered office, see "*History and Certain Other Corporate Matters*" on page 138.

NBFC Registration

Our Company has obtained a certificate of registration dated December 19, 2013 bearing registration no. B-16.00117 issued by the RBI to commence/carry on business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the Certificate of Registration, under Section 45 IA of the RBI Act.

FFMC Registration

Our Company has obtained a full fledged money changers license bearing license number FE. KOC.FFMC.40/2006 dated February 07, 2006 issued by the RBI, which is valid up to February 28, 2025.

Depository Participant Registration

Our Company holds a Certificate of Registration dated May 28, 2014 bearing registration number IN–DP–CDSL–717-2014 issued by the SEBI to act as Depository Participant in terms of Regulation 20 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.

Corporate Insurance Agency Registration

Our company holds a Certificate of Renewal Registration dated March 28, 2022 bearing registration number - CA0179 issued by the IRDAI to commence/carry business in the capacity of a Corporate Agent (Composite) under the Insurance Regulatory and Development Authority Act, 1999. The registration is valid up to March 31, 2025.

LEI Registration

Our Company has obtained registration with Legal Entity Identifier India Limited (LEIL) and was assigned a LEI code - 335800F7BYBNG38B4A84.

Registered Office

Kosamattam City Centre,
Floor Number 4th & 5th, T.B Road,
Kottayam - 686001,
Kerala, India
Email: cs@kosamattam.com
Tel: +91 481 258 6400
Website: www.kosamattam.com
CIN: U65929KL1987PLC004729

Chief Financial Officer

Annamma Varghese C.
Kosamattam Finance Limited
Kosamattam City Centre,

Floor Number 4th & 5th, T.B Road,
Kottayam - 686001,
Kerala, India
Tel: +91 481 258 6451
E-mail: cfo@kosamattam.com

Company Secretary and Compliance Officer

Sreenath P.
Kosamattam Finance Limited
Kosamattam City Centre,
Floor Number 4th & 5th, T.B Road,
Kottayam - 686001,
Kerala, India
Tel: +91 481 258 6506
E-mail: cs@kosamattam.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-Issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs, refund orders or interest on application money, etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name of the Applicant, Application Form number, Applicant's DP ID, Client ID, PAN, address of Applicant, number of NCDs applied for, ASBA Account number in which the amount equivalent to the application, Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary were the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centres of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism or through Trading Members may be addressed directly to the Stock Exchange.

Registrar of Companies, Kerala

1st Floor, Company Law Bhavan,
BMC Road, Thrikkakara,
Kochi – 682 021
Kerala, India

Lead Manager to the Issue

SMC Capitals Limited
A-401/402, Lotus Corporate Park,
Off Western Express Highway,
Jai Coach Signal,
Goregaon (East), Mumbai – 400 063
Maharashtra, India
Tel: +91 22 6648 1818

E-mail: kfl.ncd@smccapitals.com
Website: www.smccapitals.com
Contact Person: Satish Mangutkar/ Bhavin Shah
SEBI Registration No: INM000011427

Legal Counsel to the Issue

M/s. Crawford Bayley & Co.
4th Floor, State Bank Buildings
N.G.N. Vaidya Marg, Fort
Mumbai 400 023
Maharashtra, India
Tel: +91 22 2266 3353

Debenture Trustee

Vistra ITCL (India) Limited
The IL&FS Financial Centre,
Plot C – 22, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051,
Maharashtra, India
Tel: +91 22 2659 3333
Email: itclcomplianceofficer@vistra.com
Investor Grievance Email: itclcomplianceofficer@vistra.com
Website: www.vistraitcl.com
Contact Person: Jatin Chonani
SEBI Registration Number: IND000000578

Vistra ITCL (India) Limited has pursuant to Regulation 8 of SEBI NCS Regulations, by its letter dated March 17, 2023, given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue. Please see "ANNEXURE III" of this Prospectus.

All the rights and remedies of the Debenture Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the Debenture Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company pro tanto from any liability to the Debenture Holders. For details on the terms of the Debenture Trust Deed, please refer to the section titled "*Issue Related Information*" on page 463.

Registrar to the Issue

Kfin Technologies Limited
Selenium Tower B, Plot No – 31 & 32,
Gachibowli, Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi - 500 032,
Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
Toll free number: 1800 3454 001
Email: kosamattam.ncd@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna

SEBI Registration Number: INR000000221

Credit Rating Agency

India Ratings & Research Private Limited
Wockhardt Towers, 4th Floor,
West Wing, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051
Tel: +91-22-4000 1700
Email: infogrp@indiaratings.co.in
Contact Person: Aishwary Khandelwal
Website: www.indiaratings.co.in
SEBI Registration No: IN/CRA/002/1999

Statutory Auditors of our Company

M/s. SGS & Company
Chartered Accountants
X/657/B, CA-MED Tower,
Pallikulam Road, Near Chaldean Centre,
Thrissur - 686 001
Kerala, India
Tel: +91-487-2446109, 2425420
Email: mail@sgsandcompany.com
Contact Person: CA Sanjo. N.G, F.C.A, D.I.S.A. (ICAI)
Membership No.: 211952
Firm Registration Number: 009889S
Peer Reviewed No.: 013176

M/s. SGS & Company has been the statutory auditors of our Company since September 30, 2021.

Banker to the Issue and Refund Bank

HDFC Bank Limited
Lodha, I Think Techno Campus 0-3 Level
Next to Kanjurmarg, Railway Station
Kanjurmarg (East) Mumbai- 400042
Tel: 022 30752929 / 2928 / 2914
Email: sachin.gawade@hdfcbank.com , eric.bacha@hdfcbank.com, pravin.teli2@hdfcbank.com
Contact Person: Mr.Eric Bacha , Mr.Siddharth Jadhav , Mr. Sachin Gawade, Mr. Pravin Teli, Mr. Tushar Gavankar

Syndicate Member

SMC Global Securities Limited
17, Netaji Subhash Marg,
Daryaganj, Delhi – 110 002
Tel: +91 11 66623300/ 9910644949/ 9810059041
Email: skj@smcindiaonline.com, neerajkhanna@smcindiaonline.com
Contact Person: Sushil Joshi/ Neeraj Khanna
Website: www.smctradeonline.com
SEBI Registration No: INZ000199438

Bankers to our Company

Canara Bank Mid Corporate Branch, Metro Station Complex 3rd Floor, M G Road, Ernakulam, Kerala – 682035 **Tel:** +91 484 4864333 **Email:** cb14333@canarabank.com **Contact Person:** K Cheran **Website:** www.cananrabank.com	**DCB Bank Limited** 6, Rajaji Road, Nungambakkam, Chennai – 600 034 **Tel:** +91 44 40500355 **Email:** muralik@dcbbank.com **Contact Person:** K. Murali **Website:** www.dcbbank.com
The South Indian Bank Limited SIB House, TB Road, PB NO 28, Thrissur – 680 001, Kerala, India **Tel:** +91 487 2420020 **Email:** br0037@sib.co.in **Website:** www.southindianbank.com **Contact Person:** Sheethal Jose	**The Federal Bank Limited** Commercial Banking Dept., Federal Bank, Kottayam Zonal Officer, S H Mount P.O., Kottayam – 686 006 **Tel:** +91 8156904423 **Email:** philipjohn@federalbank.co.in **Website:** www.federalbank.co.in **Contact Person:** Philip John
CSB Bank Limited St Thomas Building, Shastri Road, Kottayam, Kerala, India **Tel:** +91 9769593461/ 8714483992 **Email:** jimmyjohnson@csb.co.in/kottayam@csb.co.in **Website:** www.csb.co.in **Contact Person:** Jimmy Johnson/ Deepak Murali	**Bank of Baroda** Mid Corporate Branch 6th floor, MG Metro Station Complex, Ernakulam – 682 035 **Tel:** +91 484 2867907/ 908/ 912 **Email:** midern@bankofbaroda.com **Website:** www.bankofbaroda.com **Contact Person:** Reji Mathew
Dhanlaxmi Bank Limited M G Road Branch, Building No. 66/6600, Malankara Centre, Opp Shenoys Theatre, MG Road, Ernakulam - 682035 **Tel:** +91 484 2355064 **Email:** dlb.ifbekm@dhanbank.co.in **Website:** www.dhanbank.com **Contact Person:** Jimmy P	**The Karur Vysya Bank Limited** CDU – Emakulam, Door No: 1/1014, Marnatha Towers, Ground Floor, Paruthell Jn, EdapaJly, Ernakulam·- 682 024 **Tel:** +91 9159944554 **Email:** cbucoimbatore@kvbmail.com; haridastk@kvbmail.com **Website:** www.kvb.co.in **Contact Person:** Haridas T K
Punjab National Bank Mid Corporate Centre: Coimbatore, No.1 90, Sarojini Street, Ram Nagar, Coimbatore - 641 009 **Tel:** +91 422 2237723/33/34 **Email:** mcc.coimbatore@pnb.co.in **Website:** www.pnbindia.in **Contact Person:** Mathankumar D	**State Bank of India** Sree Ganesh Kripa, Thycaud, Thiruvananthapuram **Tel:** +91 471 2339925 **Email:** sbi.04350@sbi.co.in **Website:** www.sbi.co.in **Contact Person:** Sreegith G L
Union Bank of India Mid Corporate Branch, 1st Floor, Union Bank Bhavan, MG Road, Kochi – 682035 **Tel:** +91 484 2355351/ 2385217/8 **Email:** ubin0551929@unionbankofindia.bank **Website:** www.unionbankofindia.co.in **Contact Person:** Deepthi Anandan	**Bank of Maharashtra** Zonal Office Ernakulam, 2nd floor GK Arcade, Palarivattom Bypass Jn, Vennala – 682 028 **Tel:** +91 484-2927208 **Email:** bom2369@mahabank.co.in **Website:** www.bankofmaharashtra.in **Contact Person:** Saju G
IDFC First Bank Limited Residency Building, Plot No. 79, Residency Road, Richmond Town, 560025 **Tel:** +91 97411 73400 **Email:** sojan.jacob@idfcfirstbank.com **Website:** www.idfcfirstbank.com **Contact Person:** Sojan Jacob	**Indian Bank** Mid Corporate Branch, T Nagar, 480, Anna Salai, Khivraj Complex I, Nandanam, Chennai – 600035 **Tel:** +91 44 24344114 **Email:** mcb.tnagar@indianbank.co.in **Website:** www.indianbank.in **Contact Person:** Prasanta Kumar Sahu
HDFC Bank Limited 1st Floor, S L Plaza, Palarivattom, Cochin, Kerala – 682025 **Tel:** +91 484 4433204	**ESAF Small Finance Bank Limited** Building No VII/83/8, ESAF Bhavan, Mannuthy, Thrissur – Palakkad NH, Thrissur – 680651, Kerala

Email: Cenoi.Kurian@hdfcbank.com **Website:** www.hdfcbank.com **Contact Person:** Cenoi Kurian	**Tel:** +91 487 7123456 **Email:** vinodg.thampi@esafbank.com **Website:** www.esafbank.com **Contact Person:** Vinod G Thampi
Equitas Small Finance Bank Limited 4th Floor, Spencer Plaza, No. 769, Phase II, Anna Salai, Chennai – 600 002 **Tel:** +91 44 4299 5000 **Email:** rajarajanrajendran@equitasbank.com **Website:** www.equitasbank.com **Contact Person:** Rajarajan R	**Bandhan Bank Limited** Madhapur Branch (1873) Plot No - 31, Door No -1-118/31, Ground Floor, Rohini Layout, Opposite – Cyber Tower, Madhapur, Hyderabad, Telangana – 500081 **Tel:** +91 9949999146 **Email:** satish.g@bandhanbank.com **Website:** www.bandhanbank.com **Contact Person:** Satish Kumar G
UCO Bank M G Road, Ravipuram, Ernakulam – 682016 **Tel:** +91 484 2381523 **Email:** mgerna@ucobank.co.in **Website:** www.ucobank.com **Contact Person:** Praveen Kumar	**IndusInd Bank Limited** Gowrinarayan, (Opp New Jayalakshmi Silks) 40/8399,8400, MG Road, Kochi – 682035 **Tel:** +91 484 4216247 **Email:** soby.abraham@indusind.com **Website:** www.indusind.com **Contact Person:** Soby Abraham
Jana Small Finance Bank Limited The Fairway Business Park, #10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring Road, Next to EGL, Challaghatta, Bengaluru – 560071 **Tel:** 080 – 37620100/ 46020100 Extn: 12708 **Email:** narasimha.g@janabank.com **Website:** www.janabank.com **Contact Person:** G. Narasimha Murthy	**STCI Finance Limited** A/B 1 – 802, "A" Wing, 8th Floor, Marathon Innova, Marathon Nextgen Compound, Off G K Marg, Lower Parel (West), Mumbai – 400 013 **Tel:** 022 61425100 **Email**: credit l @st cionline .com **Website:** www.stcionline.com **Contact Person:** Archana Bhide
Kotak Mahindra Bank Limited Office27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 **Tel:** 022-66054139 **Email:** Kushal.dhande@kotak.com **ContactPerson:** Kushal Dhande	**Indian Overseas Bank** 297 Karunai Kudil, Cathedral Road Chennai 600086 **Tel:** 044-28114655 **Email**: iob2051@iob.in **Website:** www.iob.in **Contact Person:** K Arumugam
City Union Bank Limited Door No: 526- D, Marwa Square, Temple Road, Thirunakkara, Kottayam – 686 001, Kerala **Tel:** 0481-2300580 **Email:** cubl54@cityunionbank.in **Website:** www.cityunionbank.com **ContactPerson:** Ajay PJ	**Woori Bank** Woori Bank, Chennai Branch, Lotte India, 2nd Floor, No 04/169, Rajiv Gandhi Salai, Kandhanchavadi, Perungudi, Chennai – 600 096 **Tel:** 044 366900 **Email:** joonsuk.choi@wooribank.com **Website:** go.wooribank.com **Contact Person:** Joonsuk Choi
Karnataka Bank Warrier Building, First Floor, Jos Junction, MG Road, Ernakulam – 682 016 **Tel:** 0484 2377648/546 **Email**: ernakulam@ktkbank.com **Website:** www.karnatakabank.com **Contact Person:** Rajesh T V	**YES Bank Limited** 1st Floor, Puthuran Plaza, Northern Side, MG Road, Kochi-682011. Tel: +919895240249 Email: binu.pillai@yesbank.in Website: www.yesbank.in Contact Person: Binu Pillai
Axis Bank Limited S051, Kottayam Branch; Ground Floor Century Towers, M C Road Kottayam – 686001 **Tel:** 8086000511 **Email:**Kottayam.Branchhead@axisbank.com Website: www.axisbank.com **Contact Person:** Nobel Augustine	

Details of change in auditor for the three years preceding the date of this Prospectus is set forth below:

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
M/s SGS & Co., Chartered Accountants	X/657/B, CA-MED Tower,Pallikkulam Road, near Chaldean Centre, Thrissur, Kerala 680001	September 30, 2021	NA	NA
M/S Vishnu Rajendran & Co., Chartered Accountants	3rd Floor, CSI Commercial Centre,Baker Jn.,P.B.No.227, Kottayam, Kerala-KL- 686001	June 08, 2018	September 30, 2021	September 30, 2021

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA and UPI Mechanism process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 respectively as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned link.

In relation to Bids submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the members of the Syndicate is available on the website of SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

Syndicate SCSB Branches

In relation to Applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of ASBA Forms and Application Forms where investors have opted for payment via the UPI Mechanism, from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

SCSBs eligible as issuer banks for UPI Mechanism and eligible mobile applications

The list of SCSBs through which Bids can be submitted by RIBs using the UPI Mechanism, including details such as the eligible Mobile Apps and UPI handle which can be used for such Bids, is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Broker Centres/ Designated CDP Locations/ Designated CRTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the ASBA Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated CRTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the website of the BSE for RTAs and CDPs, as updated from time to time.

Impersonation

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Section 38(1) of the Companies Act, 2013 provides that:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447"

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹10 lakh or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹10 lakh or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakh or with both.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. In the event of non-receipt of minimum subscription, all blocked application money shall be unblocked forthwith, but not later than eight working days from the date of closure of the issue or such time as may be specified by the Board. In the event the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within eight Working Days from the Issue Closing Date. In the event there is delay in unblocking of funds/refunds, our Company shall be liable to repay the money, with interest at the rate of 15 % per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Arrangers to the Issue

There are no arrangers to the Issue.

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated "IND A-/Stable", by India Ratings & Research Private Limited ("IRRPL") for an amount up to ₹ 20,000 lakhs vide its letter dated November 24, 2023. The rating of NCDs by IRRPL indicates that securities with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such securities carry moderate credit risk. Please refer to page 599 for the rationale for the above rating and press release.

Consents

The written consents of Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, our Statutory Auditor, the Legal Advisor to the Issue, the Lead Manager, the Registrar to the Issue, Public Issue Account Bank, Sponsor Bank, Refund Bank, Credit Rating Agency, the Bankers to our Company, the Debenture Trustee, and the Syndicate Member to act in their respective capacities, will be filed along with a copy of the Prospectus with Stock Exchange and any other authority as may be required.

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds please refer to the chapter titled "*Objects of the Issue*" on page 81 of this Prospectus.

Underwriting

This Issue will not be underwritten.

Recovery Expense Fund

Our Company will create a recovery expense fund in the manner as specified by SEBI in circular bearing reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109 titled "Master Circular for Debenture Trustees" dated March 31, 2023 and as updated on July 6, 2023, as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and will inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Expert Opinion

Except the (i) Statutory Auditor's report on our Audited Financial Statements for the Financial Year ending March 31, 2023, March 31, 2022 and March 31, 2021, issued by M/s. SGS & Company., Chartered Accountants and (ii) Statement of Tax Benefits Available to the Debenture Holders issued by M/s. SGS & Company, Chartered Accountants dated December 6, 2023.

Issue Programme:

Issue Opening Date	Monday, January 1, 2024
Issue Closing Date	Friday, January 12, 2024
Pay In Date	Application Date. The entire Application Amount is payable on Application
Deemed Date of Allotment	The date on which the Board of Directors or the Committee thereof authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ Committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated in the Prospectus, except that this Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of 10 Working Days from the date of opening of the Issue) as may be decided by the Board of Directors of our Company or the

Committee thereof subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure.

*Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, on Working Days during the Issue Period. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information" on page 182 of this Prospectus. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) ("***Bidding Period***"), during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Manager or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on the basis of date of upload of each application into the electronic book of the Stock Exchange in accordance with the SEBI Master Circular. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

CAPITAL STRUCTURE

Details of share capital

The following table lays down details of our authorised, issued, subscribed and paid up share capital and securities premium account as on the date of this Prospectus:

Particulars	Amount in ₹
Authorised share capital	
50,00,00,000 Equity Shares of face value ₹10 each	5,00,00,00,000
5,00,000 preference shares of face value ₹1,000 each	50,00,00,000
Total authorised share capital	**5,50,00,00,000**
Issued, subscribed and paid up share capital	
22,60,06,939 Equity Shares of ₹10 each	2,26,00,69,390
Total issued subscribed and paid up share capital	**2,26,00,69,390**
SECURITIES PREMIUM ACCOUNT	
Securities Premium Account before the Issue	**1,11,06,45,684**

1. **Details of change in authorised share capital of our Company for the last three years preceding the date of this Prospectus is set forth below:**

   There has been no change in the authorised share capital of our Company for the last three years preceding the date of this Prospectus.

2. **Equity Share capital history of our Company for the preceding three financial years and current financial year as on date of this Prospectus:**

   The history of the paid-up Equity Share capital of our Company for the preceding three financial years and current financial year is set forth below:

Date of Allotment	No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (in ₹)	Cumulative Equity Share Premium (in ₹)	Remarks
February 23, 2021	21,06,275	10	32	Cash	Rights Issue[1]	20,25,00,547	2,02,50,05,470	27,55,03,184	Nil
July 9, 2021	10,80,625	10	40	Cash	Rights Issue[2]	20,35,81,172	2,03,58,11,720	30,79,21,934	Nil
October 20, 2021	1,02,98,130	10	40	Cash	Rights Issue[3]	21,38,79,302	2,13,87,93,020	61,68,65,834	Nil
November 29, 2021	30,00,000	10	40	NA	Conversion of CCPS[4]	21,68,79,302	2,16,87,93,020	70,68,65,834	Nil
June 06, 2023	52,60,200	10	40	Cash	Rights Issue[5]	22,21,39,502	2,22,13,95,020	91,72,73,834	Nil
October 23, 2023	38,67,437	10	60	Cash	Rights Issue[6]	22,60,06,939	2,26,00,69,390	1,11,06,45,684	Nil
Total						**22,60,06,939**	**2,26,00,69,390**		

1. *Allotment of 15,625 Equity Shares to Accamma Mathew, 18,750 Equity Shares to Elsie John, 31,250 Equity Shares to Sarojiniamma K G, 15,625 Equity Shares to Mani K A,15,625 Equity Shares to Sreekala R,15,625 Equity Shares to Sunil M S, 31,250 Equity Shares to Thomas C K, 15,625 Equity Shares to Asharaf A K, 15,625 Equity Shares to Reetha Georathi, 18,750 Equity Shares to Rincy Kuriakose, 15,625 Equity Shares to Binsy Thomas Kannanathu, 31,250 Equity Shares to Aju John , 53,125 Equity Shares to Jessy Joseph, 15,625 Equity Shares to John Varghese,15,625 Equity Shares to Lincy Anto, 25,000 Equity Shares to Sreeja Manoj, 15,625 Equity Shares to Rachel Koshy, 31,250 Equity Shares to Shibin Joy, 31,250 Equity Shares to Abraham John, 21,875 Equity Shares to Jerin J Malayil, 78,125 Equity shares to K X Thomas, 15,625 Equity Shares to Aswani Thomas,15,625 Equity Shares to Williams K Mathai, 15,625 Equity Shares to Mary Jose, 15,625 Equity shares to Shinu Thomas, 15,625 Equity Shares to Varghese Perumpoikayil Abraham, 15,625 Equity Shares to Pearlu Augustine, 15,625 Equity Shares to K C Koruthu, 15,625 Equity Shares to Leelamma George, 15,625 Equity Shares to Jessy Paul, 29,700 Equity Shares to Divya S, 53,125 Equity shares to Alice Kuruvilla, 59,375*

Equity Shares to T K Mukesh Kumar, 15,625 Equity Shares to Aby T Varghese, 31,250 Equity Shares to Indiradevi, 15,625 Equity Shares to Thampi K V, 15,625 Equity Shares to Varughese V George, 25,000 Equity Shares to Viswanathan, 15,625 Equity Shares to Sanju George Joseph, 15,625 Equity shares to Jesvin Ben Bentrock, 15,625 Equity Shares to Kadavil Easony Joy, 78,125 Equity Shares to Cecily Thomas, 15,625 Equity Shares to Jaya T P, 15,625 Equity Shares to Niravathu Varkey Mary, 15,625 Equity Shares to Nimmu Maria Thomas, 25,000 Equity Shares to Mahadevan Pillai, 15,625 Equity Shares to Renji Alex, 15,625 Equity Shares to Moothezhath Dayanandan Dijesh, 31,250 Equity shares to Omana Amma, 21,875 Equity Shares to Jayasankar S, 15,625 Equity Shares to Jincy Thomas, 15,625 Equity Shares to James Mathew, 15,625 Equity Shares to Minimol James, 15,625 Equity Shares to T P Skaria, 31,250 Equity Shares to Sameepan Thomas, 15,625 Equity Shares to Jerry George John, 25,000 Equity Shares to Sarasamma, 25,000 Equity Shares to Albert P John, 15,625 Equity Shares to Anil George, 15,625 Equity Shares to Biby John, 31,250 Equity Shares to Jaacs Job Pottas, 15,625 Equity Shares to Xavier Mathai,15,625 Equity Shares to Biby Chacko, 15,625 Equity Shares to Bigimol Philip, 15,625 Equity Shares to Fr George Vathyakary, 46,875 Equity Shares to Sukumaran A K, 21,875 Equity Shares to Chellappan Haridas, 23,450 Equity Shares to Asha Renjith, 31,250 Equity shares to Vinu Kumar S, 15,625 Equity Shares to Sherly Mary John, 15,625 Equity Shares to Reji Jacob Varghese, 15,625 Equity Shares to Ruby Maria Chacko, 15,625 Equity Shares to Gracyamma Thomas, 15,625 Equity Shares to Valsamma Cherupuzhathu Thomas, 15,625 Equity Shares to Alex Eapen, 31,250 Equity Shares to Shine Soney, 15,625 Equity Shares to Kesia Jaimon Joseph, 15,625 Equity Shares to Deepak K S, 15,625 Equity Shares to Shaji K P, 31,250 Equity Shares to Agna Mariya, 15,625 Equity Shares to Jose Kannampilly Antony, 15,625 Equity Shares to Anna Maria Jose, 15,625 Equity Shares to Aleyamma Scaria, 15,625 Equity Shares to Scaria K A, 15,625 Equity Shares to Paulose Scaria, 15,625 Equity Shares to Samuel Cherian, 15,625 Equity Shares to Anto K J, 15,625 Equity Shares to John Thomas, 15,625 Equity Shares to Leelamma Thomas, 15,625 Equity Shares to Vinod George, 31,250 Equity Shares to Carol Philip, 40,625 Equity shares to Sunu Jomon, 15,625 Equity Shares to Sreekumar Krishnan, 15,625 Equity Shares to Ritty Joseph, 18,750 Equity Shares to K I Lilly, 21,875 Equity Shares to Sophyamma Mathew on rights issue basis.

2. *Allotment of 7,500 Equity Shares to Chinnu Susan Cherian,7,500 Equity Shares to Jose Pulickal Auguste,7,500 Equity Shares to Renjith Kumar D, 7,500 Equity Shares to Mohanraj Thamarasseril Kuttanpillai, 25,000 Equity Shares to George Cheriankunju, 25,000 Equity Shares to Thankamani Cherian, 10,000 Equity Shares to Sosamma Theckinathu John, 7,500 Equity Shares to Seetha Aley Thomas, 15,000 Equity Shares to Abraham K Thomas,10,000 Equity Shares to Kuruvilla Joseph, 7,500 Equity Shares to Aleena Thomas, 15,000 Equity Shares to Blessan K, 7,500 Equity Shares to Rosamma Thomas, 10,000 Equity Shares to Gopalakrishna Pillai, 7,500 Equity Shares to Gracy Issac, 37,500 Equity Shares to Shaji Kurian, 10,000 Equity Shares to Moncy Samuel, 7,500 Equity Shares to Johnson Thomas, 7,500 Equity Shares to Joel T George, 7,500 Equity Shares to Elaine Sarah George, 8,750 Equity Shares to Mathew M Thomas, 7,500 Equity Shares to Susamma Kuranjoor Abraham, 12,500 Equity Shares to K M Joseph, 10,625 Equity Shares to Sophiamma, 7,500 Equity Shares to Thomas Cherian, 7,500 Equity Shares to Thresiamma Joy, 7,500 Equity Shares to Joshymon Jacob, 12,500 Equity Shares to Manju Mathew, 15,000 Equity Shares to Juby Varghese, 8,750 Equity Shares to Jayakumar A K, 10,000 Equity Shares to Anu Chandy, 7,500 Equity Shares to Elikkutty Poulose, 7,500 Equity Shares to Jufin George, 7,500 Equity Shares to P C Annamma, 12, 500 Equity Shares to Anu Gibi, 12,500 Equity Shares to Susan Gibi, 12,500 Equity Shares to Anna Gibi, 12,500 Equity Shares to Madathil Scariah Babuissac, 20,000 Equity Shares to Beena Sam, 7,500 Equity Shares to Paul Alex, 12,500 Equity Shares to Valsa George, 7,500 Equity Shares to Lissy Anderson, 2,500 Equity Shares to Chinnappan Rose Puthenpurakkal, 7,500 Equity Shares to Dileep Kumar B, 7,500 Equity Shares to Vinod Kumar P S, 7,500 Equity Shares to Manjumariya, 7,500 Equity Shares to Biju Thomas, 25,000 Equity Shares to Meghna Ann Thomas, 7,500 Equity Shares to Binu Kuttivilayil George, 15,000 Equity Shares to Leelavathy, 7,500 Equity Shares to Aleyamma Joseph, 17,500 Equity Shares to Jacob Abraham, 12,500 Equity Shares to Mathew Sebastian, 7,500 Equity Shares to Sabu Mathew, 8,750 Equity Shares to Cyriac Mathew, 10,000 Equity Shares to Radhamani N B, 12,500 Equity Shares to Chinnu Maria Babu, 7,500 Equity Shares to Jancy Mathew, 13,750 Equity Shares to Marilyn Jacob, 7,500 Equity Shares to Keerthi T C, 7,500 Equity Shares to Rose Thomas, 12,500 Equity Shares to John Mathew Chirayil, 7,500 Equity Shares to Swathy V S, 7,500 Equity Shares to Febin Mathew, 7,500 Equity Shares to Vishnu Chandran C, 7,500 Equity Shares to Sarath Chandran C, 12,500 Equity Shares to Geethu S Nair, 25,000 Equity Shares to Alex Pulimoottil Abraham, 50,000 Equity Shares to Reeba Grace Thomas, 12,500 Equity Shares to Binoy Thomas, 7,500 Equity Shares to Lizy Kurian, 7,500 Equity Shares to K C Salichan, 8,750 Equity Shares to Ritamma Mathew, 7,500 Equity Shares to Beena Laly, 12,500 Equity Shares to Fr George Vathyakary, 10,000 Equity Shares to Ponnamma, 7,500 Equity Shares to Prasannakumari S, 7,500 Equity Shares to Paul Nicholson, 21,250 Equity Shares to Zeenath Salim, 7,500 Equity Shares to Jyothi Chandran, 12,500 Equity Shares to Parthasarathy Suriyanarayanan, 7,500 Equity Shares to Thomas Vempany Joseph, 12,500 Equity Shares to Shruti V Nair, 7,500 Equity Shares to Kavya Sasidharan, 7,500 Equity Shares to Mariamma Samuel Varghese, 7,500 Equity Shares to N K James, 7,500 Equity Shares to Mathew Chacko, 7,500 Equity Shares to Shoukathali, 37,500 Equity Shares to Vinesh Joyce, 7,500 Equity Shares to Reetha Sunny, 7,500 Equity Shares to Sunu Soman, 10,000 Equity Shares to Bincy K Edakkalathur, 7,500 Equity Shares to Priyanka, 12,500 Equity Shares to Sanju Kavalakat, 7,500 Equity Shares to Kavalakat Iyppunny Thomas, 7,500 Equity Shares to Shali Kurian, 12,500 Equity Shares to A K Baburajan on rights issue basis.*
3. *Allotment of 10,375 Equity Shares to Denny Philip Thomas, 10,000 Equity Shares to John Thomas, 7,500 Equity Shares to Joyamma Varghese, 10,375 Equity Shares to Kamalayam Koshy Thomas, 10,000 Equity Shares to Abraham Madavilayil Koshy, 10,000 Equity Shares to Meena Mary Mathew, 12,500 Equity Shares to George V M, 7,500 Equity Shares to V M Babu, 7,500 Equity Shares to Babu Jose K, 12,500 Equity Shares to Ramani Rajan, 12,500 Equity Shares to Lalitha Samuel, 7,550 Equity Shares to Mariamma David, 7,500 Equity Shares to Thomas Mathew, 18,900 Equity Shares to Anu Abraham, 13,750 Equity Shares to Binu Yohannan, 5,000 Equity Shares to Leelamma Varghese, 12,500 Equity Shares to T N Sadasivan Nair,7,500 Equity Shares to Suma Rajan, 7,500 Equity Shares to Susan Baby, 26,875 Equity Shares to Alexander T, 12,500 Equity Shares to Lintu T Michel, 12,500 Equity Shares to P Syamalakumary, 12,500 Equity Shares to Tania Anna Baby, 25,000 Equity Shares to Aliyamma Josaph, 8,750 Equity Shares to Bebins Thomas,*

4,375 Equity Shares to Jaya Moncy, 8,750 Equity Shares to Mathews Padarathil Mathai, 2,500 Equity Shares to V K Babu, 2,500 Equity Shares to Aleyamma Palanilkunnathil Thomas, 6,250 Equity Shares to Arunkumar, 5,000 Equity Shares to Jaisen Chirakal Oommen, 5,000 Equity Shares to P S Thomas, 12,500 Equity Shares to Varughese Arakkanattil George, 7,500 Equity Shares to Narayana Pillai Vikraman, 5,000 Equity Shares to Yohannan Abraham, 15,000 Equity Shares to Jessy Sam, 7,500 Equity Shares to Jolly Mathew, 6,250 Equity Shares to Josekutty C, 10,000 Equity Shares to K Thomas, 9,000 Equity Shares to Manju, 7,500 Equity Shares to Mathew P Samuel, 15,100 Equity Shares to Silpa G Soman, 28,350 Equity Shares to Susan Mathew, 19,000 Equity Shares to Aleyamma Shaji, 10,625 Equity Shares to Aneesh S, 12,500 Equity Shares to Jessy Daniel, 2,500 Equity Shares to Purushothaman T V, 10,000 Equity Shares to Leelamma Thankamma, 3,775 Equity Shares to Soumya Soman, 2,500 Equity Shares to T M Krishna Pillai, 10,000 Equity Shares to Joseph Varghese, 7,500 Equity Shares to Mohan Varkey, 10,000 Equity Shares to Benson Baby, 5,000 Equity Shares to Geevarghese D, 8,750 Equity Shares to Jeeney Jeyo Mathew, 25,000 Equity Shares to Jiji George, 8,000 Equity Shares to Saramma David, 12,500 Equity Shares to Saraswathiamma Parukutty Amma, 5,000 Equity Shares to Sharon Jose, 13,125 Equity Shares to Susan Thomas, 25,000 Equity Shares to Syam C Kunjumon, 18,750 Equity Shares to Thomaskutty M, 8,000 Equity Shares to Wilson P G, 2,825 Equity Shares to Jyothi Kumari, 7,875 Equity Shares to K G Kunjumon, 5,750 Equity Shares to Rillin Rajan, 25,000 Equity Shares to Sally Ann Mathew, 5,000 Equity Shares to Vinitha Vijayan, 5,000 Equity Shares to Beena Raju, 16,250 Equity Shares to Jacob Puthenpura Thomas, 10,000 Equity Shares to Koodathil Mathew Kurian, 8,750 Equity Shares to Rajasree V R, 8,750 Equity Shares to Vilasakumari V P, 9,450 Equity Shares to Uthaman K, 12,500 Equity Shares to Bindhu B, 2,500 Equity Shares to Athul Rajan, 2,825 Equity Shares to George, 5,750 Equity Shares to Rajan Chellappan, 2,825 Equity Shares to Jincy Annamma Chacko, 12,500 Equity Shares to Raji Thainilkunnathil Gopalan, 2,500 Equity Shares to Remya Reghunathan, 11,250 Equity Shares to Sajan Varghese, 8,750 Equity Shares to Shiju Joshua, 25,000 Equity Shares to Karunakaran Gangadharan, 20,000 Equity Shares to Jospheena Mathew, 25,000 Equity Shares to Rev K V Abraham, 15,000 Equity Shares to Mathew Chacko, 21,950 Equity Shares to Saly Mathew, 18,900 Equity Shares to Vengal Chacko Varghese, 2,825 Equity Shares to Jinomol, 7,500 Equity Shares to Mary Kutty Joshua, 5,750 Equity Shares to C P Mathew, 7,500 Equity Shares to George M Daniel, 7,875 Equity Shares to Thomas Daniel M, 32,500 Equity Shares to Anish Kumar, 19,900 Equity Shares to Bindu G Pillai, 2,500 Equity Shares to Jessy Varghese, 12,500 Equity Shares to Marykutty A C, 15,000 Equity Shares to Marykutty Thomas, 7,500 Equity Shares to P S Sivan Pillai, 10,000 Equity Shares to Reena Annie Rajan, 25,000 Equity Shares to Sona Sunny, 25,000 Equity Shares to Valsamma Baby, 7,500 Equity Shares to Abraham Varughese, 7,500 Equity Shares to Joseph Zachariah, 3,775 Equity Shares to Leela Varghese, 10,000 Equity Shares to Lizzy Varghese, 22,500 Equity Shares to P K Raju, 7,500 Equity Shares to Philip T Mathew, 2,500 Equity Shares to Ponnamma Daniel, 13,750 Equity Shares to Toby Abraham, 2,500 Equity Shares to Syama Krishna, 7,500 Equity Shares to Alexandar Chacko, 37,500 Equity Shares to Rosamma Samuel, 5,000 Equity Shares to Sukumarakurup M K, 7,500 Equity Shares to Valsa Alex, 12,500 Equity Shares to Babu Abraham, 7,500 Equity Shares to T O John, 2,500 Equity Shares to Aleyamma Kalayil Thomas, 8,250 Equity Shares to Jeena Susan Mathew, 12,500 Equity Shares to Lillikutty Jacob, 12,500 Equity Shares to Marykutty, 15,000 Equity Shares to Anita Tom Kurian, 5,000 Equity Shares to Gracy David, 42,500 Equity Shares to John Thankachan, 7,500 Equity Shares to Jose Thankachan, 10,000 Equity Shares to Justin John Koshy, 9,500 Equity Shares to Letha Joseph, 20,000 Equity Shares to Mini Ponnachan, 12,500 Equity Shares to Monison Ommen, 13,750 Equity Shares to Nini Jacob Varghese, 12,500 Equity Shares to Prema G Pillai, 10,000 Equity Shares to R Rohith, 16,250 Equity Shares to Richu Elin Abraham, 5,000 Equity Shares to Sajan Sam, 5,000 Equity Shares to Sreekumar G, 10,000 Equity Shares to T G Pappan, 7,500 Equity Shares to Jomon Abraham, 12,500 Equity Shares to John Vargheese, 7,500 Equity Shares to Leelabhai Jagathamma, 16,250 Equity Shares to Sujatha Kumari, 10,000 Equity Shares to Kochuveettil Aleyamma Pappachan, 18,900 Equity Shares to Saji Varughese, 5,000 Equity Shares to Pradeep Kamalasanan, 10,000 Equity Shares to Rahim C M, 9,425 Equity Shares to Rajan Thomas, 12,500 Equity Shares to Sosamma, 15,000 Equity Shares to Lizy Mathews, 37,500 Equity Shares to Aleyamma Mathew, 12,500 Equity Shares to John Thomas, 25,000 Equity Shares to Moolamannil Oommen Koshy , 12,500 Equity Shares to Abraham John, 7,500 Equity Shares to Aleyamma Roch, 8,750 Equity Shares to Babu Moolayil Cherian, 62,500 Equity Shares to Jessy John, 12,500 Equity Shares to Lijo Mathew Samuel, 7,500 Equity Shares to Mariamma K C, 7,500 Equity Shares to Mariamma Varghese, 12,500 Equity Shares to Rency P Joshua, 10,000 Equity Shares to Sajitha S, 12,500 Equity Shares to Sinoj Samuel, 7,500 Equity Shares to Wilson T K, 7,500 Equity Shares to Yohannan Koshy, 11,250 Equity Shares to Kevin Jacob, 7,500 Equity Shares to Panicker Rajendran V K, 37,500 Equity Shares to Thomas Eappen, 2,500 Equity Shares to Josmy Joseph, 2,625 Equity Shares to Mariamma Sajan, 3,750 Equity Shares to P G Mathukutty, 3,750 Equity Shares to Shaji George, 2,500 Equity Shares to Sharlet P Samuel, 2,500 Equity Shares to Sharon P Samuel, 10,000 Equity Shares to Annamma Ponnachan, 20,000 Equity Shares to Cherian P J, 12,500 Equity Shares to Elizabeth Philip, 12,500 Equity Shares to Jacob Abraham Palakunnathu, 3,750 Equity Shares to Jaya Mathew, 5,000 Equity Shares to Mary Abraham, 15,000 Equity Shares to Mathew V G, 12,500 Equity Shares to Molly Mammen, 8,750 Equity Shares to Sobha Biju, 2,500 Equity Shares to T E John, 7,500 Equity Shares to Thomas Samuel, 10,000 Equity Shares to P G Varghese, 2,500 Equity Shares to Andrews Vadakkathil Philipose, 12,500 Equity Shares to Elizabeth Idiculla, 25,000 Equity Shares to Mariamma V Mathew, 12,500 Equity Shares to Oommen Ray Varghese, 5,000 Equity Shares to Riya Mary Peter, 5,675 Equity Shares to Susamma Rajan, 5,000 Equity Shares to Henry Johnson, 6,250 Equity Shares to James George, 10,000 Equity Shares to Nayanakrishnan, 12,500 Equity Shares to Silvy Sebastian, 12,500 Equity Shares to Aju John, 5,675 Equity Shares to Shiney Varghese, 5,000 Equity Shares to Leelamma Rebekka James, 9,450 Equity Shares to Toney K Joy, 15,000 Equity Shares to Elizabeth Reji Johnson, 12,500 Equity Shares to George Abraham K, 7,500 Equity Shares to Graceamma Thomas, 20,000 Equity Shares to Jose George, 7,500 Equity Shares to M V Varughese, 22,500 Equity Shares to Susan Varghese, 3,750 Equity Shares to K J Joseph, 25,000 Equity Shares to Silvimole James, 7,500 Equity Shares to Leelamma Varghese, 10,000 Equity Shares to Oommen Varghese, 18,900 Equity Shares to Roshan V Thomas, 14,000 Equity Shares to Sheeja Roy, 20,000 Equity Shares to Abraham John, 3,750 Equity Shares to Bivin Thomas Varghese, 3,750 Equity Shares to Chris Easow Joseph, 10,000 Equity Shares to George Thomas, 12,500 Equity Shares to Roy Kandalloor

Ittyavira, 5,000 Equity Shares to arughese P T, 30,000 Equity Shares to Molamma, 17,500 Equity Shares to Saidas Babu Pillai, 3,775 Equity Shares to Soosamma Raju, 22,500 Equity Shares to Thulasi Vikraman Pillai, 5,000 Equity Shares to Annamma Pappachen, 12,500 Equity Shares to Annamma Thomas, 10,000 Equity Shares to Ashwin Joseph Raju, 37,500 Equity Shares to Binu Koshy, 10,000 Equity Shares to Chacko George, 7,500 Equity Shares to Hridya Mariyam Mathew, 3,875 Equity Shares to Jacob George, 4,750 Equity Shares to Lilly Yohannan, 2,500 Equity Shares to Lizy K Joy, 5,675 Equity Shares to P G Manoharan, 12,500 Equity Shares to P K Mathew, 6,250 Equity Shares to Raju Varghese, 3,750 Equity Shares to Reena Mary Abraham, 7,750 Equity Shares to Renjith Chandran Nair, 10,000 Equity Shares to Rosamma George, 4,750 Equity Shares to Savish V Dan, 5,000 Equity Shares to Shajan K S, 2,825 Equity Shares to Thomas Idicula Nilakalkizhakethil, 7,500 Equity Shares to Thomaskutty, 7,500 Equity Shares to Varughese T M, 2,500 Equity Shares to Asha Rajan, 18,900 Equity Shares to Jeenamma Joy, 5,100 Equity Shares to Kunjumol Mathew, 7,550 Equity Shares to P C Mathai, 11,250 Equity Shares to Suja Mohan, 21,250 Equity Shares to Annamma Kurian, 7,500 Equity Shares to Chellamma Ninan George, 3,750 Equity Shares to James Mathethu Varghese, 15,000 Equity Shares to Mathew T Koshy, 12,500 Equity Shares to Neethu Susan Abis, 2,500 Equity Shares to Rachel Mohan, 2,500 Equity Shares to Ramachandran Pillai, 12,500 Equity Shares to Sanju Jacob Thomas, 2,500 Equity Shares to Saul Mathai, 10,000 Equity Shares to Sherly Jacob, 3,750 Equity Shares to K George Mathai, 10,000 Equity Shares to K Kurian Varghese, 7,500 Equity Shares to Laila Zachariah, 3,750 Equity Shares to Mervin Varghese Abraham, 11,250 Equity Shares to Molly Abraham, 15,000 Equity Shares to Saramma Kurian, 11,250 Equity Shares to Susamma Kuranjoor Abraham, 8,750 Equity Shares to Thomas Skaria, 2,825 Equity Shares to Geetha Kumari, 3,775 Equity Shares to K G S Pillai, 9,450 Equity Shares to Thomas David Muttathu, 5,675 Equity Shares to John Joseph, 6,600 Equity Shares to Juby Manoj, 7,500 Equity Shares to Arya Jose, 6,250 Equity Shares to Bijeesh Mathew, 13,750 Equity Shares to Johnson P K, 7,500 Equity Shares to Sneha Thomas, 12,500 Equity Shares to Aleena Tresa Christopher, 12,500 Equity Shares to Jaimol, 3,750 Equity Shares to Jameskutty K C, 5,000 Equity Shares to Kumari Nair, 3,775 Equity Shares to Lissy George, 9,450 Equity Shares to Shalet Perumpanany Sebastian, 17,500 Equity Shares to Sherly George, 5,675 Equity Shares to Tino Mathews, 9,450 Equity Shares to Victoriya, 2,500 Equity Shares to M F Joseph, 6,750 Equity Shares to Rajamma Cherian Kappayil, 12,500 Equity Shares to Skaria Thomas, 5,000 Equity Shares to Balappan Nair K G, 13,750 Equity Shares to G Sarasamma, 3,125 Equity Shares to Gopi Rajanparikkanilathu, 11,250 Equity Shares to Victor Rajan, 12,500 Equity Shares to James Mathew, 5,000 Equity Shares to Minimol James, 2,500 Equity Shares to Aleyamma Chacko, 2,500 Equity Shares to Balakrishnan Cherthedath Kesavamallan, 15,000 Equity Shares to Eapen, 2,500 Equity Shares to Joseph Mathai Thachuparampathu Mathai, 2,500 Equity Shares to Santhi Bai Damodaraprabhu, 9,450 Equity Shares to Sibychen C Joseph, 20,000 Equity Shares to Pradeep Chacko, 5,675 Equity Shares to Aleyamma Uthup, 22,500 Equity Shares to Blessen Mathew Joseph, 9,450 Equity Shares to Jainamma Philip, 7,500 Equity Shares to George K V, 7,500 Equity Shares to Gracy Varghese, 25,000 Equity Shares to Mathai Kuriakose, 6,250 Equity Shares to Gopakumar M S, 4,150 Equity Shares to Elizabeth Francis, 6,875 Equity Shares to K C Georgekutty, 12,500 Equity Shares to Leelamma Jacob, 12,500 Equity Shares to Vadakedath Issac Sabu, 7,550 Equity Shares to Jithu K Sam, 20,000 Equity Shares to Abraham Eapen, 25,000 Equity Shares to Annu Korah, 17,500 Equity Shares to Jagadeesh Chandran, 7,550 Equity Shares to C V Philipose, 9,450 Equity Shares to Reshma Elsa Reji, 8,500 Equity Shares to Subash K G, 5,000 Equity Shares to Mathewkutty Scaria, 7,500 Equity Shares to Ratheesh C S, 12,500 Equity Shares to Rekha Prasad, 2,500 Equity Shares to Rajan P Kuruvila, 25,000 Equity Shares to Abraham Vaidyan, 7,500 Equity Shares to Anjana Raju, 9,450 Equity Shares to Elsy Thomas, 7,500 Equity Shares to Gangadharan P K, 15,000 Equity Shares to Jacob N J, 12,500 Equity Shares to Jayasree Raju, 11,325 Equity Shares to Laly Kurian, 7,500 Equity Shares to Persis John, 5,750 Equity Shares to Raju Jacob George, 12,500 Equity Shares to Davy Naissery Peter, 7,500 Equity Shares to Selina K P, 12,500 Equity Shares to Sreekumar P V, 6,250 Equity Shares to Aliamma E V, 12,500 Equity Shares to Annie Baby, 12,500 Equity Shares to Baby K V, 10,000 Equity Shares to Malini A, 5,000 Equity Shares to Unnikrishnan C K, 7,500 Equity Shares to Varkey Vareeth, 12,275 Equity Shares to Ratheesh Kollezhathu Prabhakaran, 10,000 Equity Shares to Ancy Antony, 12,500 Equity Shares to Kunjamma Joseph, 3,775 Equity Shares to Mariamma, 12,750 Equity Shares to Ambika, 7,000 Equity Shares to V M Haridas, 5,675 Equity Shares to Latha Narayanan Namboori, 10,000 Equity Shares to Parvathy Ammal R, 12,500 Equity Shares to Devayani, 3,000 Equity Shares to Seena Sheny, 2,500 Equity Shares to Annamma Saju, 15,000 Equity Shares to Joby Joseph, 7,500 Equity Shares to Benny Skariah, 25,000 Equity Shares to Elizebeth Sunny, 12,500 Equity Shares to Susanna Varghese, 5,000 Equity Shares to P C Annamma, 7,500 Equity Shares to Priya Merine Mathew, 7,500 Equity Shares to V S Somasekharan, 7,500 Equity Shares to Grace Jose, 7,500 Equity Shares to Padmanabhan Nair D, 12,500 Equity Shares to Saibu Sebastian, 12,500 Equity Shares to Bindu Suraj, 5,000 Equity Shares to Jacob Thomas, 12,500 Equity Shares to Jessy Tony, 2,500 Equity Shares to Kasim Nizar P M, 12,500 Equity Shares to Lawrence George, 7,500 Equity Shares to Mariamma Ninan, 6,250 Equity Shares to Mathews Eapen, 20,000 Equity Shares to Sreekala Sudhakaran, 10,000 Equity Shares to Teenu Tony, 2,500 Equity Shares to Susan Varghese, 12,500 Equity Shares to Avarachan K V, 20,000 Equity Shares to Sabu Chemmazhikattu Kurian, 10,000 Equity Shares to Hema V, 17,500 Equity Shares to Joseph Daniel, 8,750 Equity Shares to Thomas M V, 13,225 Equity Shares to Babitha Joseph, 7,500 Equity Shares to Chellappan Haridas, 12,500 Equity Shares to K T Paul, 7,500 Equity Shares to Merin Paul, 7,500 Equity Shares to Adookkattil Mathai Johny, 5,000 Equity Shares to Akhil Paul, 37,500 Equity Shares to Ammini Sleeba, 3,750 Equity Shares to Babumon K C, 3,750 Equity Shares to Chackappan, 10,000 Equity Shares to Chinnamma Adookattil Mathai, 2,500 Equity Shares to John I V, 7,500 Equity Shares to Jaims Punnackattu George, 12,500 Equity Shares to Karuthedath George Saju, 15,000 Equity Shares to Mariamma Saju, 10,000 Equity Shares to Mathai K K, 5,000 Equity Shares to Nancy Peter Vazhappillil, 25,000 Equity Shares to Paliyeth Kuriako George, 8,750 Equity Shares to Biju V J, 10,000 Equity Shares to Cicily K K, 2,500 Equity Shares to Davees V D, 33,750 Equity Shares to Jose Thomas, 2,500 Equity Shares to Lissy K P, 10,000 Equity Shares to Sebastian Pynadath Stephen, 3,750 Equity Shares to Somy Sebastian T, 7,500 Equity Shares to Soumya Somanathan, 9,450 Equity Shares to Leyoni Jacob, 7,500 Equity Shares to Sharat Thomas, 7,500 Equity Shares to Shiny Martin, 5,000 Equity Shares to Anila Manoj, 12,500 Equity Shares to Godly Varghese, 2,500 Equity Shares to Jithin P George, 7,500 Equity Shares to Susan Mathew P, 7,500 Equity

Shares to Bindhu Manoj, 15,000 Equity Shares to Sunny Vargheese, 7,500 Equity Shares to J S A George, 5,000 Equity Shares to Dovelet Beena, 7,500 Equity Shares to Santhosh Kumar J, 8,500 Equity Shares to Aravindakshan Pillai B, 12,500 Equity Shares to Krishna Priya S, 9,450 Equity Shares to Badarudeen, 5,000 Equity Shares to Gopinathan Pillai V, 7,500 Equity Shares to Sherly Roy, 10,000 Equity Shares to Nainan Johny, 5,000 Equity Shares to Philipose Babu, 12,500 Equity Shares to Riya Varghese, 2,500 Equity Shares to Santhamma B, 11,325 Equity Shares to Sarojini Amma, 17,925 Equity Shares to Tisha Susan Thomas, 2,500 Equity Shares to Krishnapillai Gomatheyamma Vijayakumariamma 5,675 Equity Shares to Mariyamma, 10,000 Equity Shares to Varghese Chacko, 30,000 Equity Shares to Geo Babu, 5,000 Equity Shares to Vijaya Sree N S, 18,750 Equity Shares to Sivankutty Paramu, 25,000 Equity Shares to Sadanandan Sahadevan, 5,000 Equity Shares to Janiffer Mendez, 7,500 Equity Shares to Rabeena Noushad, 25,000 Equity Shares to Radhakrishnan Kumaraswamy, 2,500 Equity Shares to Ralitzine Mendez, 5,000 Equity Shares to Robin Mendez, 7,500 Equity Shares to Rushendraprabha, 5,000 Equity Shares to S Kannan, 37,500 Equity Shares to Aleyamma Varghese, 5,000 Equity Shares to Annamma Chacho, 2,500 Equity Shares to George C, 2,500 Equity Shares to Jacob Panicker K N, 7,500 Equity Shares to Jevin Varghese Cherian, 7,500 Equity Shares to Jibin Abraham, 2,500 Equity Shares to John T G, 5,000 Equity Shares to Kunchacko Panicker Chonazhikom Varghese, 2,500 Equity Shares to Lukose Panicker, 2,500 Equity Shares to Raveendran Madhavan, 7,500 Equity Shares to Kochumman Sajimoan, 3,000 Equity Shares to Thankachan Samuel, 2,500 Equity Shares to Thomas John, 2,500 Equity Shares to Susamma Jacob, 3,750 Equity Shares to Leelamma Koshy, 10,000 Equity Shares to Merry Rajan, 10,000 Equity Shares to Raju George, 19,000 Equity Shares to P C Lekha, 5,000 Equity Shares to Johnson D, 12,500 Equity Shares to Biju M R, 6,250 Equity Shares to Gopikuttanpilla, 13,750 Equity Shares to Omana Samuel, 50,000 Equity Shares to Prasad A, 12,275 Equity Shares to G Vijayan Pillai, 20,000 Equity Shares to Lathakumari O G, 7,500 Equity Shares to Parvathy Vijayasree jayanpillai, 5,000 Equity Shares to Reshmi Raveendranpillai, 10,000 Equity Shares to Sasidharan Pillai, 17,500 Equity Shares to Shaji S P, 9,450 Equity Shares to Shaji Dayanandan, 5,000 Equity Shares to V G Muraleedharan, 13,250 Equity Shares to Yamuna Vijayan, 12,500 Equity Shares to A S Deepa, 6,250 Equity Shares to Neethu Manukrishnan, 7,500 Equity Shares to Rani Varghese, 18,900 Equity Shares to Sindhukumary B, 12,500 Equity Shares to Sreelatha L, 2,500 Equity Shares to Ajitha C, 12,500 Equity Shares to Suseela J Fernandez, 7,500 Equity Shares to Bridget Albert, 18,630 Equity Shares to Peter Thomas, 2,500 Equity Shares to Yohannankutty, 8,750 Equity Shares to Moly Zackariya, 10,000 Equity Shares to Sasidharan Pillai Narayanan Pillai, 5,000 Equity Shares to Seethalekshmi R, 5,000 Equity Shares to T S Sreelatha, 7,500 Equity Shares to Aby Abraham, 25,000 Equity Shares to Elizabeth Rejimon Mathew, 12,500 Equity Shares to Gayathry Umesh, 7,500 Equity Shares to Joseph E P, 7,500 Equity Shares to Rajanimol N R, 6,250 Equity Shares to Aneeta Mariyam Johnson, 5,675 Equity Shares to Annamma Koshy, 2,500 Equity Shares to Baby John, 12,500 Equity Shares to Daisy Maichael Michael, 18,900 Equity Shares to Samuel George P, 5,675 Equity Shares to Somasekharan P, 7,500 Equity Shares to Susamma Koshy, 3,775 Equity Shares to Babukutty Thomas, 9,450 Equity Shares to Jilumol Jacob, 2,500 Equity Shares to K Ravindranadhan Nair, 3,775 Equity Shares to Valsamma Kuzhiyuzhathil Varghese, 7,500 Equity Shares to Cheriyan Thomas, 15,000 Equity Shares to Manju, 10,000 Equity Shares to Muraleedharan Nair, 6,250 Equity Shares to T O Koshy, 2,500 Equity Shares to Saramma Koshy, 7,750 Equity Shares to Teena Thomas, 10,000 Equity Shares to Abraham Lukose, 8,750 Equity Shares to Anjaly Mathew, 12,500 Equity Shares to Ansamma Jose, 7,500 Equity Shares to Babu Valliamttumkuzhyil Mathew, 50,000 Equity Shares to Biju Pushpakathu John, 17,500 Equity Shares to Geetha Ramesh, 3,775 Equity Shares to Jino Gigy Sebastian, 10,200 Equity Shares to Lukose Joseph, 10,000 Equity Shares to Mohanakumar V D, 5,675 Equity Shares to Padmakumari Nair, 18,900 Equity Shares to Pailo Kalarickal Shaji, 12,500 Equity Shares to Philip Sebastian, 5,000 Equity Shares to Radhakrishnan Parayil Narayanan, 7,500 Equity Shares to Roy Suresh, 25,000 Equity Shares to Roymon Varghese, 14,500 Equity Shares to Santhakumari, 6,275 Equity Shares to Santhosh Kumar P S, 1,25,000 Equity Shares to Sindhumol Nanappan, 11,250 Equity Shares to Thomas Kutty Kalloth Abraham, 20,725 Equity Shares to Vimala Devi, 5,000 Equity Shares to Radhika S, 10,000 Equity Shares to Usha Kumari K, 25,000 Equity Shares to Neerackal Joseph Georgekutty, 3,000 Equity Shares to Ouseph C D, 2,500 Equity Shares to Nimmy Alexander, 12,500 Equity Shares to Jagan Mathews, 15,000 Equity Shares to John Eapen, 12,500 Equity Shares to John Mathew Chirayil, 50,000 Equity Shares to Sucy Abraham, 10,000 Equity Shares to Aneeta Christopher, 2,500 Equity Shares to Dheenamma Thazchayil Samuel, 9,450 Equity Shares to Lini Thomas, 6,250 Equity Shares to Thomas Varghese, 17,500 Equity Shares to Jenifer Jacob, 12,500 Equity Shares to Kunnumpurathu Binoi Thomas, 7,500 Equity Shares to Radhika Vinod, 2,500 Equity Shares to Ambikadevi Pankajakshi Amma, 5,000 Equity Shares to Anie John, 8,750 Equity Shares to Anila Ann Johny, 13,225 Equity Shares to P D Mathew, 7,500 Equity Shares to Shajan A, 3,775 Equity Shares to Ammukutty Prasad, 7,500 Equity Shares to Annamma Baby, 2,500 Equity Shares to Arjun A, 6,400 Equity Shares to Isac George, 3,775 Equity Shares to Mathew Kattuparampil Cherian, 10,000 Equity Shares to Liya Sara Kurien, 17,000 Equity Shares to Mariamma Seelas, 5,000 Equity Shares to Thomas Daniel, 12,500 Equity Shares to Anila, 12,500 Equity Shares to Devapalan, 12,500 Equity Shares to Indira, 25,000 Equity Shares to Kavya Sasidharan, 15,000 Equity Shares to Leelamma Joy, 7,500 Equity Shares to Mariamma Koshy, 18,750 Equity Shares to Mercy Molamma George, 12,500 Equity Shares to Mohanan Pillai, 5,800 Equity Shares to Rosamma Baby, 25,000 Equity Shares to Shylaja A, 9,450 Equity Shares to Umayamma Gopinath, 12,500 Equity Shares to Lana Joseph, 7,500 Equity Shares to Reetha P R, 5,000 Equity Shares to Joseph, 12,500 Equity Shares to Cherian Chacko, 10,000 Equity Shares to Cyriac Joseph, 12,500 Equity Shares to Joseph Rojan, 7,500 Equity Shares to Reji Joseph, 3,750 Equity Shares to Lilly Jose, 7,500 Equity Shares to Scaria Joseph, 2,500 Equity Shares to Sreelatha K Nampoothiri, 10,000 Equity Shares to Baiju Thottathil Sadasivan, 7,500 Equity Shares to Blesson Varghese, 5,000 Equity Shares to Jincy K Philip, 5,000 Equity Shares to Reji Pottathara Varkey, 7,500 Equity Shares to Beena Joseph, 7,500 Equity Shares to Betsy Sebastian, 7,500 Equity Shares to Christin Joseph, 3,750 Equity Shares to Febin Mathew, 2,500 Equity Shares to Jinumol Joseph, 5,000 Equity Shares to Shaji Thomas, 7,500 Equity Shares to Varghese, 2,500 Equity Shares to Binu K Idiculla, 2,500 Equity Shares to Iype M J, 13,750 Equity Shares to Ammini Abraham, 3,750 Equity Shares to Annieamma Chandy, 3,775 Equity Shares to Anil Mathew Elanjickalveliyathu, 15,125 Equity Shares to Cherukara Venzhiyi Mathew, 6,875 Equity Shares to Josephine Abraham, 5,000 Equity Shares to Mohan Dass, 6,875 Equity Shares to Sindhu, 47,500 Equity Shares to

Sonia Suresh, 12,500 Equity Shares to Dasan M Jorge, 5,000 Equity Shares to Easo Vanmelil Kurian, 12,500 Equity Shares to Jolly Philip, 8,750 Equity Shares to K Sadasivan, 6,250 Equity Shares to Mary Mathew, 25,000 Equity Shares to Mathew Sunny Kutty, 13,750 Equity Shares to Mathews P Easo, 7,000 Equity Shares to Ninan K Easo, 7,500 Equity Shares to P Kurian, 25,000 Equity Shares to Rinu Anna Koshy, 6,250 Equity Shares to Susan Kurian, 2,500 Equity Shares to Usha Kumary Sadasivan, 5,000 Equity Shares to P T Markose, 5,000 Equity Shares to Ramanpillai Ramakrishnan Nair, 12,500 Equity Shares to Suvarna P Nair, 12,500 Equity Shares to Jacob Thondukandathil Chacko, 7,500 Equity Shares to Varghese M M, 7,500 Equity Shares to Anandavalli Amma, 17,500 Equity Shares to A T Abraham, 2,500 Equity Shares to Elizabeth John, 15,000 Equity Shares to Mariamma Abraham Thekkeparambil, 7,500 Equity Shares to Anish Abraham Punnoose, 20,000 Equity Shares to Alias Kollethu Chummar, 10,000 Equity Shares to Fincykutty Mathew, 14,625 Equity Shares to John Veluthedathu Parampil Varkey, 5,000 Equity Shares to Skaria P M, 62,500 Equity Shares to Tessymol Philip, 12,500 Equity Shares to Thulasi Pisharasiar N, 7,500 Equity Shares to Lislin Luka, 7,500 Equity Shares to Lizy Kurian, 12,500 Equity Shares to P P Joseph, 12,500 Equity Shares to Aniyamma Punnooran, 10,000 Equity Shares to Baby John, 10,000 Equity Shares to Chandran R, 8,750 Equity Shares to Daisy Cheeran Thomas, 11,250 Equity Shares to John Kuriakose Thayil, 6,600 Equity Shares to Roy Devasia, 8,750 Equity Shares to Bhagyalekshmi, 2,500 Equity Shares to Dilip Varghese, 3,775 Equity Shares to Mathew Kuncheria, 12,500 Equity Shares to Rincymole Roy, 5,000 Equity Shares to Rosna Ann Varghese, 5,000 Equity Shares to Thomas Chacko, 10,850 Equity Shares to Treesa James, 5,000 Equity Shares to Amminiyamma, 3,775 Equity Shares to Aravindan Velu, 5,000 Equity Shares to Biji Jagadamma, 2,500 Equity Shares to Gopalapillai Ramachandran Nair, 1,875 Equity Shares to Indira B, 3,750 Equity Shares to Kaladharan Plathanathu Vasudevan Nair, 2,500 Equity Shares to Omanakutty K S, 5,250 Equity Shares to Ponnamma, 22,500 Equity Shares to Shaji, 14,000 Equity Shares to Sreekumar Harisankar, 42,500 Equity Shares to Sreeletha B, 7,500 Equity Shares to Sushama Panicker, 5,000 Equity Shares to Reena Mathew, 3,775 Equity Shares to Gokul S Pillai, 2,500 Equity Shares to S Gomathy Ammal, 2,500 Equity Shares to Indira T, 5,250 Equity Shares to Krishnambal G, 8,775 Equity Shares to Radha Krishnan S, 7,500 Equity Shares to Santha Kumari Amma, 3,775 Equity Shares to Siji Mathew, 2,825 Equity Shares to Sosamma Alexander, 3,775 Equity Shares to Sreejith R, 8,775 Equity Shares to Sushamma Rajan, 6,250 Equity Shares to Syamala B Pillai, 3,750 Equity Shares to Varghese George, 11,325 Equity Shares to Bibin Jacob, 15,000 Equity Shares to C C Raghavan, 6,750 Equity Shares to K M George, 10,000 Equity Shares to Immanuel V, 17,500 Equity Shares to Gopalakrishnan A, 10,000 Equity Shares to Jose P O, 15,125 Equity Shares to Annamma Rajan, 7,750 Equity Shares to Athin Abraham, 9,450 Equity Shares to Daniel Kunju Kottapurathu George, 17,850 Equity Shares to Indiradevi, 5,000 Equity Shares to Indira J, 3,750 Equity Shares to Gopalakrishnan Nair, 5,000 Equity Shares to Mariamma Alex, 3,750 Equity Shares to N K James, 10,000 Equity Shares to Sayana Samuel, 9,375 Equity Shares to Sheeja John, 12,500 Equity Shares to M P Philip, 4,375 Equity Shares to Mary M Swaraj, 5,000 Equity Shares to Mariamma Varghese, 17,000 Equity Shares to Indiramma, 9,450 Equity Shares to Rajalekshmi T, 12,500 Equity Shares to Puthngadu Cyniac Kurian, 7,500 Equity Shares to Sudhi Pushkaran, 15,000 Equity Shares to Venkita Raman Pollayode, 5,750 Equity Shares to Ashokan N K, 12,500 Equity Shares to Rajan V V, 22,500 Equity Shares to Jayagopan A P, 7,500 Equity Shares to Sreenivasan T P, 7,500 Equity Shares to Francis Xavier A V, 17,500 Equity Shares to Geethanjali Ranjith A, 8,500 Equity Shares to Reena Valsaraj T, 12,500 Equity Shares to Snehaprabha, 15,000 Equity Shares to Sujatha E T, 7,500 Equity Shares to Leelamma Thomas, 7,500 Equity Shares to Thomas P V, 7,500 Equity Shares to Jayaprasanna, 7,500 Equity Shares to Sankaran Nair P E, 8,750 Equity Shares to Yusuf Thazhathethil, 25,000 Equity Shares to Chacko P D, 10,000 Equity Shares to Gracy P U, 7,500 Equity Shares to Abdul Majeed E K, 18,750 Equity Shares to Rajesh K P, 3,750 Equity Shares to K P Chandramohan Pillai, 12,500 Equity Shares to Sudikshina, 6,500 Equity Shares to Deepa Mathew, 12,500 Equity Shares to Elsy Kalampukattu George, 37,500 Equity Shares to Girija C N, 10,000 Equity Shares to Cecily Thomas, 4,000 Equity Shares to Gigi Mathew, 5,000 Equity Shares to Alice, 7,500 Equity Shares to Ammini Ulahannan, 12,500 Equity Shares to Baby Ulahannan, 13,250 Equity Shares to Bindu Salus, 7,500 Equity Shares to Georgekutty Mathew, 8,250 Equity Shares to Jithu Elsy Jose, 10,000 Equity Shares to Lucy Johnson, 21,250 Equity Shares to Mary A A, 11,325 Equity Shares to Ennolikkara Mathew Mary, 3,775 Equity Shares to Ennolikkara Philip Mathew, 7,500 Equity Shares to Mercy Sunny, 27,500 Equity Shares to Preethy Baby, 7,500 Equity Shares to Saramma Skaria, 13,225 Equity Shares to Sinju Joy, 12,500 Equity Shares to Sony M Baby, 7,500 Equity Shares to Suja Paul Peter, 19,275 Equity Shares to Tissy Sunny, 25,000 Equity Shares to Vismaya James, 3,750 Equity Shares to Chembakam Vadakath, 2,500 Equity Shares to Kasturi P Rao, 3,000 Equity Shares to Nagappa Pushkara Rao, 7,500 Equity Shares to Raphael K G, 6,250 Equity Shares to Rekha P, 5,750 Equity Shares to Saseendran V, 12,500 Equity Shares to Antony K O, 15,000 Equity Shares to Divya Sensalavos, 10,000 Equity Shares to Jose T V, 12,500 Equity Shares to Daniel John Oorutharayil, 17,500 Equity Shares to Antony C T, 3,775 Equity Shares to Paul Joseph, 7,500 Equity Shares to Remi Boney Mary Monicka, 9,450 Equity Shares to Suma Rajeev, 11,250 Equity Shares to Brijit Charuvelil Joseph, 7,500 Equity Shares to K N Balakrishnan Nair, 7,500 Equity Shares to Sabu Mathai, 12,500 Equity Shares to Swapna Charath Syamalan, 7,500 Equity Shares to Varakukalayil Sanku Thampi, 5,000 Equity Shares to Alexander Chandy, 5,000 Equity Shares to Benny M I, 12,500 Equity Shares to Eldhose Kurian, 75,000 Equity Shares to Kadavil Joy Robin, 7,500 Equity Shares to Dileep Kumar B, 12,500 Equity Shares to John Zachariah, 15,000 Equity Shares to K J Peter, 15,000 Equity Shares to Sruthy Varghese, 50,000 Equity Shares to Leena George Puthooran, 37,500 Equity Shares to Puthooran Markose George, 12,500 Equity Shares to Rajan Vavachan, 12,500 Equity Shares to Sheela Rajan, 3,200 Equity Shares to Achamma Thomas, 17,500 Equity Shares to Gopalakrishnan Nair, 2,500 Equity Shares to Likhitha M, 17,500 Equity Shares to Pushpavally Nair, 2,500 Equity Shares to Felix P J, 2,500 Equity Shares to Jejy, 7,500 Equity Shares to Aleyamma Varkey, 12,500 Equity Shares to Jenson M V, 10,000 Equity Shares to Mantharayil Thomas Varkey, 12,500 Equity Shares to Pearly Saira Chacko, 25,000 Equity Shares to Shreejesh Sasidharan, 7,500 Equity Shares to Varkey Abraham Palliparambil, 7,500 Equity Shares to Rohith Varma, 7,500 Equity Shares to Saji K Kuzhiyelil, 3,775 Equity Shares to Kochu Thresya, 11,350 Equity Shares to Vignesh S Banerji, 11,350 Equity Shares to Vinayak Surendranath Banerji, 10,000 Equity Shares to Amritha Veliyath Lonappan, 10,000 Equity Shares to Annie Vazhappilly Devassey, 10,000 Equity Shares to Remya Veliyath Lonappan, 10,000 Equity Shares to Joby K J, 18,750

Equity Shares to Raghavan Kanhinghat, 7,500 Equity Shares to Shyjan Odatt Gangadharan, 9,450 Equity Shares to Anandan A P, 12,500 Equity Shares to Antony P L, 7,500 Equity Shares to C R Bhanumathy, 19,000 Equity Shares to Feby John Chiramel, 12,500 Equity Shares to Joy P A, 12,250 Equity Shares to Kamattathil S Thilakan, 7,500 Equity Shares to O K Sugathan, 12,500 Equity Shares to Sija Shiju Nambyadan, 12,500 Equity Shares to Hrishikesh Patinharapat, 7,500 Equity Shares to V P Davy, 15,000 Equity Shares to Parappilly Vincent, 7,550 Equity Shares to Lekha Parameshwara Kaimal Kurumuzhickal, 7,500 Equity Shares to Lissy P R, 7,500 Equity Shares to R P Praseetha, 13,750 Equity Shares to Shoukathali, 7,500 Equity Shares to Suseela Prasad, 37,500 Equity Shares to A B Abhilash, 7,500 Equity Shares to Poruthikkottu Chirakkil Kumaran, 7,500 Equity Shares to K Rohini, 9,500 Equity Shares to Ajitha Chemmannur Antony, 5,000 Equity Shares to T J John, 12,500 Equity Shares to Annie Purattukara Porinchu, 18,750 Equity Shares to Bright Chittilappilly Varghese, 7,500 Equity Shares to Jayanthi M S, 7,500 Equity Shares to Joe Parambi, 2,500 Equity Shares to Karimalikkal Paily Davis, 6,250 Equity Shares to Karanattu Velayudhan Sohan Singh, 12,500 Equity Shares to Maliakkel Kuriappan Kochurani, 2,500 Equity Shares to Reetha Joseph, 7,500 Equity Shares to Roopana Roshan, 2,500 Equity Shares to Sini Davis, 9,000 Equity Shares to Sini Shaji, 10,000 Equity Shares to Toshi Biju, 7,500 Equity Shares to Abdul Azeez T A, 7,500 Equity Shares to Anwar Azeez Rahman, 10,000 Equity Shares to Jovin C Jolly, 7,500 Equity Shares to K G Harshan, 18,775 Equity Shares to K P Gracy, 17,500 Equity Shares to Teena Jossy, 10,000 Equity Shares to Bhagiavathy Vijayan, 12,500 Equity Shares to C R Saimon, 2,500 Equity Shares to Pallath Rajalakshmy, 6,250 Equity Shares to O Suresh Kumar, 7,500 Equity Shares to Anamika P J, 2,500 Equity Shares to Binny Mathew Thottappilly, 7,500 Equity Shares to Lidiya Vincent, 12,500 Equity Shares to Mariyamma Willie Ollattikulam, 10,125 Equity Shares to Seema Winson, 8,825 Equity Shares to Varghese Manjanga Rappai, 7,500 Equity Shares to Pattath Chakkunny Varghese, 7,500 Equity Shares to Ollassery Sankaran Chandramohan, 11,325 Equity Shares to Davis, 8,750 Equity Shares to Divakara Menon K, 3,200 Equity Shares to Linzy Joy Kuttikkadan, 7,500 Equity Shares to Sandhya Antu, 25,000 Equity Shares to Subhadramma, 6,250 Equity Shares to Sathyan, 3,750 Equity Shares to Elsy Joseph Emmatty, 7,500 Equity Shares to Kunnapilly Antony Jose, 3,775 Equity Shares to Elsy C P, 5,675 Equity Shares to Palatty Poulo Mary, 12,500 Equity Shares to Elsy Cheriyan, 5,675 Equity Shares to Jacob C D, 5,000 Equity Shares to Musthafa, 7,500 Equity Shares to Rajkumar K G, 7,500 Equity Shares to Vigy Gangadharan, 7,500 Equity Shares to Dinto Davis, 10,000 Equity Shares to Habna Jose, 7,500 Equity Shares to Jobin Jose M, 7,500 Equity Shares to Mercy James, 25,000 Equity Shares to Dhanya S Pillai, 7,500 Equity Shares to John Panakkal, 25,000 Equity Shares to Rajan I, 7,500 Equity Shares to Rani Chakkalakkal Jose, 25,000 Equity Shares to Selija, 50,000 Equity Shares to Sivakumaran P, 15,000 Equity Shares to Annarose K Anto, 15,000 Equity Shares to Beena Jose, 12,500 Equity Shares to Nirmala C J, 10,000 Equity Shares to Subrahmanyan, 5,000 Equity Shares to George M E, 5,000 Equity Shares to P C Ramankutty, 7,500 Equity Shares to Aiswarya Scaria, 10,000 Equity Shares to Binoy Chemmannur Lazar, 7,500 Equity Shares to C L Chummar, 18,900 Equity Shares to George Paul, 13,225 Equity Shares to Hema George, 12,500 Equity Shares to Jaya Francis, 7,500 Equity Shares to Jessy Thomas, 17,500 Equity Shares to Mary Chenchu Binu, 7,500 Equity Shares to Pamela Paul, 25,000 Equity Shares to Sneha Dinesan, 12,500 Equity Shares to Chandrasekharan Thekke Adiyat, 7,500 Equity Shares to Thottian Jose Joby, 7,500 Equity Shares to Sherly Lazar, 5,675 Equity Shares to Athul Krishna, 5,625 Equity Shares to Athulya Baji K, 5,675 Equity Shares to Bindu P S, 3,750 Equity Shares to Mercy T A, 7,500 Equity Shares to Gangadevi C R, 7,500 Equity Shares to Jolly Mohan, 8,750 Equity Shares to Julie Binoj, 7,500 Equity Shares to Rajani Santhosh, 12,500 Equity Shares to Benny Chalakkal Kochappan, 6,250 Equity Shares to Charls K F, 20,000 Equity Shares to Juvin Varghese M, 12,500 Equity Shares to Mini Benny, 12,500 Equity Shares to Sajith Kollannoor Jose, 7,500 Equity Shares to Sali Madhu, 2,500 Equity Shares to Davis C A, 21,250 Equity Shares to Davis Porinchu Puthur, 3,125 Equity Shares to Grace Pauly, 7,500 Equity Shares to Jisha, 7,500 Equity Shares to Karippotil Subramanian Lakshmi, 7,500 Equity Shares to Subramanian, 3,000 Equity Shares to Alice Varghese Ponthokken, 5,000 Equity Shares to Anjoe S Nambadan, 13,250 Equity Shares to Curupath Krishnankutty Balakrishnan, 10,000 Equity Shares to Francis Mathew Muttichukaren, 5,000 Equity Shares to Jose Paul Nambadan, 3,750 Equity Shares to Leela Joy Pulikkal, 32,500 Equity Shares to Lonappan E R, 3,750 Equity Shares to Pulikkal Joseph Joy, 6,500 Equity Shares to Varghese D Ponthokken, 7,500 Equity Shares to Achala Unnikrishnan, 30,000 Equity Shares to Aswin Pradeep M, 7,500 Equity Shares to Pandary Vareed Dennymol, 5,625 Equity Shares to Sajitha, 9,450 Equity Shares to Malamel Pattiath Saraswathy, 10,000 Equity Shares to Seema, 7,500 Equity Shares to Latha M R, 15,000 Equity Shares to Ouseph Kattan Thomas, 12,500 Equity Shares to T K Ignatious, 7,500 Equity Shares to Nattath Damodaran Kutty, 7,500 Equity Shares to Jossy Paul, 7,500 Equity Shares to Joseph Jacob E, 7,500 Equity Shares to Neethu Jose V, 7,500 Equity Shares to Mambully Vasudevan Rengith, 3,250 Equity Shares to K V Usha, 7,500 Equity Shares to Konikkara Lonappan Anthony, 7,500 Equity Shares to Manuel George Konikkara, 3,750 Equity Shares to Narayanan Cherukayil, 7,500 Equity Shares to Rani George Vadukkut, 15,000 Equity Shares to Sankarawarrier Prasannakumari, 3,750 Equity Shares to Bindu Balakrishnan Nair, 5,000 Equity Shares to Meenu Manikantan Nair, 4,550 Equity Shares to Omana Unnithan, 20,000 Equity Shares to Suvidya Vidhyadharan Sulochana, 2,500 Equity Shares to Ramanan Prabhakaran, 7,500 Equity Shares to Kanthappan, 6,000 Equity Shares to Beena S, 11,250 Equity Shares to Chandrika L, 15,000 Equity Shares to Renjith Kumar S, 25,000 Equity Shares to Bahuleyan Nair G, 25,000 Equity Shares to Leela, 25,000 Equity Shares to Madhusoodhanan Krishnan Sukumaran, 12,500 Equity Shares to Prince N C, 4,000 Equity Shares to Lekha P Nair, 3,750 Equity Shares to Sankar R, 6,250 Equity Shares to Santosh Daniel Savianvilayil, 5,000 Equity Shares to B Ganga, 5,000 Equity Shares to Pradeesh Soman, 50,000 Equity Shares to David George, 75,000 Equity Shares to Elizabeth Abraham, 22,500 Equity Shares to Fr George Kunnath, 10,000 Equity Shares to Gopalan Mohandas, 7,500 Equity Shares to Sainaba Nazar, 7,500 Equity Shares to Chandrika Janaki, 2,500 Equity Shares to Jayaprabha Suseela, 2,500 Equity Shares to Jerin S J, 7,500 Equity Shares to Arya Subha, 25,000 Equity Shares to Joy, 12,500 Equity Shares to R Lathasivaraman,7,550 Equity Shares to Sandhya S, 11,325 Equity Shares to Sidharth Vijayan Sandhya, 3,750 Equity Shares to Valsamma Abraham, 7,500 Equity Shares to A Kesavan, 11,250 Equity Shares to Krishnamurthy P S, 25,000 Equity Shares to Sadasivan Vijayan and 7,500 Equity Shares to Meenakshi V R.

4. *Allotment of 30,00,000 Equity Shares to Mathew K. Cherian pursuant to conversion of 1,20,000 Compulsorily Convertible Cumulative Preference Shares.*
5. *Allotment of 8,000 Equity Shares to Urmila Devi A P, 6,000 Equity Shares to Sreedevi, 10,000 Equity Shares to Shiny Shaji, 47,000 Equity Shares to P I Thomas, 14,000 Equity Shares to Hafsa C M., 18,000 Equity Shares to Gicco George, 9,000 Equity Shares to Elsamma Mathew, 8,000 Equity Shares to Bini Mary George, 10,000 Equity Shares to Aleyamma Varghese, 6,000 Equity Shares to Suja Varghese, 10,000 Equity Shares to Jaison V R, 6,000 Equity Shares to Santhamma Johnson, 6,000 Equity Shares to Tom Joseph, 12000 Equity Shares to John Thomas, 7,000 Equity Shares to Suku J Kurian, 7,000 Equity Shares to Ouseph, 6,000 Equity Shares to Gracy Alexander, 6,000 Equity Shares to Annamma T John, 12,000 Equity Shares to Vidyasagar G, 6,000 Equity Shares to Thomas Vareekal Scaria, 10,000 Equity Shares to Liceyamma Plakottayil Varkey, 20,000 Equity Shares to Sherly Wilson, 36,000 Equity Shares to Chinnamma I, 10,000 Equity Shares to Syrus J, 20,000 Equity Shares to Thomas Ayrookuzhiyil Samuel, 20,000 Equity Shares to Varughese Thomas, 6,000 Equity Shares to Shahidha Moosa, 8,000 Equity Shares to T N Sadasivan Nair, 12,000 Equity Shares to Rachel Philip, 6,000 Equity Shares to Shyjan E P, 7,000 Equity Shares to Sheena Benny, 8,000 Equity Shares to Dhanya Raj, 20,000 Equity Shares to P C Varghese, 8,000 Equity Shares to Sajikumar Sukumarapillai, 20,000 Equity Shares to Babu Ahamad Kabir, 6,000 Equity Shares to Mathai V A, 6,000 Equity Shares to Reeja Mathews, 6,000 Equity Shares to Mariamma Oommen, 6,000 Equity Shares to Inasu, 14,000 Equity Shares to Jayasree Radhadevi, 19,000 Equity Shares to Sindhu, 9,000 Equity Shares to Sheeba S Baby, 8,000 Equity Shares to Ansamma Tomy, 30,000 Equity Shares to Josey K K, 8,000 Equity Shares to Benny Joseph, 8,600 Equity Shares to Varughese Cheriyan, 20,000 Equity Shares to Rejishkumar K R, 10,000 Equity Shares to Akhil Udayan, 14,000 Equity Shares to Lizamma L, 12,000 Equity Shares to Peter Paul, 8,000 Equity Shares to Anand Padmavathi Sailesan, 6,000 Equity Shares to Sarakutty, 6,000 Equity Shares to Liby C Baby, 10,000 Equity Shares to Aleyamma Abraham, 6,000 Equity Shares to Louis Thomas, 10,000 Equity Shares to Simy Dominic, 9,000 Equity Shares to Omana Amma G, 20,000 Equity Shares to Betty Jaison, 6,000 Equity Shares to Paulose Parathuvayalil Sunny, 6,000 Equity Shares to Bijoy Paul, 6,000 Equity Shares to Rosa Alias Rekha, 6,000 Equity Shares to Johnson C, 14,000 Equity Shares to Santhamma Scaria, 20,000 Equity Shares to Pulikottil Antony Marykunju, 20,000 Equity Shares to Shantymole Sasivilasam Alfred, 8,000 Equity Shares to Pushkaran K, 6,000 Equity Shares to Abraham Thomas, 6,000 Equity Shares to Raveendran Namboothiripad, 6,000 Equity Shares to Paulson P J, 10,000 Equity Shares to Rigy Jaison, 10,000 Equity Shares to O C Varghese, 6,000 Equity Shares to Elsa Emil, 6,000 Equity Shares to Tijo T Chethiyil, 6,000 Equity Shares to K C Georgekutty, 10,000 Equity Shares to Sindhya Varghese, 25,000 Equity Shares to Molykutty Mathew, 6,000 Equity Shares to Babu Varghese, 20,000 Equity Shares to Vibin, 6,000 Equity Shares to Antony K D, 40,000 Equity Shares to Julius Koshy, 6,000 Equity Shares to K Y Mathai, 10,000 Equity Shares to Annamma Jose Cherukunnel, 6,000 Equity Shares to Ancy George, 10,000 Equity Shares to Alice Lukose, 10,000 Equity Shares to Jidin Jacob Kurian, 12,000 Equity Shares to Gerald James, 6,000 Equity Shares to Sindhu Suresh, 6,000 Equity Shares to Valsamma C N, 6,000 Equity Shares to Lissy Joy, 25,000 Equity Shares to Rinta Ann Mathew, 6,000 Equity Shares to Anitha Varghese, 6,000 Equity Shares to Cheriyan E V, 6,000 Equity Shares to Aldo Vincent, 10,000 Equity Shares to Sheeja Joy, 8,000 Equity Shares to Beno John, 10,000 Equity Shares to Alexandar Oomman, 20,000 Equity Shares to Vasu Mohanan, 10,000 Equity Shares to Aleyamma Roch, 6,000 Equity Shares to T T Antony, 14,000 Equity Shares to Issac Varghese, 10,000 Equity Shares to M A Kuriakose, 6,000 Equity Shares to Gregory Simon T, 6,000 Equity Shares to Jeremiah Godly Varghese, 6,000 Equity Shares to Sethulekshmi Kunjamma, 8,000 Equity Shares to Sasikumar Madhavan Pillai, 6,000 Equity Shares to Annieamma Kurien, 6,000 Equity Shares to Ponnamma Thankachan, 6,000 Equity Shares to Abraham P P, 6,000 Equity Shares to Idicula Chaprathu Varghese, 6,000 Equity Shares to Mary Abraham, 7,200 Equity Shares to Job T J, 6,000 Equity Shares to Syrleenj Veliyil John, 12,000 Equity Shares to Vazhaparambil Jacob Johny, 8,000 Equity Shares to V K Manmadhan, 6,000 Equity Shares To Mercy Jose, 6,000 Equity Shares to Baby Jose, 6,000 Equity Shares To Baisil Alias, 6,000 Equity Shares to Anandavally Vijayan Pillai, 6,000 Equity Shares to Kunju Kunjamma John, 20,000 Equity Shares to Susan Alex, 20,000 Equity Shares to Benny Thomas Vayaliparambil, 9,800 Equity Shares to Lizy Kurian, 6,000 Equity Shares to Mariyamma Raju, 8,000 Equity Shares to Janesh Kumar Krishna Pillai, 10,000 Equity Shares to Sreelatha T S., 6,000 Equity Shares to Malath Kurian Elias, 20,000 Equity Shares to C T Babukutty, 10,000 Equity Shares to Kochurani Mathew, 6,000 Equity Shares to Alias Kollethu Chummar, 10,000 Equity Shares to P M Joseph, 10,000 Equity Shares to Shibu Simon, 12,000 Equity Shares to Alice Cyriac, 10,000 Equity Shares to Joy P Joseph, 6,000 Equity Shares to George Pulickakudy Varghese, 10,000 Equity Shares to Thomas Abraham, 15,000 Equity Shares to Dinu Babukutty, 16,000 Equity Shares to Bhanu Velayudhan, 10,000 Equity Shares to Sheeja Moni, 10,000 Equity Shares to Abraham Varghese, 30,000 Equity Shares to Sreeja Pezhunilkunnathil Krishnankutty Nair, 30,000 Equity Shares to Rajeev Kumar Gopala Pillai, 6,000 Equity Shares to Sasidharan Nair, 12,000 Equity Shares to Sosamma Jose Moolayil Kizhakkethil, 7,400 Equity Shares to Puthur Rappai Johnson, 6,000 Equity Shares to Susy K K, 20,000 Equity Shares to Kannukadan Kuriappan Valsa, 8,000 Equity Shares to Thulasi Pisharasiar N, 14,000 Equity Shares to Soniya Joseph, 6,000 Equity Shares to Michael John, 10,000 Equity Shares to Layamma Thomas, 12,000 Equity Shares to Thalhathu Ouseph Paul, 13,000 Equity Shares to Kampadathil Sebastian Joseph, 10,000 Equity Shares to Tom Varghese, 12,000 Equity Shares to Jose Simon, 10,000 Equity Shares to Arun Palakkuzhippil Francis, 20,000 Equity Shares to Vikrama Panicker Parameswara Panicker, 6,000 Equity Shares to Job George, 20,000 Equity Shares to Aleena Thomas, 10,000 Equity Shares to Simpson Joseph, 10,000 Equity Shares to Mathew Kuncheria, 6,000 Equity Shares to Mariamma Jacob, 10,000 Equity Shares to Thomas Francis, 6,000 Equity Shares to Antony Joseph, 10,000 Equity Shares to Rajalakshmi G Panicker, 12,000 Equity Shares to Kurian Varughese, 6,000 Equity Shares to Anate Mary Augustin, 6,000 Equity Shares to George J Puthiyidom, 10,000 Equity Shares to Geetha Ramesh, 10,000 Equity Shares to Baby Alias, 20,000 Equity Shares to Geevarghese Philip, 6,000 Equity Shares to Jincy Shaju, 6,000 Equity Shares to Sreejamol S, 6,000 Equity Shares to Ancy Mathew, 6,000 Equity Shares to Sajitha V S, 6,000 Equity Shares to Lucy Simon, 6,000 Equity Shares to Sherly Mathew Melit Palathingal, 6,000 Equity Shares to Kurian Jos Vazhappilly, 6,000 Equity Shares to Radhakrishna Pillai G, 8,000 Equity Shares to Sankarawarrier Prasannakumari, 10,000 Equity Shares to Elsy Antony, 12,000 Equity Shares to Sahadevan, 30,000 Equity Shares to*

Joseph M V, 22,000 Equity Shares to Edakkalathur Ouseph Kochudevassy, 9,400 Equity Shares to Annie Jacob, 6,000 Equity Shares to Merin Grace Ben, 6,000 Equity Shares to Sebastian, 6,000 Equity Shares to K Gopalakrishnan, 12,000 Equity Shares to K M Joseph, 20,000 Equity Shares to Mangalamuttam Job Joseph, 10,000 Equity Shares to Susamma M, 6,000 Equity Shares to Philip V George, 6,000 Equity Shares to Santhi G S, 6,000 Equity Shares to Sarojini P, 6,000 Equity Shares to Rachel Baby, 36,000 Equity Shares to Thomas Varghese, 10,000 Equity Shares to Daniel Thomas, 10,000 Equity Shares to Anita Tom Kurian, 6,000 Equity Shares to Sasidharan Nair K K, 12,000 Equity Shares to Thomas Mathew T, 6,000 Equity Shares to Binilkumar M S, 11,000 Equity Shares to George P Varughese, 10,000 Equity Shares to Santhamma George, 8,000 Equity Shares to Mariamma Monikkuttan, 20,000 Equity Shares to Asha Peter, 10,000 Equity Shares to Marykutty Mathew, 20,000 Equity Shares to Sebastian Mathew P, 6,000 Equity Shares to Ancy Babu, 12,000 Equity Shares to Sherly Abraham, 6,000 Equity Shares to Shini Biju, 10,000 Equity Shares to Ameena Shaju, 10,000 Equity Shares to James K J, 6,000 Equity Shares to Mercy Joseph, 8,000 Equity Shares to Saramma Varkey, 14,000 Equity Shares to Thankachan P P, 6,000 Equity Shares to Sadique, 6,000 Equity Shares to T G Manoj, 6,000 Equity Shares to Kamalasanan C R, 12,000 Equity Shares to Monson Varughese, 6,000 Equity Shares to E P Devassy, 8,000 Equity Shares to Mallika, 12,000 Equity Shares to Ammini Raju Athanickal, 12,000 Equity Shares to Cheeramelil Chacko Thomas, 12,000 Equity Shares to Giju Thomas, 8,000 Equity Shares to Remya Rajesh, 6,000 Equity Shares to Mathew Varghese, 20,000 Equity Shares to Biju Varghese, 12,000 Equity Shares to Shaji Kunnilakat John, 6,000 Equity Shares to Anagha P J, 10,000 Equity Shares to Mrudul P D, 6,000 Equity Shares to Maliakkel Kuriappan Kochurani, 6,000 Equity Shares to K G Sreekumari, 10,000 Equity Shares to C U K Nair, 6,000 Equity Shares to Saraswathy Narayanan, 6,000 Equity Shares to Pauly P K, 13,000 Equity Shares to K T Peter, 11,000 Equity Shares to Mary Paul, 6,000 Equity Shares to Laly Babu, 6,000 Equity Shares to Lissy, 7,000 Equity Shares to Vasudevan Dwarakanathan Nettath, 7,000 Equity Shares to Thomas Abraham, 6,000 Equity Shares to Shantymol Kuriakose, 6,000 Equity Shares to T V Thomas, 24,000 Equity Shares to Sajimon Simon, 6,000 Equity Shares to Radhamma, 6,000 Equity Shares to Mohanakumar V D, 6,000 Equity Shares to K J Paul, 10,000 Equity Shares to Sreekantan Nair Kuttan Pillai, 6,000 Equity Shares to Neethu, 6,000 Equity Shares to Jobel George, 10,000 Equity Shares to Yohannan Poikamelethil Chacko, 10,000 Equity Shares to Thomas Thomas Noottanikunnel, 12,000 Equity Shares to Thomas Joseph, 12,000 Equity Shares to Gopakumar Madathilparambil Govindapillai, 12,000 Equity Shares to Vikramapanicker Praveenkumar, 6,000 Equity Shares to Kala Nandakumar, 6,000 Equity Shares to Elizabeth Alexander, 10,000 Equity Shares to Jemi John, 6,000 Equity Shares to Anju Mariam Varghese, 6,000 Equity Shares to Podimon C G, 23,000 Equity Shares to George P G, 15,000 Equity Shares to Reshma, 6,000 Equity Shares to Pratheeshkumar P, 6,000 Equity Shares to Mini Vincey, 6,000 Equity Shares to Sneha Shawn, 6,000 Equity Shares to M S Yohannan, 6,000 Equity Shares to Balappan Nair K G, 6,000 Equity Shares to Leelamma Chacko, 10,000 Equity Shares to Aluvile Kavitha Geevarghese, 10,000 Equity Shares to Jiji Joseph, 7,000 Equity Shares to Usha, 28,000 Equity Shares to Valsamma Varghese, 6,000 Equity Shares to Amal A, 6,000 Equity Shares to Edwin Biju Mathai, 10,000 Equity Shares to Thomas K C, 6,000 Equity Shares to Shany Anet A, 20,000 Equity Shares to Aleyamma M Vadake, 8,000 Equity Shares to Paul Peter Malakeel, 6,000 Equity Shares to Radhakrishnan J, 6,000 Equity Shares to Ponnattu Mathai George, 8,000 Equity Shares to Annakutty Varghese, 6,000 Equity Shares to Lilly Mathai, 6,000 Equity Shares to Susy Paul, 10,000 Equity Shares to Neena Antony, 24,000 Equity Shares to Edapylavan Varkey Thomas, 15,000 Equity Shares to Sunil George K B, 8,400 Equity Shares to Krupa Noble P Thomas, 38,000 Equity Shares to M D Paulose, 10,000 Equity Shares to Gnanaseelan Joshua, 24,000 Equity Shares to Thankamma Varghese, 6,000 Equity Shares to Rebecca Abraham, 8,000 Equity Shares to Rosamma Thottuvelil Sebastian, 6,000 Equity Shares to Sabu Jacob Vadakkadom, 6,000 Equity Shares to Sheeladevi, 6,000 Equity Shares to Sathikumary N R, 6,000 Equity Shares to Sony R R, 6,000 Equity Shares to Pushpa George, 10,000 Equity Shares to Laly Kurian, 12,000 Equity Shares to Ramani John, 20,000 Equity Shares to Jessy Cherian, 10,000 Equity Shares to K V George, 14,000 Equity Shares To Gil George, 6,000 Equity Shares to Aswin S Palappillil, 6,000 Equity Shares to Kuriakose Palappillil Varkey, 6,000 Equity Shares to Sabu Kurian, 22,000 Equity Shares to Georgie Alexander, 16,000 Equity Shares to Sankara Pillai, 6,000 Equity Shares to Sasikumar N K, 10,000 Equity Shares to Harikumar D, 6,000 Equity Shares to Shajimon P V, 12,000 Equity Shares to Renjitha Raj T P, 7,500 Equity Shares to Goldy R Nath, 10,000 Equity Shares to Thomaskutty M, 6,000 Equity Shares to Sarojini Kesavan , 6,000 Equity Shares to Mavelil Joshua Koshy, 6,000 Equity Shares to Chacko Abraham, 7,000 Equity Shares to Chinnamma Aniyan Kunju, 7,000 Equity Shares to Aniyankunju Kunjappy, 6,000 Equity Shares to Lovely Babu, 10,000 Equity Shares to Moncy Cheriyan, 18,000 Equity Shares to Lizyamma Varghese, 27,400 Equity Shares to Abraham George, 6,000 Equity Shares to Suja Johns, 6,000 Equity Shares to Chandralekha, 10,000 Equity Shares to Jyothi S, 6,000 Equity Shares to Annamma K Vaidyan, 6,000 Equity Shares to Saramma George, 50,000 Equity Shares to Ramani Bhasi, 8,000 Equity Shares to Jobin Mathew Kuthoor, 6,000 Equity Shares to Punneliparambil Paul Davies, 15,000 Equity Shares to Lakshmi Unnikrishnan, 10,000 Equity Shares to Lali Bharathan, 6,000 Equity Shares to Saranya Kallayil Sankaranarayanan, 6,000 Equity Shares to Rosamma, 6,000 Equity Shares to Agnous Augustine, 6,000 Equity Shares to Joseph John, 7,000 Equity Shares to Sunnichan T S, 20,000 Equity Shares to Jose Cherian, 6,000 Equity Shares to Geetha Madhu, 6,000 Equity Shares to Sunitha, 13,000 Equity Shares to Aleyamma K K, 6,000 Equity Shares to George Varghese, 6,000 Equity Shares to Kuttan Pillai Sasidharan Nair, 6,000 Equity Shares to Alexander, 12,000 Equity Shares to Sandhya Thomas, 10,000 Equity Shares to Koshy Mathew, 6,000 Equity Shares to Sherly Joys, 6,000 Equity Shares to Gopalakrishnan Nair, 36,000 Equity Shares to Sabu John, 6,000 Equity Shares to Kunjukutty Thankachan, 6,000 Equity Shares to Mariyamma Varghese, 10,000 Equity Shares to Leny John, 6,000 Equity Shares to Philip George, 6,000 Equity Shares to Shoma Anie Mammen, 20,000 Equity Shares to Celine M D , 18,000 Equity Shares to Thekkeppat Sankarankutty, 8,000 Equity Shares to Preethy Gil, 12,000 Equity Shares to C P Thomas, 6,000 Equity Shares to Molly Joy, 10,000 Equity Shares to O C Varghese, 8,000 Equity Shares to Vineeth Varghese Joy, 12,000 Equity Shares to Raju, 20,000 Equity Shares to Pothanalil Padmanabhan Vijayan, 20,000 Equity Shares to Sobhana Vijayan, 6,000 Equity Shares to Hebu Ismail Dileep, 6,000 Equity Shares to Celine Kuriala, 10,000 Equity Shares to Lonappan Alappat Pauly, 6,000 Equity Shares to Roshmi Jestine Erumakkattuparambil, 7,000 Equity Shares to Bincy Liju, 10,000 Equity Shares to Vijayalakshmi P, 10,000 Equity Shares *to Vilasini Aravindan, 6,000 Equity Shares to Antony L Kakkassery, 7,000 Equity Shares to Laila, 16,000 Equity Shares to Mahalakshmi Vadakkeodath, 10,000 Equity Shares to Cherian Joseph, 30,000 Equity Shares to Marykutty Cherian, 8,000 Equity Shares To Anoop Kunnathully, 7,000 Equity Shares to K D Mary, 6,000 Equity Shares to Joshimol S, 6,000 Equity Shares to Abraham T Mathew, 6,000 Equity Shares to Georgekutty Mathew, 7,000 Equity Shares to Joy Madathettu Chettayil Chacko, 9,000 Equity Shares to Nishamol K Thomas, 8,000 Equity Shares to Binoy Augustine, 6,000 Equity Shares to Sebastian K K, 6,000 Equity Shares to Mariamma M M, 20,000 Equity Shares to Aleyamma Abraham, 32,000 Equity Shares to Jimmy Joseph, 10,000 Equity Shares to Lizy Oppoottil Chacko, 13,000 Equity Shares to Reeny Joe, 6,000 Equity Shares to Krishna Kumar K.P, 6,000 Equity Shares to Mary Molly M A, 15,000 Equity Shares to Sahadevan, 16,000 Equity Shares to Leelamma Johny, 8,000 Equity Shares to Prasad Vaidyan P K, 16,000 Equity Shares to Devayani, 6,000 Equity Shares to Balakrishna Panicker L P, 15,000 Equity Shares to Ambika, 6,000 Equity Shares to G Sudha, 6,000 Equity Shares to Baby Stephan, 10,000 Equity Shares to Ajesh Kurian,8000 Equity Shares to Devadasa Pai T M, 6,000 Equity Shares to Ani Joseph, 10,000 Equity Shares to Babu P Varghese, 6,000 Equity Shares to Annie Jacob, 20,000 Equity Shares to Shelmi Kandathil Joseph, 6,000 Equity Shares to Piouskutty Jose, 18,000 Equity Shares to Baby John, 6,000 Equity Shares to Shiny Baby, 25,000 Equity Shares to Annamma Abraham, 6,000 Equity Shares to Thomas P T, 8,000 Equity Shares to Basanth Thomas, 8,000 Equity Shares to John Eapen, 12,000 Equity Shares to Saly Rajan Vellappallil, 6,000 Equity Shares to Bincy Joseph , 6,000 Equity Shares to Paul V O, 6,000 Equity Shares to Ramesh R Nair, 6,000 Equity Shares to Bindhumol R, 8,000 Equity Shares to Ann Treesa Joshy, 8,000 Equity Shares to Jommy Mathew, 16,000 Equity Shares to Jinu Mathew, 6,000 Equity Shares to Smithamol C A, 6,000 Equity Shares to Ruby K Thomas, 6,000 Equity Shares to Raju Joseph, 6,000 Equity Shares to Thomas K, 10,000 Equity Shares to Paul Jose Mathew, 6,000 Equity Shares to Babychen Manuel, 6,000 Equity Shares to Thomas Mathew, 8,000 Equity Shares to Vincy Wilson, 6,000 Equity Shares to Jolly Stephen, 6,000 Equity Shares to Reji Abraham, 10,000 Equity Shares to Joly Jose, 6,000 Equity Shares to Linse K A, 6,000 Equity Shares to K A Polson , 10,000 Equity Shares to Jose Kannampilly Antony, 10,000 Equity Shares to Ranganadhan M T, 6,000 Equity Shares to Annmaria Puthur Johnson, 10,000 Equity Shares to Lonappan T J, 10,000 Equity Shares to Mary P V, 13,000 Equity Shares to Lisna Anto, 6,000 Equity Shares to Lucy, 6,000 Equity Shares to Thottan Varghese Vincent, 6,000 Equity Shares to Ancy Reegan, 6,000 Equity Shares to Leemol Tito, 6,000 Equity Shares to Mary Anto T, 6,000 Equity Shares to Thankappan, 8,000 Equity Shares to Shyama Ashim, 6,000 Equity Shares to Joy John, 10,000 Equity Shares to Annamma Joseph, 6,000 Equity Shares to Mariamma Babu, 6,000 Equity Shares to Sherin John, 20,000 Equity Shares to Dasan M Jorge, 10,000 Equity Shares to Devassy C I, 6,000 Equity Shares to Pathrose Kakkattil Kuruvilakuriako, 6,000 Equity Shares to Sheeja P C, 6,000 Equity Shares to Antony Pullattu Antony, 6,000 Equity Shares to Jayakumar T K, 6,000 Equity Shares to Remya V Nair, 20,000 Equity Shares to Jameela, 6,000 Equity Shares to Anil Joseph, 10,000 Equity Shares to Neal George, 6,000 Equity Shares to Aisha, 18,000 Equity Shares to Sunny Thomas, 6,000 Equity Shares to Unnikrishnan Namboothiri A N, 6,000 Equity Shares to Madhu Sudanan Namboothiri, 6.000 Equity Shares to P Radhamma, 6,000 Equity Shares to Sherly Mathew, 6,000 Equity Shares to Jessy Francis, 10,000 Equity Shares to Indira M R, 9,000 Equity Shares to Molly Moncy, 6,000 Equity Shares to Shirly Paul, 20,000 Equity Shares to Merin Thomas, 10,000 Equity Shares to Subaida Haleem, 44,000 Equity Shares to Fr Issac M I, 39,000 Equity Shares to Antreesa Paul, 9,000 Equity Shares to Moncy Vavachan, 6,000 Equity Shares to Aleyamma Kuriakose, 40,000 Equity Shares to Thomas Mathai, 6,000 Equity Shares to Leenamma Francis, 6,000 Equity Shares to Chinchu Varghese, 10,000 Equity Shares to Thankamma Peter, 6,000 Equity Shares to Sarala M, 12,000 Equity Shares to Sania Varghese, 6,000 Equity Shares to Baldwin, 6,000 Equity Shares to Ammini, 8,000 Equity Shares to Sneha Prabha Rajamma, 10,000 Equity Shares to Arianne Joseph, 6,000 Equity Shares to Sandhya J S, 20,000 Equity Shares to Morji John, 6,000 Equity Shares to Rushendraprabha, 8,000 Equity Shares to Thomas Jacob, 6,000 Equity Shares to Daisy Sebastian, 10,000 Equity Shares to Lisy Sebastian, 8,000 Equity Shares to Varghese V G, 10,000 Equity Shares to Jose Joseph, 6,000 Equity Shares to Dileep Vattaparambil Subramanian, 10,000 Equity Shares to Bejoy Paul, 6,000 Equity Shares to Vadassery Poulose An to, 6,000 Equity Shares to C D Mercy, 9,600 Equity Shares to Tharayil Mohan Pooja, 6,000 Equity Shares to Toms V L, 10,000 Equity Shares to Sivaprasad V R, 6,000 Equity Shares to Liviya Vincent Pulikkottil, 12,000 Equity Shares to V S Leela .,10000 Equity Shares to Phina Thomas, 6,000 Equity Shares to Subhadramma Janaki Amma, 8,500 Equity Shares to Annamma Idicula, 10,000 Equity Shares to Daniel Mathai, 6,000 Equity Shares to Samuel Mathai, 11,400 Equity Shares to Mary Thomas, 10,000 Equity Shares to Lissy Thomas, 6,000 Equity Shares to Rajesh K, 20,000 Equity Shares to Shiny Sajan, 6,000 Equity Shares to Daniel P D, 6,000 Equity Shares to Shainy Samuel, 10,000 Equity Shares to Jiju John .*

6. *Allotment of 16667 Equity Shares to Sony John, 10000 Equity Shares to Vijaya Kumar K ,13334 Equity Shares to Abraham P J ,10000 Equity Shares to Anilkumar P ,5000 Equity Shares to Paulose K P ,5000 Equity Shares to Joseph K O ,5000 Equity Shares to Saurav Somanath ,5000 Equity Shares to Meenu Chandran ,5000 Equity Shares to K P Kesavan ,5000 Equity Shares to Reeba Saju ,5000 Equity Shares to Varghese P O ,5000 Equity Shares to Sherly M M ,5000 Equity Shares to Jeeji T S ,9000 Equity Shares to Leelamma Joseph Sibichan ,10000 Equity Shares to Joseph Sibichan ,18000 Equity Shares to Reena Philipose ,15000 Equity Shares to K V Varghese ,5000 Equity Shares to Jerome Santhosh Nambadan ,8500 Equity Shares to Thomas K A ,5000 Equity Shares to Jayakrishnan S ,5000 Equity Shares to Jayan Rajan ,8334 Equity Shares to Keerickal Geevarghese Chacko ,5000 Equity Shares to Jacob Varughese Mepurathu ,25000 Equity Shares to Shantha Chandy ,5835 Equity Shares to Sowmya Jose P ,5000 Equity Shares to Sebastian Denny Kuriakose ,8335 Equity Shares to Joel Jose ,5000 Equity Shares to Manikandan K R ,16668 Equity Shares to Sajan Thomas ,5000 Equity Shares to R Ayyappan ,8500 Equity Shares to Mary Thomas ,5000 Equity Shares to Jose Shelby ,5000 Equity Shares to Pallipuram Job Jos ,6667 Equity Shares to Shentiraj S S ,5000 Equity Shares to Anoop Chandrasekharan Nair ,6700 Equity Shares to Thomas Varghese, 8350 Equity Shares to Vivek Zachariah Stephen, 6000 Equity Shares to Chandramathy. ,17500 Equity Shares to Annamma Solomon ,5000 Equity Shares to Sheena Abraham . ,8334 Equity Shares to M John Easaw ,5000 Equity Shares to Sreelekha ,11670 Equity Shares to Neseela , 6700 Equity Shares to Tom Varghese ,25000 Equity Shares to Santha George .,14250 Equity Shares to Augusthy James ,34925 Equity Shares to Aleyamma M Vadakel ,5000 Equity Shares to Cini P Mathew ,16667 Equity Shares to Mohamed Abdul Haleem*

P M ,8334 Equity Shares to Subaida Haleem ,8350 Equity Shares to Joppan D ,5000 Equity Shares to Sherly Roy ,5000 Equity Shares to Alice Babu ,5000 Equity Shares to Chackochan K ,5000 Equity Shares to Rajan Mathew ,15000 Equity Shares to Shibu Gopalan ,17500 Equity Shares to Elsamma Mathew ,8335 Equity Shares to Bhuvanachandran ,5000 Equity Shares to Bhaskaran Somarajan ,6667 Equity Shares to Daisy Raju ,5000 Equity Shares to Santhamma Scaria ,5000 Equity Shares to Geetha Kochumon ,8250 Equity Shares to Usha Sukumaran ,24150 Equity Shares to Radha Kuruppuparambil Thundan ,10000 Equity Shares to Fr Seby Chittilappilly ,8500 Equity Shares to T K Ignatious ,5000 Equity Shares to Davis Antony ,8333 Equity Shares to Jose Thomas Chakkalakkal ,5000 Equity Shares to Vadassery Poulose Anto ,10000 Equity Shares to Mathews K Jacob ,5000 Equity Shares to Joseph K I ,5000 Equity Shares to Jessy Joseph ,10000 Equity Shares to Sankarawarrier Prasannakumari ,5000 Equity Shares to Chandrika Babu ,8000 Equity Shares to Chellappan Haridas ,13400 Equity Shares to Annakutty Varghese ,5000 Equity Shares to Jessy Jacob ,16667 Equity Shares to Eapen Varughese ,8334 Equity Shares to Annamma Thomas ,16667 Equity Shares to Mercy Tom ,8335 Equity Shares to Mathew M T ,5000 Equity Shares to Sreekiran M ,5000 Equity Shares to Rajamma Bharathy ,33500 Equity Shares to Ambily Mariamma Thankachan ,6700 Equity Shares to Varghese Thomas ,5000 Equity Shares to Sujatha Kumari ,5000 Equity Shares to Jessymol ,8500 Equity Shares to Indira Ramachandran Pillai ,7000 Equity Shares to Bindu S Babu ,8335 Equity Shares to Seethalekshmi R ,5000 Equity Shares to Zeenath Ali Bamadeen ,10000 Equity Shares to K J Simon ,5000 Equity Shares to Moli Simon ,5000 Equity Shares to Mariamma Mathew ,7000 Equity Shares to P M Daniel ,11750 Equity Shares to Susan Jose ,5000 Equity Shares to Abraham Varghese ,25000 Equity Shares to Muraleedharan G ,10000 Equity Shares to Daniel Varghese ,5000 Equity Shares to Ransa Beebi ,8334 Equity Shares to Mercy Shaju C ,8334 Equity Shares to Elavathingal Anthony George ,5750 Equity Shares to Joy ,5000 Equity Shares to Parameswaran Thampi Muralidharan Nair ,41750 Equity Shares to Eugene Simon ,5000 Equity Shares to Rajalekshmi Sivaraman ,9000 Equity Shares to Minimol S R ,6667 Equity Shares to Jose P T ,8000 Equity Shares to Lethakumari M ,5000 Equity Shares to Joseph Ulahannan Mamala ,5000 Equity Shares to Remzine Dennis Mendez ,16700 Equity Shares to Jayalal R S ,8334 Equity Shares to Valsala ,5000 Equity Shares to Kamalasanan C R ,5000 Equity Shares to Davis John Chiramel ,5000 Equity Shares to Podiyan ,8500 Equity Shares to John Mathew ,10850 Equity Shares to Surya ,33000 Equity Shares to Jiji Jose ,5000 Equity Shares to Retnamma K ,8335 Equity Shares to Gopikrishnan Gopalakrishna Pillai ,5000 Equity Shares to Samuel Koshy Joseph ,15000 Equity Shares to Aleyamma Samuel ,16675 Equity Shares to Emily Anne Jerry ,5000 Equity Shares to Sosamma Oommen ,6667 Equity Shares to John Kunjappan Puthenparambil ,6667 Equity Shares to Shylaja Sudheesh ,8334 Equity Shares to Chinnamma Thomas ,15000 Equity Shares to Raju ,5000 Equity Shares to Thekkeppat Sankarankutty ,5000 Equity Shares to Devayani ,20000 Equity Shares to Sherly Abraham ,10000 Equity Shares to Rocky Edappulavan Joseph ,16665 Equity Shares to Saramma Aleyas ,5000 Equity Shares to Chembanal Easo Aleyamma ,8334 Equity Shares to Thambi Vadakkedathu Varghese ,5000 Equity Shares to Riyamol ,16667 Equity Shares to Jimmichan C A ,5000 Equity Shares to Sandhya Rani K J ,8500 Equity Shares to Laiju K R ,8500 Equity Shares to Rincy Sunil ,7000 Equity Shares to Alias Kollethu Chummar ,5584 Equity Shares to Molly John ,16667 Equity Shares to Elsamma Scaria ,9167 Equity Shares to Leelamma George Olikara ,5000 Equity Shares to Joshimol S ,66667 Equity Shares to K A Joseph ,15000 Equity Shares to Sajan Paul ,5000 Equity Shares to Manjaly Kunjuvareed Jose ,11000 Equity Shares to Muraleedharan N ,6667 Equity Shares to Usha Kumary Sadasivan ,5000 Equity Shares to George K A ,5000 Equity Shares to Thresiamma Tom ,8335 Equity Shares to Beno John ,5000 Equity Shares to Ritamma Mathew ,30000 Equity Shares to George P G ,12000 Equity Shares to Mariamma Babu ,13500 Equity Shares to Babu Matheth Idicula ,5000 Equity Shares to Johncy Elsa John ,13500 Equity Shares to Mariamma Pallattusseril John ,5850 Equity Shares to C D David ,5050 Equity Shares to Alexander Moolamuriyil Thomas ,7500 Equity Shares to George ,5000 Equity Shares to Jacob Varghese ,6000 Equity Shares to Susamma Kuranjoor Abraham ,8350 Equity Shares to Jayasree ,8334 Equity Shares to Jigi Joseph ,5000 Equity Shares to Aleyamma Thomas ,5000 Equity Shares to Shinu Annie Itty ,33334 Equity Shares to Thomas Chacko ,16667 Equity Shares to Thresyamma Thomas ,5000 Equity Shares to Wilson Rajaian ,5000 Equity Shares to Madhavan Pillai Subramonia Pillai ,10000 Equity Shares to Viji Baby ,5000 Equity Shares to Sheena R N ,14200 Equity Shares to Sheela Thomas ,18000 Equity Shares to Suma Jose ,5000 Equity Shares to Jose K Samuel ,5000 Equity Shares to Varughese Samuel ,5000 Equity Shares to Ajaynath R ,5000 Equity Shares to Rajesh R ,5000 Equity Shares to Seetha Lakshmiyamma ,5000 Equity Shares to C T Koshy ,5000 Equity Shares to Mathew ,5000 Equity Shares to K G Johnson ,5000 Equity Shares to Rosamma Daniel ,5000 Equity Shares to Abraham C P ,5000 Equity Shares to Manojkumar V ,6667 Equity Shares to Smitha Joyis ,5000 Equity Shares to Annamma Varghese ,5000 Equity Shares to Philip V George ,5000 Equity Shares to Bincy Varghese ,5000 Equity Shares to Janiffer Mendez ,5000 Equity Shares to Radhakrishnan Kunjupanicker ,5000 Equity Shares to Elezabath B ,5000 Equity Shares to Sibi Joseph ,8334 Equity Shares to Agnous Augustine ,5000 Equity Shares to Lukose Joseph ,5000 Equity Shares to Joyal Sebastian ,5000 Equity Shares to Anate Mary Augustin ,5834 Equity Shares to Abraham K M ,8334 Equity Shares to Molly John ,8334 Equity Shares to Delphi Antony ,5000 Equity Shares to Lonappan T J ,5000 Equity Shares to Mary P V ,5000 Equity Shares to Renjith Rajagopalan Kuruvath ,5000 Equity Shares to Kallakkavumkal Kurien Chacko ,5000 Equity Shares to Devassy P C ,10834 Equity Shares to Jainy George ,5000 Equity Shares to Mathai K K ,6667 Equity Shares to V K Raveendran ,18700 Equity Shares to Mary Paul ,18750 Equity Shares to Gracy Isaac ,6667 Equity Shares to Chinnama Skaria ,5000 Equity Shares to Sunil Kumar K ,5000 Equity Shares to Anil Kumar Mani ,5000 Equity Shares to Vijayalakshmi ,5000 Equity Shares to Michelle Roy Kannanthanam ,10000 Equity Shares to Shajimon Athakadu Cherian ,5000 Equity Shares to Mercy Jose ,5000 Equity Shares to Rani George Vadukkut ,5000 Equity Shares to Baji K K ,11666 Equity Shares to Yacob Panengadan Antony ,5000 Equity Shares to Rekha Varghese ,8333 Equity Shares to Mary Christina ,5000 Equity Shares to P B Prabhakaran ,6000 Equity Shares to Palathingal John Lisa ,11667 Equity Shares to Ginu Cherian ,5000 Equity Shares to Deepa Chacko ,5000 Equity Shares to Sobhana Ammini ,5000 Equity Shares to Shelji ,16667 Equity Shares to Prasad Skariah ,5000 Equity Shares to Vincent Cherukara Philip ,5335 Equity Shares to Smitha Luke ,8334 Equity Shares to Thressiamma Joseph ,6670 Equity Shares to Roy Suresh ,16667 Equity Shares to Vijayalakshmi Amma P ,7500 Equity Shares to Roy Chacko ,9500 Equity Shares to Thankachan Gheevarghese ,5000 Equity Shares to Johnson Vergis ,8334 Equity Shares to Krishnapriya S. ,8250 Equity Shares to

Rosamma John ,8350 Equity Shares to Anila Thankachan ,5000 Equity Shares to Aleyamma Simon ,10000 Equity Shares to Jayamol Unnoonni ,9000 Equity Shares to T Y Easo ,5000 Equity Shares to Samuel P T ,10000 Equity Shares to Mathew T K ,14000 Equity Shares to Ken Suresh ,5000 Equity Shares to Mariamma T T ,5000 Equity Shares to Joice Thomas ,5000 Equity Shares to Remya K S ,5000 Equity Shares to Suseela ,5000 Equity Shares to Anjana Saseendra Kurup ,5000 Equity Shares to Dominic C Mundackal ,5000 Equity Shares to Sonu C Thomas ,6670 Equity Shares to Annamma Varghese ,5000 Equity Shares to Renu George ,7000 Equity Shares to Annie Thevareth Abraham ,8334 Equity Shares to Ammini Mathai ,5850 Equity Shares to Prasannakumari ,5000 Equity Shares to Susan Thomas Joseph ,5000 Equity Shares to Geetha S ,5000 Equity Shares to Omana Unnithan ,8334 Equity Shares to Abraham Vaidyan ,8334 Equity Shares to Gil George ,5000 Equity Shares to K Y Mathai ,8334 Equity Shares to Philip John ,8334 Equity Shares to Molly Philip ,8334 Equity Shares to Kunjammini ,25000 Equity Shares to Elsamma Abraham ,5000 Equity Shares to Gracamma Kuruvila ,20000 Equity Shares to Elsamma Kavithala Joseph ,5000 Equity Shares to Philip Mathew ,6000 Equity Shares to Sujatha P ,5500 Equity Shares to Ramakrishnan ,8550 Equity Shares to Renu Kunjumon ,43338 Equity Shares to Janardana Madhavapanicker Kurup ,16669 Equity Shares to Sonia Suresh ,10000 Equity Shares to Alan Abey Thomas ,5000 Equity Shares to Ushadevi Mathoor Saraladevi ,5000 Equity Shares to Joseph Mathew ,5000 Equity Shares to Seeja Jacob ,5000 Equity Shares to Sumam George ,5000 Equity Shares to Philip K C ,21500 Equity Shares to K G Kunjumon ,10000 Equity Shares to K E Jacob ,5000 Equity Shares to Vidyasagar G ,5000 Equity Shares to Antony Thomas ,5000 Equity Shares to Ancy Susan George ,5000 Equity Shares to Prijith Varghese Mathew ,5000 Equity Shares to Thresiamma Antony ,8335 Equity Shares to Priya K ,5000 Equity Shares to Liya Shibu ,5000 Equity Shares to Susan Samuel Thomas ,5000 Equity Shares to Molamma Jacob ,5000 Equity Shares to Thomas Varughese ,5000 Equity Shares to Sheeladevi ,5000 Equity Shares to Abraham Kottoorethu George ,5000 Equity Shares to Anandavally Vijayan Pillai ,5000 Equity Shares to Biju Divakaran ,5000 Equity Shares to Santhakumari Amma Thankamma Pillai ,5000 Equity Shares to Gracy Simson T ,15000 Equity Shares to Madhu Unnikrishnan Nair ,11250 Equity Shares to Valsamma James ,8334 Equity Shares to Mini Joseph ,5000 Equity Shares to Shinod Kakkassery Varghese ,41500 Equity Shares to Peter Jerome ,5000 Equity Shares to Leena Rani L ,5000 Equity Shares to Rosy Mathew ,7000 Equity Shares to Aliyamma Baby ,6000 Equity Shares to Benson Baby ,6000 Equity Shares to Bosky Baby ,5000 Equity Shares to Saby K Joy ,8334 Equity Shares to T Lekhakumari Amma ,5000 Equity Shares to Sujin Varghese Mappila ,6700 Equity Shares to Rajendran Pillai M ,15000 Equity Shares to Chandrika Janardan Kurup ,5000 Equity Shares to Jose Joseph ,6667 Equity Shares to George T Philip ,10850 Equity Shares to Mary Thomas ,5000 Equity Shares to V R Rajendra Karnavar ,5000 Equity Shares to Jose George ,5000 Equity Shares to Sasidharan Nair ,5000 Equity Shares to Shimon Shibu Puthukkattu ,5000 Equity Shares to John Abraham Anjilimoottill ,5000 Equity Shares to Arundathi Bai K ,5000 Equity Shares to Leelamma Thomas ,5000 Equity Shares to Baby ,6667 Equity Shares to Micky Chacko ,16678 Equity Shares to Sainudeen P U ,5000 Equity Shares to Mini Simon ,5000 Equity Shares to Abraham C G ,8335 Equity Shares to Sreeja R ,8335 Equity Shares to Rajan Chellappan ,15000 Equity Shares to Parvathy K R ,5000 Equity Shares to Karappanveettil Mohammed Naseer ,5000 Equity Shares to Smitha Marylyn Thomas ,5001 Equity Shares to Prastheena Pathrose ,5250 Equity Shares to Britto John Paul ,16700 Equity Shares to Indulekha V ,7500 Equity Shares to K C Joy ,10000 Equity Shares to George Varghese ,5000 Equity Shares to Sabu Jacob ,7500 Equity Shares to Philip Jacob ,10834 Equity Shares to Anju Joseph ,10000 Equity Shares to Idicula Kurian ,7500 Equity Shares to Ria Jose ,5000 Equity Shares to Augusthy Pulickeel Kurian ,10000 Equity Shares to K M Joseph ,5000 Equity Shares to Joseph Paily ,5000 Equity Shares to Jose P O ,14168 Equity Shares to Molly Jacob ,5000 Equity Shares to Sipin Elizabeth Paul ,5000 Equity Shares to Varghese V M ,5000 Equity Shares to Minishony ,16667 Equity Shares to Loviji Geofry ,5000 Equity Shares to Shajan Thomas ,16667 Equity Shares to Giju Thomas ,8334 Equity Shares to Nestin Balu Edappattu ,5000 Equity Shares to K V George ,8300 Equity Shares to Susan Varghese ,15000 Equity Shares to Santhosh K N ,10000 Equity Shares to Rajankutty G ,5000 Equity Shares to Gopakumar T R ,16700 Equity Shares to Geethamony Prabakaran Pillai ,16700 Equity Shares to Sukumara Pillai Kuttan Pillai ,5000 Equity Shares to Thara Parvathy Amma ,5000 Equity Shares to Shyni M T ,5000 Equity Shares to Bino K John ,5000 Equity Shares to Lucy Tania Cabral ,8334 Equity Shares to Ramachandran Padmanabha Pillai ,5000 Equity Shares to Stephen Joseph Pulickakudyil ,5000 Equity Shares to Korathu Paul ,5000 Equity Shares to Godly Varghese ,5000 Equity Shares to Susan Mathew P ,5000 Equity Shares to Benny Peringattu Varghese ,10000 Equity Shares to Devadasa Pai T M ,5000 Equity Shares to Ettiekkat Mathew Alamma ,16675 Equity Shares to Jean Pappachen Jaimson ,5000 Equity Shares to Eizabeth Thomas ,8334 Equity Shares to Mini Jacob ,8334 Equity Shares to Manju Shanavas ,5000 Equity Shares to Gracyamma Thomas ,13334 Equity Shares to Mohanan Nair ,8335 Equity Shares to Ramani Rajan ,5000 Equity Shares to Vijayamma Hari Kumar ,5000 Equity Shares to Sreedevika S ,6250 Equity Shares to Thomas Sebastian ,5000 Equity Shares to Mathew Pothen ,5000 Equity Shares to Annamma Thomas ,10000 Equity Shares to John P J ,10000 Equity Shares to Annamma Joseph ,41667 Equity Shares to K S Joseph ,5000 Equity Shares to Aravindakshan Nair ,8334 Equity Shares to Rebin Geo Kurian ,5000 Equity Shares to Kuruvila Puthenchirayil James ,8334 Equity Shares to Job T J ,5000 Equity Shares to Shinu Packarampel Thoma. ,7085 Equity Shares to Angel Jenson ,8335 Equity Shares to Baby Michel ,5000 Equity Shares to Steby Babu ,25001 Equity Shares to Leelamma Poulose ,8335 Equity Shares to Sarakutty Mathai ,8334 Equity Shares to Kattumangatt Paulose Baby ,5000 Equity Shares to Hema V ,5000 Equity Shares to Paul Abraham ,6667 Equity Shares to Mary Thomas ,5000 Equity Shares to Shony Francis Kavalakat ,5000 Equity Shares to Mangan Chacko Joseph ,5000 Equity Shares to Steephen P P ,6000 Equity Shares to Thomas A N J ,17000 Equity Shares to C D Jose ,5000 Equity Shares to Ammanamveetil Saidmohamed Beena ,10000 Equity Shares to Sona S ,17000 Equity Shares to Elsie Jose, 10,000 Equity Shares to Poruthoor Francis Johny ,5000 Equity Shares to Sibin J Poruthoor ,6667 Equity Shares to Alice Johny ,8334 Equity Shares to Rasmi John ,5000 Equity Shares to Jose K R ,5000 Equity Shares to Marath Velayudhan Sajee ,5000 Equity Shares to Sulaiman P A ,5000 Equity Shares to Ajitha C, 16500 Equity Shares to Baby John ,16500 Equity Shares to Shiny Baby,5000 Equity Shares to Sumathykutty ,5000 Equity Shares to P C Cherian ,5000 Equity Shares to Radhika Pradeep ,5834 Equity Shares to Lekha ,5000 Equity Shares to Lalitha K G ,7500 Equity Shares to Kochurani George ,6700 Equity Shares to Susamma Kurian ,8334 Equity Shares to Bobby Jacob ,6667 Equity Shares to P M Joseph ,5000 Equity Shares to Jimmy Joseph ,5000 Equity Shares to Aneeshkumar P K ,5000 Equity Shares *to P V Joshua ,8334 Equity Shares to George Alexander ,8350 Equity Shares to Sujith Soman Pillai ,6670 Equity Shares to Suby Mary Easo ,5000 Equity Shares to Manju Janardhanan ,5000 Equity Shares to Remani Mathew ,8000 Equity Shares to Baby V M ,5000 Equity Shares to Mini Mithralayam Thankamma ,10000 Equity Shares to Tixy K Joseph ,5000 Equity Shares to Omana Amma G ,5000 Equity Shares to Wilson Daniel ,10000 Equity Shares to Dasan M Jorg. ,5250 Equity Shares to Sheela Davis ,25850 Equity Shares to Jose Cherian ,7500 Equity Shares to Aleyamma John ,5000 Equity Shares to Elizabeth John ,5000 Equity Shares to Pathrose A C ,*

3. **Statement of the aggregate number of securities of our Company purchased or sold by the promoter group and by and by our Directors and their relatives within the six months immediately preceding the date of filing this Prospectus:**

None of the Directors of our Company including their relatives as defined under Section 2(77) of the Companies Act, 2013 and the Promoter/Promoter Group of our Company have undertaken purchase and/or sale of the securities of our Company during the preceding 6 (six) months from the date of this Prospectus.

4. **Shareholding pattern**

The following table sets forth the shareholding pattern of our Company as on this Prospectus:

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of partly paid-up Equity Shares held (V)	No. of shares underlying depository receipt (VI)	Total nos. shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total nos. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)			No of underlying outstanding convertible securities (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								No. of Voting Rights									
								Class – Equity	Total	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	**Promoter and Promoter Group**	8	19,47,26,557	0	0	19,47,26,557	86.16	19,47,26,557	19,47,26,557	86.16	0	0	0		0		19,47,26,557
(B)	**Public**	2,267	3,12,80,382	0	0	3,12,80,382	13.84	3,12,80,382	3,12,80,382	13.84	0	0	0		0		3,12,80,382
(C)	**Non-Promoter Non-Public**	0	0	0	0	0	0	0	0	0	0	0	0		0		0
(C1)	**Shares underlying DRs**	0	0	0	0	0	0	0	0	0	0	0	0		0		0
(C2)	**Shares held by Employee Trusts**	0	0	0	0	0	0	0	0	0	0	0	0		0		0
	Total (A)+(B)+(C)	**2,267**	22,60,06,939	0	0	22,60,06,939	100	22,60,06,939	22,60,06,939	100	0	0	0		0		22,60,06,939

5. **List of top ten holders of Equity Shares of our Company as on September 30, 2023 is as below:**

Sr. No.	Name of Shareholders	Number of Equity Shares held	Number of shares in demat form	Total shareholding as % of total no of Equity Shares
1.	Mathew K. Cherian	12,84,52,270	12,84,52,270	57.83
2.	Kosamattam Ventures Private Limited	3,60,00,200	3,60,00,200	16.21
3.	Laila Mathew	3,01,48,300	3,01,48,300	13.57
4.	Cecily Thomas	1,50,625	1,50,625	0.07
5.	K X Thomas	1,25,000	1,25,000	0.06
6.	Sindhumol Nanappan	1,25,000	1,25,000	0.06
7.	Sadanandan Sahadevan	1,03,125	1,03,125	0.05
8.	Julius Koshy	1,02,500	1,02,500	0.05
9.	Saju Varghese John	93,850	93,850	0.04
10.	O.A. Abraham	93,750	93,750	0.04

6. **List of top ten debenture holders of our Company as on September 30, 2023:**

Unlisted privately placed secured redeemable non-convertible debentures:

Sr No	Name of Holders	Address	Number of Instuments Held	Face value per Debenture (In ₹)	Amount (In ₹)
1	Sundaram Finance Ltd	Sundaram Finance Limited ,No.21, Patullos Road, ,Chennai, PIN– 600 002	2500000	100.00	25,00,00,000.00
2	Preethy Jose	Nedumpaikulathu Veedu,Kundara,Kollam PIN 691501	2500	100.00	2,50,000.00
3	Hanna Mariam Jose	Nedumpaikulathu Veedu,Kundara,Kollam PIN 691501	2500	100.00	2,50,000.00
4	K K Padmanabhan	Sundarabhavan, Puzhavathu , Changanacherry, PIN-686101	1900	100.00	1,90,000.00
5	Jojo C Varghese	Chittilappilly House, Near Society, Parappur, Thrissur 680552	1400	100.00	1,40,000.00
6	C J Varghese	Chittilappilly House, Near Society, Parappur, Thrissur 680552	1100	100.00	1,10,000.00

Listed secured non-convertible debentures, issued *vide* public issue:

Sr. No.	Name of holders	Address	Number of instruments held	Face Value per debenture (In ₹)	Amount (In ₹)
1	Aleyamma Jacob .	Chennakkattu Kalangamary,Nechuppadam Kadayiruppu Po Aik,North Kolancherry,Ernakulam Kerala,682311	118000	1000	118000000
2	P P Yohannan .	1403/3 Shalom Arcade,Floor No.5, Terece Floor, Door,Near Hdfc Bank, Kasavanahalli,Bengaluru Karnataka,560035	29500	1000	29500000
3	Jubymon P M	Palliyazhikathu Veedu,Vettithitta P O,Piravanthoor,Kollam Kerala,689696	16250	1000	16250000
4	Joseph Simon E	Elengical House,Putheya Road,Kaloor,Ernakulam , Kerala,682017	16000	1000	16000000
5	Aleyamma M Vadakel .	Vadakkel House,Oliyappuram Post,Koothattukulam,Ernakulam Kerala,686662	15437	1000	15437000

Sr. No.	Name of holders	Address	Number of instruments held	Face Value per debenture (In ₹)	Amount (In ₹)
6	Sabeena Simon	12 739c Elanjickal House,V S N L Road,Kakkanad P O,Ernakulam Kerala,682030	13300	1000	13300000
7	Ponnamma J .	Palliyil,Kandiyoor,Mavelikara,Thattarambalam,Alappuzha Kerala,690103	13000	1000	13000000
8	Maju Chacko Mathew .	Kavanalil House,Kavungumprayar P.O Puramattom,Pathanamthitta Kerala,689543	12039	1000	12039000
9	P Gopinathan	68/2233 12b Katticaran,Jmj Residency,Ernakulam North P O,Ernakulam Kerala,682018	12000	1000	12000000
10	C R Jayasree G0pinathan .	H No 68/2233, 12 B,Katticaran , Jmj Residency,Ernakulam,Ernakulam Kerala,682018	12000	1000	12000000

7. **List of top ten unsecured, privately placed, non-convertible debenture holders of our Company as on September 30, 2023:**

Perpetual Debt Instrument

Sr No	Name of Holders	Address	Number of Instuments Held	Face value per Debenture (In Rs)	Amount (In Rs)
1	Flossy Reji Alex	Grace Villa Kallimel Mavelikkara	4	5,00,000.00	20,00,000.00
2	P M Unnikrishnan Nair	Gokulam Parumala Thiruvalla	3	5,00,000.00	15,00,000.00
3	Amminikutty Philip	Alencherry Malakunnam Changanacherry	2	5,00,000.00	10,00,000.00
4	Elizabeth Aji	Parumala House Paranthal Pandalam	2	5,00,000.00	10,00,000.00
5	Joseph Cherian	Chalunkal House Muttakulam Karuvatta Alappuzha	2	5,00,000.00	10,00,000.00
6	Gracy Oommen	Chirayil Valiyaveettil Kollakadavu Alappuzha	2	5,00,000.00	10,00,000.00
7	Shinu Joseph	2475/7,Chooranolikkal,Vattiyoorkavu	2	5,00,000.00	10,00,000.00
8	Sunny Peters	Indikuzhiyil House,Kothanalloor,Kottayam	2	5,00,000.00	10,00,000.00
9	Deepu T Mathew	Deepu Bhavan,Kodumon,Pathanamthitta	1	5,00,000.00	5,00,000.00
10	Shibu T John	Thengum Tharayil House, Mudiyoorkonam,Pandalam	1	5,00,000.00	5,00,000.00

Subordinated Debt

Sr No	Name of Holders	Address	Number of Instuments Held	Face value per Debenture (In Rs)	Amount (In Rs)
1	Aleyamma Jacob	Chennekkattukalangamari,Kadayiruppu,Kolenchery,Ernakulam, Pin-682311	50000	1,000.00	5,00,00,000.00
2	Augustin Dominic	Alancherry,Kurichy,Malakunnam,Kottayam,686535	3600	1,000.00	36,00,000.00
3	Preetha Susan George	Ponnalayathu Prince Villa,Pallickal,Kattanam,690503	3500	1,000.00	35,00,000.00
4	Saira Vincent	Pulinthara House,Thoppumpady ,Thoppumpady ,Ernakulam,682005	3400	1,000.00	34,00,000.00
5	Priyadas G Mangalath	Tc 13/130-1 ,Gaya,Kannammoola,Nalumukku Road,Pettah,Trivandrum,695024	3200	1,000.00	32,00,000.00
6	Boben Thomas	Ottakkattil House,KCM Building , SH Mount, Kottayam,686006	3000	1,000.00	30,00,000.00
7	Rassia P K	Melukhan Parambil,Angadi, Ranny,Pathanamthitta,689674	3000	1,000.00	30,00,000.00
8	Issac Varghese	Thadeeparampil Pylithanathu,Velloor,Pampady,Kottayam,686501	3000	1,000.00	30,00,000.00
9	Aleyamma Kuriakose	Mandapathil,Ramapuram Bazar,Ramapuram,Kottayam,686576	2800	1,000.00	28,00,000.00

10	Hema George	Punneliparambil House, Door No.39 ,Kundukulam Road,Mannuthy,Thrissur,680651	2800	1,000.00	28,00,000.00

Listed unsecured subordinated non-convertible debentures, issued *vide* public issue:

Sr. No.	Name of holders	Address	Number of instruments held	Face Value per debenture (In₹)	Amount (In₹)
1	Monetary Kuries Private Ltd	3rd Floor,Bell Mouth Bldg,Round South,Thrissur Kerala,680001	10000	1000	10000000
2	Renjini Reji .	B 207 Paradise Raheja Vihar,Chandivali Powai,Mumbai Sakinaka Kurala Mumbai,Mumbai Maharashtra,400072	6000	1000	6000000
3	Ajimon Mary John	Charuvila Puthen Veedu,Thekkumpuram,Pavithreswaram Neduvathoor,Kollam Kerala,691507	6000	1000	6000000
4	Madathinkal Narayanan Suresh .	Madathinkal House,Kothaparamba P O,Kodungallur, Ala,Thrissur Kerala,680668	5500	1000	5500000
5	Thomas K P Mathew	Kochukuttiyil House,Puthenchantha P.O,Vallikunnam Kerala,690501	5000	1000	5000000
6	Renu Daniel .	Chalathu Renji Villa,Moonnalam,Adoor Po,Pathanamthitta Kerala,691523	5000	1000	5000000
7	Davis Mohan Ambakkaden .	Ambakkaden House,Royal Avanue,Thiruvambady P O,Thrissur Kerala,680022	5000	1000	5000000
8	Thayamkulangara Kuries Private Limited	Malithu Towers,Cherpu P O,Thrissur,Thrissur Kerala,680561	5000	1000	5000000
9	Varghese Mathai	Akkanattu Rose Villa,Erazha North,Mavelikara,Chettikulangara Kerala,690106	4500	1000	4500000
10	Leelamma Thankachan .	Edathundil,Kannanakuzhi P.O,Charummood,Alappuzha Kerala,690505	4500	1000	4500000

8. **Debt - equity ratio:**

The debt equity ratio estimated after the proposed public issue of secured redeemable non-convertible debentures worth ₹ 20,000.00 lakhs comes to 6.24. Detailed workings are given below:

(₹ in lakhs)

Particulars	As on September 30, 2023	
	Pre-Issue	Post Issue
Total Debt (A)	5,08,869.08	5,08,869.08
Equity		
Equity Share Capital	22,213.95	22,213.95
Other Equity		
Capital Reserve	9.07	9.07
Statutory Reserve	10,420.59	10,420.59
Securities Premium	9,172.74	9,172.74
General Reserve	11,660.97	11,660.97
Impairment Reserve	-	-
Other Comprehensive Income	(93.77)	(93.77)
Retained Earnings	**31,411.59**	**31,411.59**
Total Equity (B)	**84,795.14**	**84,795.14**
Debt Securities / Equity (C)=(A)/(B)	6.00	6.24

Notes:

1. The pre-issue figures disclosed are based on the audited financial statements as on September 30, 2023.

2. The Debt Equity ratio post issue is indicative and is on account of the assumed inflow of ₹20,000 lakhs from the proposed issue.

3. The following events that occurred from October 01, 2023 may have an impact on above calculation:

a) The Company allotted 38,67,437 Equity shares as Right Issue on October 30, 2023. The issue of equity shares of ₹10 each were made at a premium of ₹50 and ₹2,320.46 Lakhs (share capital + securities premium) was received by the Company.

b) Following loans were sanctioned for the Company:

- *New Working Capital Demand Loan Sanctioned for f 1,000 lakhs from Axis Bank on September 08,2023*
- *New Term Loan Sanctioned for f 2,000 lakhs from Axis Bank on September 08, 2023.*
- *New Term Loan Sanctioned for f 5,000 lakhs from Oxyzo Financial Services Ltd on October 10, 2023*
- *New Working Capital Demand Loan Sanctioned for f 1,000 lakhs from DCB Bank on September 27,2023.*
- *New Working Capital Demand Loan Sanctioned for f 3,500 lakhs from HDFC Bank on November 22, 2023.*
- *New Working Capital Demand Loan Sanctioned for f 2,500 lakhs from Vivriti Capital Ltd on November 22,2023.*

9. **For details on the total outstanding debt of our Company, see *"Financial Indebtedness"* beginning on page 428.**

Our Company does not have any outstanding borrowings taken/debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount or (iii) in pursuance of an option.

10. **Details of any acquisition or amalgamation in the last one year**

Our Company has not made any acquisition or amalgamation with any entity in the preceding one year prior to the date of this Prospectus.

11. **Details of any reorganisation or reconstruction in the last one year**

Our Company has not made any reorganisation or reconstruction in the preceding one year prior to the date of this Prospectus.

12. **Details of change in the promoter holding in our Company during the preceding financial year beyond the threshold prescribed by the RBI from time to time**

There has been no change in the promoter holding in our Company during the preceding financial year beyond 26%.

13. None of the Equity Shares held by the Promoter and Promoter Group in our Company are pledged or encumbered otherwise by our Promoters and Promoter Group.

14. As on the date of this Prospectus, 22,60,06,939 Equity Shares of our Company are in dematerialised form.

15. **Details of Promoter's shareholding in our Company's Subsidiaries**

Not Applicable as our Company has no subsidiaries.

16. **Employee Stock Option Scheme:**

Our Company does not have any employee stock option scheme.

STATEMENT OF TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

The Board of Directors
Kosamattam Finance Limited
Kosamattam City Centre,
Floor No. 4th and 5th, T.B. Road,
Kottayam – 686001
Kerala, India

Dear Sirs,

This certificate is issued in accordance with the terms of our engagement letter dated NOVEMBER 29 2023.

We hereby report that the enclosed statement in Annexure A, states the possible tax benefits available to the debenture holders of Kosamattam Finance Limited (the company) pursuant to the provisions of the Income Tax Act, 1961 i.e. applicable for the Financial year 2023-24 relevant to the Assessment year 2024-25 presently in force in India

Management's Responsibility

The preparation of the contents in the enclosed annexure is the responsibility of the Company's management. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

Our responsibility is to examine whether the Statement prepared by the Company, in all material respects, is in accordance with applicable provisions of the IT Act. For this purpose, we have read the Statement of tax benefits as given in AnnexureA, and evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respects.

We conducted our examination of the information given in the Statement in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India("ICAI"), as revised from time to time; the aforesaid Guidance Note requires that we comply with the ethical requirements of the 'Code of Ethics' issued by the ICAI, as revised from time to time.

We have complied with the relevant applicable requirements of the Standard on Quality Control(SQC) 1,'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements', as revised from time to time.

Inherent Limitations

We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information. The benefits discussed in the enclosed Annexure A are not exhaustive. Several of these benefits are dependenton the Investors fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of Investors to derivethe tax benefits is dependent on fulfilling such conditions.

The Statement is only intended to provide general information and is neither designed nor intended to be a substitute for the professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor isadvised to consult their own tax consultant with respect to specific tax implications arising out of their participation. Neither are we suggesting nor advising the investor to invest money based on this Statement.

We do not express any opinion or provide any assurance as to whether:

i) Debenture holders of the Company will continue to obtain these benefits in future;
ii) the conditions prescribed for availing the benefits have been/would be met with; or
iii) the revenue authorities/ Courts will concur with the views expressed herein.

The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them.Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein.

Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. Wedo not assume any responsibility to update the views consequent to such changes.

In our opinion, the Statement of Tax Benefits prepared by the Company as set out in Annexure A materially covers all tax benefits available as at the date of our report to Debenture Holders, in accordance with provisions of the IT Act, as amended.

Restriction on Use

The enclosed annexure is intended solely for your information and for inclusion in the Tranche II Prospectus in connectionwith the proposed issue of secured redeemable non-convertible debentures and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For SGS & COMPANY
Chartered Accountants
Firm Registration No: 009889S

CA SANJO.N.G, F.C.A., D.I.S.A. (ICAI)
Partner
Membership No: 211952
UDIN : 23211952BGRGEC1269

Date : 06-12-2023
Place : Thrissur

ANNEXURE A

The information provided below sets out the possible direct tax benefits available to the debenture holders of the company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of non-convertible debentures ("debentures"), under the current tax laws presently in force in India. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a debenture holder faces, may or may not choose to fulfil. We do not express any opinion or provide any assurance as to whether the Company or its debenture holders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

Debenture holders are advised to consult their own tax consultant with respect to the tax implications of an investment in the debentures particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement.

This statement has been prepared solely in connection with the Issue under the Regulations as amended.

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

Taxability under the IT Act

1. Taxability under various heads of Income

The returns received by the investors from NCDS in the form of interest and the gains on the sale/ transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:

- Profits and gains from business;
- Income from capital gains; and
- Income from other sources.

The returns from the investment in the form of interest would generally be subject to tax under the head "income from other sources". Under certain circumstances, depending upon the facts and circumstances of the taxpayer, the interest income may be subject to tax under the head "Profits and gains from business".

The gains from the sale of the instrument or security may be characterized either as "Profits and gains from business" or as "Capital Gains".

This is discussed in the following paragraph.

"Profit and gains from business" versus "Capital gains"

Gains from the transfer of securities/instruments of the investee companies may be characterized as "Capital Gains" or as "Profits and gains from business" in the hands of an investor, depending upon whether the investments in the NCD are held as 'investments' or as 'stock in trade'. This can vary based on the facts of each investor's case (taking into account factors such as the magnitude of purchases and sales, ratio between purchases and sales, the period of holding, whether the intention to earn a profit from sale or to earn interest etc.).

The investors may obtain specific advice from their tax advisors regarding the tax treatment of their investments.

1. Taxation of interest, profits from business and capital gains

Taxation of Interest

Income by way of interest received on debentures, bonds, and other debt instruments held as investments will be charged to tax as under the head "Income from Other Sources" at the rates applicable to the investor after deduction of expenses, if any, allowable under section 57 of the IT Act. These are essentially expenses (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of earning the interest income.

In case of debentures, bonds or other debt instruments held as stock in trade and sold before their maturity, the interest accrued thereon till the date of sale and included in the sale price, may also be charged to tax as "business income" (treatment separately discussed below).

Further, in case of certain specific fixed income securities and certain debt instruments, purchased and held as investments and transferred prior to maturity, the gain from the transfer may also possibly be characterized as "capital gains" (treatment separately discussed below).

The investors may obtain specific advice from their tax advisors regarding the tax treatment of their investments.

Taxation of Profits and gains from business

As discussed above, depending on the particular facts of each case, the investments may, in certain cases, be regarded to be in the nature of stock in trade and, hence, the gains from the transfer/ sale of such investments would be considered to be in the nature of "Profits and gains from business".

In such a scenario, the gains from the business of investing in the NCD may be chargeable to tax on a 'net' basis (that is, net of allowable deductions for expenses/allowances under Chapter IV –Part D of the IT Act).The "Profits and gains from business" so computed, as reduced on account of set-off of losses in accordance with Chapter VI of the IT Act and unabsorbed allowances, if any, would go to form part of the gross total income of the investor.

The gross total income would be reduced by deductions, if any, available under Chapter VI-A of the IT Act and the resultant total income would be subject to tax at the tax rates as applicable to the investor (Refer Note 1 and Note 2).

Based on section 145 of the IT Act, the timing of charging any income to tax would depend on the method of accounting followed by the taxpayer consistently (i.e., cash or mercantile).

Investors should obtain specific advice from their tax advisors regarding the manner of computing business income, the deductions available therefrom and the tax to be paid thereon.

Taxation of Capital Gains

As discussed above, based on the particular facts of each case, the investments may, in certain cases, be regarded to be in the nature of capital assets and hence the gains from the transfer/ sale of such investments would be considered to be in the nature of "capital gains".

As per section 2(14) of the IT Act, the term 'capital asset' had been defined to inter alia mean any securities held by a foreign institutional investor which has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992.

Period of holding –long-term &short-term capital assets.

A security (other than a unit) listed on a recognized stock exchange in India or zero-coupon bond (as defined) held fora period of more than 12 months is considered long-term capital asset.

In case of share of an unlisted company and immoveable property, it will be considered as a long-term capital asset where it is held for a period of more than 24 months. Any assets (other than as described above), are considered long-term capital assets where they are held for a period of more than 36 months.

The above assets, where held for a period of not more than 12 months/ 24 months/ 36 months, as the case may be, willbe treated as short-term capital assets.

The gains arising from the transfer of long-term capital assets are termed as long-term capital gains.

The gains arising from the transfer of short-term capital assets are termed as short-term capital gains.

Computation of capital gains

Capital gains are computed after reducing from the consideration received from the transfer of the capital asset, the cost of acquisition of such asset and the expenses incurred wholly and exclusively in connection with the transfer.

Nature of transactions and resultant capital gain treatment

The capital gains tax treatment of transactions is given in Note 4.

The following transactions would attract the “regular” capital gains tax provisions:

- Transactions of sale of debentures, bonds, listed or otherwise; and
- Transactions in structured debentures.

Set off of capital losses.

Long-term capital loss of a year can be set off only against long-term capital gains arising in that year and cannot be set off against short-term capital gains arising in that year. On the other hand, short-term capital loss in a year can beset off against both short-term and long-term capital gains of the same year.

Unabsorbed short-term and long-term capital loss of prior years can be separately carried forward for not more than eight assessment years (“AY”) immediately succeeding the assessment year for which the first loss was computed. Unabsorbed short-term capital loss shall be eligible for set off against short-term capital gains as well as long-term capital gains. However, unabsorbed long-term capital loss shall be eligible to be set off only against long-term capital gains.

Rates of tax applicable to Individuals or HUF or other specified persons and Certain deductions available under Chapter VI-A of the IT Act

Vide Finance Act 2023; for FY 2023-24 relevant to the AY 2024-25 and onwards, an Individual or Hindu Undivided Family (“HUF”) or Association of persons (“AOP”) (other than co-operative society), or body of individuals (BOI), whether incorporated or not, or an artificial juridical person referred to u/s 2 (31)(vii) of the Act shall be subjected tolower tax rates as specified u/s 115BAC(1A) of the Act as discussed in detail under Note 1. While computing the income as per Section 115BAC(1A), w.e.f. FY 2023-24, certain deduction/ exemptions as specified u/s 10 and/or under Chapter VI of the Act shall not be available which are otherwise available.

However, where the individual or HUF or other specified person exercise the option u/s 115BAC(6) of the Act, certain deductions and exemptions are available while computing the Total Income.

Such Individuals or Hindu Undivided Families or other specified persons, exercising the option available u/s 115BAC(6), would be allowed a deduction in computing total income, inter alia, under section 80C of the IT Act for an amount not exceeding INR 150,000 with respect to sums paid or deposited in the previous year in certain specifiedschemes.

Further, the option to be assessed to tax in accordance with the provisions of section 115BAC(6) of the IT Act once exercised by an individual or HUF or other specified persons carrying on business or profession for any previous yearcan be withdrawn only once for a previous year other than the year in which it was exercised and thereafter, such individual or HUF or other specified persons shall never be eligible to exercise the option to be assessed in accordancewith the provisions of section 115BAC(1A) of the Act except where such individual or HUF or other specified personsceases to have any income from business or profession, in which case, the option to be assessed to tax as per the provisions of section 115BAC(1A) of the IT Act shall be available.`

Alternate Minimum Tax (“AMT”)

The IT Act provides for the levy of AMT to tax investors (other than companies) at the rate of 18.5 per cent (plus applicable surcharge and health and education cess) on the adjusted total income. In a situation where the income-taxcomputed as per the normal provisions of the IT Act is less than the AMT on “adjusted total income”, the investor shall be liable to pay tax as per AMT. “Adjusted total income” for this purpose is the total income before giving effect to the deductions claimed under section C of chapter VI-A (other than section 80P) and deduction claimed, if any, under section 10AA and deduction claimed, if any, under section 35AD as reduced by the amount of depreciation allowable in accordance with the provisions of section 32 as if no deduction under section 35ADwas allowed in respect of the assets on which the deduction under that section is claimed. AMT will not apply to an Individual, HUF, AOP, BOI or an Artificial Juridical Person if the adjusted total income of such person does not exceed INR 20 lakhs. As per sub-section (5) to section 115JC of the IT Act, inserted by FA 2020 , the provisions of AMT shall not be applicable in case of, inter alia, an individual or HUF who has exercised the option to be taxed as per the provisions of section 115BAC of the IT Act. Further, the credit of AMT can be further carried forward to fifteen subsequent years and set off in the year(s) where regular income tax exceeds the AMT. Vide Finance Act, 2022, the rate of AMT, from AY 2023-24, in case of Co-operative society has been reduced to 15% from the existingrate of 18.5%. Further, in case of unit located in an International Financial Services Centre and who derives its incomesolely in convertible foreign exchange, the rate of AMT has been reduced to 9%.

The provisions of AMT also provide that the Foreign Tax Credit (FTC) claimed against AMT liability which exceeds the FTC that would have been allowable while computing income under normal provisions, would be ignored while computing tax credit under AMT.

Certain amendments have been made vide Finance Act, 2023 in section 115JC and 115JD which are applicable from AY 2024-25. Pursuant to these amendments, the provisions of section 115JC and JD are not applicable tothe persons who have excercised option referred to in sub-section (5) of section 115BAC or Sub-section (5) of section 115BAD or Sub-section (5) of section 115BAE or where income tax in respect of such person is computed under sub-section (1A) of section 115BAC.

Minimum Alternative Tax (“MAT”)

The IT Act provides that where the tax liability of a company (under the regular provisions of the IT Act) is less than15 per cent of its 'book profit', then the book profit is deemed to be its total income and tax at the rate of 15 per cent (plus applicable surcharge and health and education cess –Refer Note 2) is the MAT payable by the company.

Tax credit is allowed to be carried forward for fifteen years immediately succeeding the assessment year in which taxcredit becomes allowable. The tax credit can be set-off in a year when the tax is payable on the total income is in accordance with the regular provisions of the IT Act and not under MAT.

The CBDT vide its Circular no. 29 of 2019 dated 2 October 2019 has clarified that MAT credit is not available to a domestic company exercising option under section 115BAA of the IT Act. The circular further clarifies that there is no time limit within which the option under section 115BAA of the IT Act can be exercised and accordingly, a domestic company having accumulated MAT credit may, if it so desires, exercise the option of section 115BAA of the IT Act at a future date, after utilizing the MAT credit against tax payable as per the regime existing prior to the Taxation Laws (Amendment) Act, 2019.

As per the provisions of section 115JB of the IT Act, the amount of income accruing or arising to a foreign company from capital gains arising on transactions in securities or interest, royalty, or fees for technical services chargeable totax at the rates specified in Chapter XII of the IT Act, shall be excluded from the purview of MAT, if such income iscredited to the Profit and Loss Account and the tax payable on such income under the normal provisions is less than the MAT rate of 15 per cent. Consequently, corresponding expenses shall also be excluded while computing MAT.

Further, Explanation 4 to section 115JB of the IT Act clarifies that provisions of MAT will not apply to a foreign company if:

(a) It is a resident of a country with which India has a DTAA and the company does not have a permanent establishment in India in accordance with the provisions of such DTAA; or
(b) it is a resident of a country with which India does not have a DTAA and the foreign company is not required to register under any law applicable to companies.

Further, it is provided that the FTC claimed against MAT liability which exceeds the FTC that would have been allowable while computing income under normal provisions, would be ignored while computing tax credit under MAT.

Also, sub-section 5A to section 115JB, provides that the provisions of section 115JB shall not apply to a person whohas exercised the option referred under section 115BAA or section 115BAB of the IT Act.

Taxability of non-resident investors under the tax treaty

In case of non-resident investor who is a resident of a country with which India has signed a Double Taxation Avoidance Agreement ("DTAA" or "tax treaty") (which is in force) income-tax is payable at the rates provided in theIT Act, as discussed below, or the rates provided in such tax treaty, if any, whichever is more beneficial to such non-resident investor.

For non-residents claiming such tax treaty benefits, the IT Act mandates the obtaining of a Tax Residency Certificate ("TRC") from the home country tax authority.

Section 90(5) of the IT Act provides that an assessee to whom a DTAA applies shall provide such other documents and information, as may be prescribed. Further, a notification substituting Rule 21AB of the Income-tax Rules, 1962 ("Rules") has been issued prescribing the format of information to be provided under section 90(5) of the IT Act, i.e.,in Form No 10F. Where the required information[1] is not explicitly mentioned in the TRC, the assessee shall be

---

[1] Status (individual, company, firm etc.) of the taxpayer
-Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);
-Taxpayer's tax identification number in the country or specified territory of residence (In case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the taxpayer claims to be a resident);
-Period for which the residential status, as mentioned in the certificate of residence is applicable; and

required to furnish a self-declaration in Form No 10F and keep and maintain such documents as are necessary to substantiate the information mentioned in Form 10F.

Widening of taxability of Capital Gains

In the context of taxation of capital gains, the definitions of "capital asset" and "transfer" are widened with retro-effectfrom 1 April 1961 specifically with a view to tax, in the hands of non-residents, gains from direct or indirect transferof assets situated in India.

General Anti Avoidance Rules ("GAAR")

The General Anti Avoidance Rules (''GAAR'') were introduced in the IT Act by the Finance Act, 2012. The FinanceAct, 2015 made the provisions of GAAR applicable prospectively from 1 April 2017. Further, income accruing, arising, deemed to accrue or arise or received or deemed to be received by any person from transfer of investments made up to 31 March 2017 would be protected from the applicability of GAAR.

Withholding provisions

The withholding provisions provided under the Act are machinery provisions meant for tentative deduction of income-tax subject to regular assessment. The withholding tax is not the final liability to income-tax of an assessee.

For rate of tax applicable to an assessee, please refer Notes 1 and 2 below.

S. No.	Scenario	Provisions
1	Withholding tax rate on interest on NCDissued to Indian residents	• Interest paid to residents other than insurance companies will be subject to withholding tax as per section 193 of the IT Act at the rate of 10 per cent. • No tax is required to be deducted on interest paid to an individual of a HUF, inrespect of debentures issued by a company in which the public is substantiallyinterested if; - the amount of interest paid to such person in a financial year does notexceed INR 5,000; and - such interest is paid by an account payee cheque • Vide Finance Act 2023, clause (ix) to proviso to section 193 has been replaced. As a result, the exemption available at present with respect to non-deduction ofTDS on the amount of any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India, is no longer available.

S. No.	Scenario	Provisions
2	Withholding tax rate on interest on NCDissued to Foreign Portfolio Investors (FPI)	• Interest on NCD issued to FPI may be eligible for concessional withholding tax rate of 5 per cent under section 194LD of the IT Act. • If section 194LD of the IT Act is not applicable, then tax deduction should bemade as per sections 196D read with section 115AD of the IT Act i.e., at 20 per cent subject to relief under the relevant DTAA, if any. • If both sections i.e. 194LC and 194LD of the IT Act are not applicable, then tax deduction should be made as per sections 196D read with section 115AD of the IT Act i.e. at 20 per cent subject to relief under the relevant DTAA, if any. • Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge as applicable.
3	Withholding tax rate on interest on NCDissued to non-residents other than FPIs	• Interest payable to non-resident (other than FPI) would be subject to withholding tax at the rate of 30 per cent/40 per cent as per the provisions of section 195 of the IT Act subject to relief under the relevant DTAA depending upon the status of the non-resident. Alternatively, benefits of concessional rates of 5 per cent under section 194LC of the IT Act could be availed provided specific approval is obtained from the Central Government with respect to the rate of interest. • Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge, as applicable.

Notes:

Note 1: Tax rates Resident Individuals, Hindu Undivided Families and Other Specified Persons

Vide Finance Act 2023, certain amendments have been made to section 115BAC which inter-alia include thechange in the Income Tax slabs. The Income Tax slabs and Income tax rates, as under:

Income tax slab	Income tax rate *
Total income up to Rs 300,000	Nil

More than Rs 300,000 but up to Rs 600,000**	5 per cent of excess over Rs 300,000
More than Rs 600,000 but up to Rs 900,000**	10 per cent of excess over Rs 600,000 plus Rs 15,000
More than Rs 900,000 but up to Rs 1,200,000	15 per cent of excess over Rs 900,000 plus Rs 45,000
More than Rs 1,200,000 but up to Rs 1,500,000	20 per cent of excess over Rs 1,200,000 plus Rs 90,000
More than Rs 1,500,000	30 per cent of excess over Rs 1,500,000 plus Rs 1,50,000

** plus surcharge if applicable –Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).*
**Various assessee are eligible for benefit provided under section 87A which reads as under:

a) an assessee (whose total income does not exceed Rs 700,000 and who has opted for exercising the option under sub-section (1A) of 115BAC can avail rebate of upto 100 per cent of income-tax chargeable on his total income or Rs25,000, whichever is less.

b) an assessee (whose total income exceeds Rs 700,000 and the income tax payable on such total income exceeds the amount by which the total income is in excess of Rs. 700,000) and who has opted for exercising the option under sub-section (1A) of 115BAC shall be able to claim deduction from the amount of income-tax (as computed before allowingthe deductions under Chapter VIII) on his total income, of an amount equal to the amount by which the income tax payable on such total income is in excess of the amount by which the total income exceeds Rs 700,000.

The persons who have opted for option specified u/s 115BAC(6) are taxed in respect of their total income at the following rates:

Income tax slab	Income tax rate*
Total income up to Rs 250,000#	Nil
More than Rs 250,000# but up to Rs 500,000**	5 per cent of excess over Rs 250,000
More than Rs 500,000 but up to Rs 1,000,000	20 per cent of excess over Rs 500,000 plus Rs 12,500 ##
Exceeding Rs 1,000,000	30 per cent of excess over Rs 1,000,000 plus Rs112,500##

* Plus surcharge if applicable –Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge (if applicable)

**A resident individual (whose total income does not exceed Rs 500,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 12,500, whichever is less."

for resident senior citizens of sixty years of age and above but below eighty years of age, Rs. 250,000 has to be read as Rs. 300,000 and for resident senior citizens of eighty years of age and above ("supersenior citizen) Rs 250,000' has to be read as Rs 500,000.

Similarly, for resident senior citizens of sixty years of age and above but below eighty years of age, Rs. 12,500 has to be read as Rs 10,000 and Rs. 112,500 has to be read as Rs. 110,000. And for super senior citizen Rs 12,500 has to be read as Nil and Rs. 112,500 has to be read as Rs. 100,000.

Partnership Firms & LLPs

The tax rates applicable would be 30 per cent (plus surcharge if applicable –Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

Domestic Companies

Type of Domestic company	Base normal tax rate on income (other than incomechargeable at special rates)	Base MAT rate
Domestic companies having turnover or gross receipts of less than Rs 400 Cr in FY 2021-22	25 per cent	15 per cent
Domestic manufacturing company set-up and registered on or after 1 March 2016 subject to fulfilment of prescribed conditions (Section 115BA)	25 per cent	15 per cent
Any domestic company (even if an existing company or engaged in non-manufacturing business) has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAA)	22 per cent	Not applicable
Domestic manufacturing company set-up and registered on or after 1 October 2019 and commences manufacturing upto 31 March 2024, has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAB)	15 per cent	Not applicable
Domestic companies not falling under any of the above category	30 per cent	15 per cent

Note 2: Surcharge (as applicable to the tax charged on income)
Non-corporate assesses other than firms and co-operative societies (other than FPIs)

Particulars	Rate of Surcharge
Where total income (including dividend income and income under the provisions of section 111A,112 and section 112A of the IT Act) does not exceed Rs 50 lakhs	Nil
Where total income (including dividend income and income under the provisions of section 111A, 112 and section 112A of the IT Act) exceeds Rs 50 lakhs but does not exceed Rs 1 Crore	10 per cent on total tax
Where total income (including dividend income and income under the provisions of section 111A,112 and section 112A of the IT Act) exceeds Rs 1 Crore but does not exceed Rs 2 Crore	15 per cent on total tax

Where total income (excluding dividend income and income under the provisions of section 111A,112 and section 112A of the Act) does not exceed Rs 2 Crore but total income (including dividend income and income under the provisions of section 111A,112 and section 112A of the Act) exceeds Rs 2 Crore	15 per cent on total tax
Non-corporate assesses other than firms and co-operative societies (other than FPIs)	
Where total income (excluding dividend income and income under the provisions of section 111A,112 and section 112A of the IT Act) exceeds Rs 2 Crore but does not exceed Rs 5 Crore	- 25 per cent on tax on income excluding dividend income and income under the provisions of section 111A, 112 and section 112A of the IT Act - 15 per cent on tax on dividend income and incomeunder the provisions of section 111A, 112 and section 112A of the IT Act
Where total income (excluding dividend income and income under the provisions of section 111A,112 and section 112A of the IT Act) exceeds Rs 5 Crore	- 37 per cent on tax on income excluding dividend income and income under the provisions of section 111A,112 and section 112A of the IT Act - 15 per cent on tax on dividend income and incomeunder the provisions of section 111A, 112 and section 112A of the IT Act
In case of an association of persons consisting of only companies as its members, the rate of surcharge on theamount of Income-tax shall not exceed fifteen per cent.	

FPIs (Non corporate)

Particulars	Rate of surcharge
Where total income (including dividend income or incomeof the nature referred to in section 115AD(1)(b) of the IT Act) does not exceed Rs 50 lacs	Nil
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 50 lakhs but does not exceed Rs 1 Crore	10 per cent on total tax

Where total income (including dividend income or incomeof the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 1 Crore but does not exceed Rs 2 Crore	15 per cent on total tax
Where total income (excluding dividend income or incomeof the nature referred to in section 115AD(1)(b) of the Act)does not exceed Rs 2 Crore but total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the Act) exceeds Rs 2 Crore	15 per cent on total tax
Where total income (excluding dividend income or incomeof the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 Crore but does not exceed Rs 5 Crore	- 25 per cent on tax on income excluding dividend income or income of the nature referred to in section115AD(1)(b) of the IT Act - 15 per cent on tax on dividend income or income ofthe nature referred to in section 115AD(1)(b) of the IT Act
Where total income (excluding dividend income or incomeof the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 5 Crore	- 37 per cent on tax on income excluding dividend income or income of the nature referred to in section115AD(1)(b) of the IT Act - 15 per cent on tax on dividend income or income ofthe nature referred to in section 115AD(1)(b) of the IT Act

For assessees other than those covered above

Assessee	Rate of surcharge applicable
Non-corporate taxpayers being firms	- Nil where taxable income does not exceed Rs 1 Crore - 12 per cent where income exceeds Rs 1 Crore
Non-corporate taxpayers being co-operative society	- Nil where taxable income does not exceed Rs 1 Crore

Assessee	Rate of surcharge applicable
	- 7 per cent where income exceeds Rs 1 Crore but doesnot exceed 10 crore - 12 percent where income exceeds Rs. 10 crore
Domestic companies (other than companies availing benefit under section 115BAA and section 115BAB of the IT Act)	- Nil where taxable income does not exceed Rs 1 Crore - 7 per cent where taxable income does not exceed Rs 1Crore but does not exceed Rs 10 Crore - 12 per cent where taxable income exceeds Rs 10 Crore
Domestic companies availing benefit under section 115BAA and section 115BAB of the IT Act	10 per cent (irrespective of taxable income)
Foreign Companies (including corporate FPIs)	- Nil where taxable income does not exceed is equal toor less than Rs 1 Crore - 2 per cent where taxable income exceeds Rs 1 Crorebut does not exceed Rs 10 Crore - 5 per cent where taxable income exceeds Rs 10 Crore

A health and education cess of 4 per cent is payable on the total amount of tax plus surcharge.

Vide Finance Act 2023, the rate of surcharge applicable to certain categories of assesses has also been revised.

Note 3: Taxability of interest income

For all Residents (including Indian Corporates)

In case of residents, where interest income is taxable as ‘income from other sources’ or ‘income from business or profession’ should be chargeable to tax as per the rates given in Note 1 and Note 2 above.

For Non-residents (other than Foreign Portfolio Investors (FPIs) FPI entities)

In case of non-residents, under the IT Act, the interest income should be chargeable to tax at the rate of 30/ 40 per cent depending on the status of the non-resident (plus applicable surcharge and health and education cess).

However, the above is subject to any relief available under DTAA and any Covered Tax Agreement (CTA) entered into by the Government of India.

For FPI entities

In case of FPI, interest on NCD may be eligible for concessional tax rate of 5 per cent (plus applicable surcharge and health and education cess) under section 194LD of the IT Act. Further, in case where section 194LD is not applicable, the interest income earned by FPI should be chargeable tax at the rate of 20 per cent under section 115AD of the IT Act.

However, the above is subject to any relief available under DTAA and any CTA entered into by the Government of India.

Note 4: Regular capital gains tax rates

1. Tax on Long-term Gains

1.1 For all Residents (including Indian Corporates)

Long-term Capital Gains (other than long-term capital gains chargeable under section 112A of the IT Act) will be chargeable to tax under Section 112 of the IT Act, at a rate of 20 per cent (plus applicable surcharge and health and education cess respectively –Refer Note 2) with indexation.

Alternatively, the tax rate may be reduced to 10 per cent without indexation (plus applicable surcharge and health and education cess–Refer Note 2) in respect of listed securities (other than a unit) or zero-coupon bonds (as defined).

However, as per the fourth proviso to section 48 of the IT Act, benefit of indexation of cost of acquisition under second proviso to section 48 of the IT Act, is not available in case of bonds, debentures, except capital indexed bonds. Accordingly, long term capital gains on listed bonds arising to the bond holders, should be subject to tax at the rate of 10 per cent, computed without indexation, as the benefit of indexation of cost of acquisition is not available in the case of debentures.

1.2 For Resident Individuals and HUFs only

Where the taxable income as reduced by long-term capital gains is below the exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be charged at a rate of 20 per cent with indexation (plus applicable surcharge and health and education cess –Refer Note 2).

Alternatively, the tax rate may be reduced to 10 per cent without indexation (plus applicable surcharge and health and education cess –Refer Note 2) in respect of listed securities (other than a unit) or zero-coupon bonds as defined.
However, as per the fourth proviso to section 48 of the IT Act, benefit of indexation of cost of acquisition under second proviso to section 48 of the IT Act, is not available in case of bonds, debentures, except capital indexed bonds. Accordingly, long term capital gains arising to the bond holders, should be subject to tax at the rate of 10 per cent, computed without indexation, as the benefit of indexation of cost of acquisition is not available in the case of debentures.

1.3 For Non-Resident Individuals

Long-term capital gains (other than long-term capital gains chargeable under section 112A of the IT Act) in case of listed securities will be chargeable under Section 112 of the IT Act at a rate of 20 per cent (plus applicable surcharge and health and education cess –Refer Note 2) with applicable foreign exchange fluctuation benefit or indexation, as the case may be. The tax payable (for other than a listed unit) could alternatively be determined at 10 per cent (plus applicable surcharge and health and education cess–Refer Note 2) without indexation.

However, as per the fourth proviso to section 48 of the IT Act, benefit of indexation of cost of acquisition under second proviso to section 48 of the IT Act, is not available in case of bonds, debentures, except capital indexed bonds. Accordingly, long term capital gains arising to the bond holders, should be subject to tax at the rate of 10 per cent, computed without indexation, as the benefit of indexation of cost of acquisition is not available in the case of debentures.

The above-mentioned rates would be subject to applicable treaty relief.

1.4 For FPI entities

As per section 115AD of the IT Act, long term capital gains on transfer of NCD by FPI are taxable at 10 per cent (plus applicable surcharge and cess). The above-mentioned rates would be subject to applicable treaty relief.

2. Tax on Short-term Capital Gains

Short-term capital gains are chargeable to tax as per the applicable general tax rates (discussed in Note 1 and Note 2 above).
In case of FPI, as per section 115AD of the IT Act, short term capital gains on transfer or sale of NCDs are taxable at the rate of 30 per cent (plus applicable surcharge and health and education cess –Refer Note 2).

Note 5: Relevant definitions under the IT Act

a) "Securities" shall have the same meaning as assigned in section 2(h) of the Securities and Contracts (Regulation)Act, 1956, which, inter alia, includes:

- shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in orof any incorporated company or other body corporate;
- derivative;
- units or any other such instrument issued to the investors under any mutual fund scheme; and
- rights or interest in securities;

For the purpose of section 112 of the IT Act:

- "Listed securities" means the securities which are listed on any recognized stock exchange in India.

- "Unlisted securities" means securities other than listed securities.

b) "Zero coupon bond" means a bond-

- issued by any infrastructure capital company or infrastructure capital fund or public sector company or scheduled bank on or after 1 June 2005;

- in respect of which no payment and benefit is received or receivable before maturity or redemption from infrastructure capital company or infrastructure capital fund or public sector company or scheduled bank; and

- which the Central Government may, by notification in the Official Gazette, specify in this behalf.

Note 6: Amendments in the withholding tax provisions

Section 139A(5A) requires every person from whose income tax has been deducted under the provisions of chapter XVIIB of the IT Act, to furnish his PAN to the person responsible for deduction of tax at source.

As per provisions of section 206AA of the IT Act, the payer would be obliged to withhold tax at penal rates of TDS in case of payments to investors who have not furnished their PAN to the payer. The penal rate of TDS is 20 per cent or any higher rate of TDS, as may be applicable, plus applicable surcharge and health and education cess.

Section 206AA of the IT Act to provides that the provisions shall not apply to non-residents in respect of payment ofinterest on long-term bonds as referred to in section 194LC and any other payment subject to such conditions as maybe prescribed.

Further, the CBDT, vide its notification dated 24 June 2016, has clarified that the provisions of section 206AA shall not apply to non-residents in respect of payments in the nature of interest, royalty, fees for technical services and payment on transfer of capital assets provided the non-residents provide the following information to the payer of such income:

- Name, email-id, contact number;

- Address in the country or specified territory outside India of which the deductee is a resident;

- A certificate of his being resident in any country or specified territory outside India from the government of the other country or specified territory if the law of that country or specified territory provides for issuance of such certificate;

- Tax Identification Number of the deductee in the country or specified territory of his residence and in a case, no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

Further, the FA, 2021 has introduced a new section for punitive withholding tax rate for non-filers of return of income. As per section 206AB of the IT Act, inserted by the FA 2021, with effect from 1 July 2021, payments made to specified persons will be subject to TDS at rate which is higher of the following:

- twice the rate specified in the relevant provision of the Act; or
- twice the rate or rates in force; or
- the rate of 5%
- In cases, where both section 206AA and section 206AB are applicable, taxes shall be deducted at higher of the rate prescribed under both the sections.

For the purpose of this section, specified person means any person-

- Who has not filed an income-tax return for one preceding AY relevant to the previous years immediately prior to the previous year in which the tax is required to be deducted and the prescribed time limit to file the income-tax return has expired;
- The aggregate amount of TDS/TCS exceeds INR 50,000 or more in the said previous years

However, the provisions of this section will not apply on a non-resident who does not have a permanent establishment in India.

Note 7: Other Provisions

No income tax is deductible at source from income by way of capital gains arising to a resident shareholder under the present provisions of the Act. However, as per the provisions of Section 195 of the Act, any income by way of capital gains payable to non-residents may be subject to withholding of tax at the rate under the domestic tax laws or under the applicable Double Taxation Avoidance Agreement (DTAA), whichever is beneficial to the non-resident, unless alower withholding tax certificate is obtained from the tax authorities.

However, the non-resident investor will have to furnish a certificate of his being a tax resident in a country outside India and a suitable declaration for not having a fixed base/ permanent establishment in India, to get the benefit of the applicable DTAA and such other document as may be prescribed as per the provision of section 90(4) of Act.

Pursuant to amendment in section 206AA of the Act read with Rule 37BC of Rules, requirement of quoting permanent account number (PAN) in case of certain specified income is eliminated by maintaining specified documents as mentioned in the said Rule.

Exemption under Sections 54F of the I.T. Act

As per the provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a debenture holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

This exemption is available, subject to the condition that the debenture holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the debenture holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(x) of the I.T. Act, where any person receives debentures from any person on or after April 01, 2017:
(a) without consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;
(b) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration;

shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated in section 56(2)(x) of the I.T. Act.

Note 8: Other Notes

a) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures.

b) The stated benefits will be available only to the sole/ first named holder in case the debentures are held by joint holders.

c) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

d) This Statement does not discuss any tax consequences in the country outside India of an investment in the Debentures. The subscribers of the Debentures in the country other than India are urged to consult their own professional advisers regarding possible income tax consequences that apply to them.

e) The above Statement covers only certain relevant direct tax law benefits under the Act and does not cover any indirect tax law benefits or benefit under any other law.

f) The above Statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment year 2024-25 i.e. Financial Year 2023-24, taking into account the amendments made by the Finance Act, 2023. Several of these benefits are dependent on the Company or its Debenture Holders fulfilling the conditions prescribed under the relevant tax laws.

g) This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the Debentures of the Company. No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

h) Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

i) This Statement does not cover analysis of provisions of Chapter X-A of the Act dealing with General Anti-Avoidance Rules and provisions of Multilateral Instruments.

OBJECTS OF THE ISSUE

Our Company has filed this Prospectus for public issue of secured redeemable non-convertible debentures of face value of ₹1,000 each ("**NCDs**") aggregating upto ₹ 10,000 lakhs ("**Base Issue Size**") with an option to retain oversubscription upto ₹ 10,000 lakhs, aggregating upto ₹ 20,000 lakhs ("**Issue**").

Our Company is in the business of gold loan financing, and as part of our business operations, we raise/avail funds for onward lending and for repayment of interest and principal of existing debts.

The Issue is being made pursuant to the provisions of the SEBI NCS Regulations and the Companies Act and the rules made there under. Our Company proposes to utilise the funds which are being raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company ("**Net Proceeds**"), towards funding the following objects (collectively, referred to herein as the "**Objects**"):

1. For the purpose of onward lending;
2. For repayment of interest and principal of existing debts of our Company; and
3. For general corporate purposes;

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which our Company has been carrying on till date.

The details of the proceeds of the Issue are set forth in the following table:

(in ₹ lakhs)

Sr. No.	Description	Amount
1.	Gross proceeds of the Issue	20,000
2.	(less) Issue related expenses	160
3.	Net Proceeds	**19,840**

Requirement of funds and utilisation of Net Proceeds

The following table details the objects of the Issue and the amount proposed to be financed from the Net Proceeds:

Sr. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	Onward lending	at least 40%
2.	Repayment of interest and principal of existing debts	up to 35%
3.	General Corporate Purposes*	Maximum up to 25%
	Total	**100%**

**The Net Proceeds will be first utilised towards the Objects mentioned above. The balance is proposed to be utilised for general corporate purposes, subject to such utilisation not exceeding 25% of the gross proceeds, in compliance with the SEBI NCS Regulations.*

For further details of our Company's outstanding indebtedness, see "*Financial Indebtedness*" on page 428.

General Corporate Purposes

Our Company intends to deploy up to 25% of the amount raised and allotted in the Issue for general corporate purposes, including but not restricted to routine capital expenditure, renovations, strategic initiatives, partnerships, meeting any expenditure in relation to our Company as well as meeting exigencies which our Company may face in the ordinary course of business, or any other purposes as may be approved by the Board of Directors.

Funding plan

The requirement of funds is entirely funded through Issue Proceeds.

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Interim Use of Proceeds

Our Board of Directors, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilisation of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time. Also, such investments shall be in line with the guidelines and regulations prescribed by RBI.

Monitoring of Utilisation of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Board shall monitor the utilisation of the proceeds of the Issue. For the relevant Financial Years commencing from Financial Year 2024, our Company will disclose in our financial statements, the utilisation of the Net Proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue. Our Company shall utilise the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchange. Our Company, in accordance with the timeline prescribed in SEBI Listing Regulations, shall submit to the stock exchange, a statement indicating the utilization of issue proceeds of non-convertible securities, which shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.

Details regarding lending done out of the issue proceeds of previous public issues

The entire proceeds of the previous public Issuances of non-convertible debentures have been utilised according to the objects mentioned in the respective offer documents i.e. minimum 75% towards lending and repayment of interest and principal of existing debts and balance approx. 25% towards general corporate purposes.

Variation in terms of contract or objects in Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of a contract referred to in the Prospectus or objects for which the Prospectus shall be issued, except subject to the approval of, or except subject to an authority given by the shareholders in a general meeting by way of special resolution and after abiding by all the formalities prescribed in Section 27 of the Companies Act, 2013.

Issue related Expenses

The expenses for this Issue include, inter alia, lead management fees and selling commission to the Lead Manager, Consortium Member and intermediaries as provided for in the SEBI Master Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for the Issue is as follows

Particulars	**Amount (in ₹ lakhs)**	**As a percentage of the Issue proceeds (in %)**	**As a percentage of the total expended of the Issue (in%)**
Fees to intermediaries (Lead Manager's fees, brokerage, rating agency, Registrar, legal advisor, Debenture Trustee, etc.)	80	0.80	0.40
Advertising and Marketing Expenses	50	0.50	0.25
Printing, Stationery and Distribution	10	0.10	0.05

Particulars	**Amount (in ₹ lakhs)**	**As a percentage of the Issue proceeds (in %)**	**As a percentage of the total expended of the Issue (in%)**
Other Miscellaneous Expenses	20	0.20	0.10
Total	160	1.6	0.8

**Assuming the Issue is fully subscribed, and our Company retains oversubscription.*

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.

Other confirmations

In accordance with the SEBI NCS Regulations, our Company will not utilise the proceeds of the Issue for providing loans to or for acquisitions of shares of any person who is a part of the same group as our Company or who is under the same management of our Company.

No part of the Issue Proceeds will be paid by our Company to our Promoters, our Directors, Key Managerial Personnel, Senior Managerial Personnel or companies promoted by our Promoters.

The Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any property. The Issue proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

The Issue proceeds from NCDs allotted to Banks will not be utilised for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

Our Company undertakes that the Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines on bank financing to NBFCs.

Our Company confirms that it will not use the proceeds of the Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, directly or indirectly in the acquisition of any immovable property or acquisition of securities of any other body corporate.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, cash flows, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

Utilisation of Issue Proceeds

(a) All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in Section 40 (3) of the Companies Act, 2013;

(b) Details of all monies utilised out of the Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Company’s Balance Sheet indicating the purpose for which such monies had been utilised;

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.

(d) The details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested.

(e) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed(s) as stated in this Prospectus, creation of security, receipt of the listing and trading approval from the Stock Exchange and on receipt of the minimum subscription of 75% of the Base Issue Size being ₹ 7500.00 lakh.

(f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.

(g) The Issue Proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time.

SECTION IV - ABOUT OUR COMPANY AND THE INDUSTRY

INDUSTRY OVERVIEW

Unless otherwise indicated, all of the information and statics disclosed in this section are extracted from an industry report titled "Industry report on gold loans", prepared and issued by CRISIL Market Intelligence & Analytics*. For details of risks in relation to* CRISIL *Report and other publications, see "Risk Factors-"Third party statistical and financial data in this Prospectus may be incomplete and unreliable" contained in this Prospectus" on page 18. Unless otherwise indicated, all industry and other related information derived from* CRISIL *Report. The information presented in this section, including forecasts and projections, have not been prepared or independently verified by us, our Directors, our Promoters, the Lead Manager or any of our or their respective advisors.*

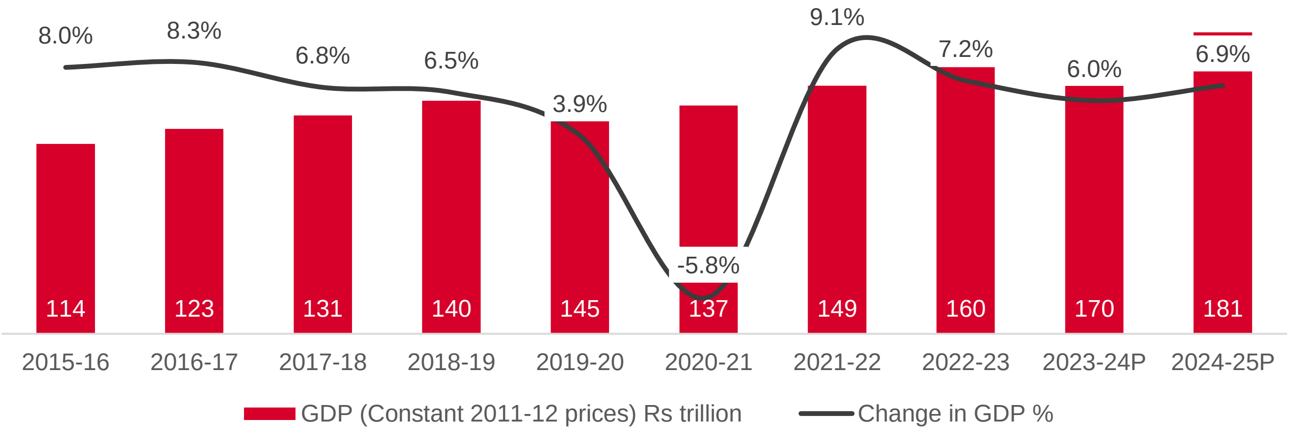
The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in the CRISIL Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

An overview of the Indian economy

Before the pandemic, India was one of the fastest-growing economies in the world with a CAGR of 6.6% between fiscals 2015 and 2020. GDP shot up from Rs 105 trillion in fiscal 2015 to Rs 145 trillion in fiscal 2020 based on 2011-12 prices.

The outbreak of the Covid pandemic and the subsequent imposition of the lockdown on March 25, 2020, onwards sent the Indian economy reeling, leading to a 5.8% decline to Rs 137 trillion in fiscal 2021. While the economy was under pressure in the first half of the fiscal, due to the pandemic-induced, lockdown-led demand shocks and weak global demand, low oil and commodity prices provided some respite. The second half saw an uptick in mobility and in economic activity, as sentiment improved, coupled with people learning to live in the post-pandemic world. The opening up of vaccinations in the fourth quarter, albeit for a smaller section of the population, further boosted the sentiment, containing the contraction to 5.8% in fiscal 2021. The Indian government unleased a slew of measures during the pandemic-impacted fiscal under the Atma Nirbhar Bharat Abhiyan to boost the economy with the Production-Linked Incentive (PLI) scheme the standout tying in with the Make in India programme.

Movement of Indian GDP across years



Source: MOSPI, CRISIL MI&A Research

GDP grew 9.1% in fiscal 2022 to ~ Rs. 149 trillion on a low base, surpassing the pre-Covid-19 level of fiscal 2020. Growth in fiscal 2022 would have been higher but for the brutal second wave in the first quarter, which impacted consumer sentiment and hurt demand in contact-intensive services sectors. The resurgence of Covid-19 infections since March 2021 forced many states to implement localised lockdowns and restrictions to prevent the spread of the infection. In the beginning of May, the country reported the highest number of daily cases. The second round of lockdowns were less restrictive for economic activity than last year. Manufacturing, construction, agriculture, and other essential activities had been permitted to continue in most states while travel too was permitted unlike the first wave where all travel services were shut. The third wave in the fourth quarter of fiscal 2022 had minimal impact on the economy attributable to high rates of vaccination and people having learned to live with the pandemic.

The Indian economy recorded a 7.2% on-year growth in real GDP in fiscal 2023 reaching about Rs ~160 trillion. While the economic recovery continues to gather pace, it faces multiple risks. Global growth is projected to slow, as central banks in major economies withdraw easy monetary policies to tackle high inflation. This would imply lower demand for our exports. Together with high commodity prices, especially oil, this translates into a negative in terms of a trade shock for India. High commodity prices, along with depreciating rupee, indicate higher imported inflation.

Macroeconomic outlook

Macro variable	FY22	FY23	FY24P	Rationale for outlook
Real GDP (%, y-o-y)	9.1	7.2	6.0	Slowing global growth will weaken India's exports in fiscal 2024. Domestic demand could also come under pressure as the RBI's rate hikes transmit to end consumers. Along with this, weakening monsoon and inflation pressure could also slow down growth.
Consumer price index (CPI)-based inflation (%, y-o-y)	5.5	6.7	5.5	Uneven distribution of rainfall during the monsoon season, rising crude oil prices and tight global food supplies pose upside risks to inflation this fiscal. However, easing input cost pressures for manufacturers and moderating domestic demand are expected to ease core inflation.

Macro variable	FY22	FY23	FY24P	Rationale for outlook
Current account balance/ GDP (%)	-1.2	-2.0	-1.8	Decline in services trade surplus, decline in personal transfers, recent uptick in oil prices, weakening global growth and tighter monetary policies due to which financial flows are expected to be volatile. CAD should be manageable and its financing is unlikely to be a major concern if there are no major setbacks on oil and remittances.
Rs/$ (March end)	75.8	82.3	83.0	While a lower current account deficit will support the rupee, challenging external financing conditions will continue to exert pressure next fiscal

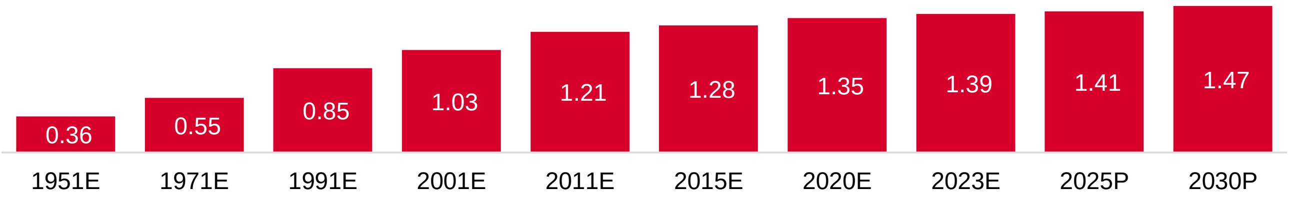
Note: P – projected
Source: RBI, National Statistical Office (NSO), CRISIL MI&A Research

Indigenous advantages to result in a stronger economic growth rate in the longer term

India has the largest population in the world

As per the report published (in July 2020) by National commission on population, Ministry of Health & Family Welfare report, India's population in 2011 was 121 crores, comprising nearly 24.6 crore households. It should be noted that decadal growth rate during 2001-2011 stood at 17%. This is estimated to have fallen to 12% during 2011-2021 and is likely to decline further to 9% during 2021-2031. However, with 147 crore estimated population in 2030, India will continue to be a major opportunity market from demand perspective. Additionally, as per United Nations Department of Economic and Social Affairs, India has overtaken China as the world's most populous country in April 2023.

India's population growth trajectory (billion)

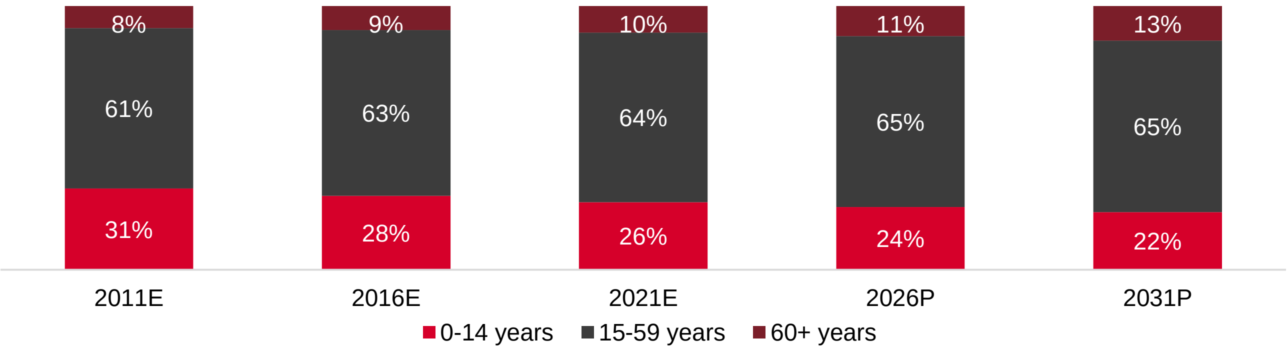


Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

Favourable demographics

India is also one of the countries with the largest youth population, with a median age of 28 years. About 90% of Indians are aged below 60 years. It is estimated that 64% of this population is aged between 15 and 59 years. CRISIL MI&A Research expects the existence of a large share of working population, coupled with rapid urbanisation and rising affluence, will propel growth of the Indian financial services sector.

India's demographic division (share of different age groups in India's population)



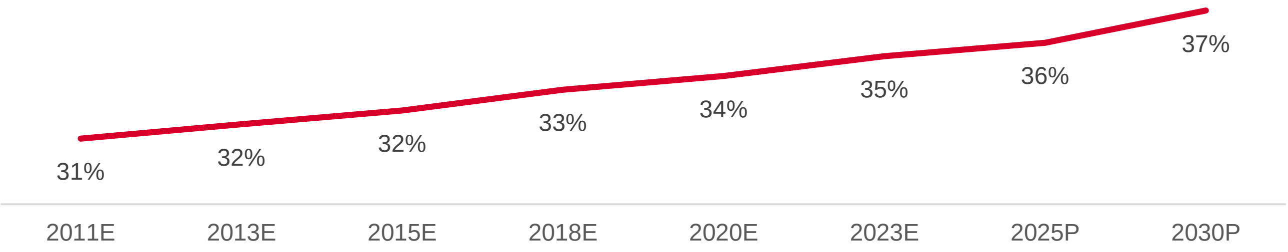
Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

Rise in urbanisation

Urbanisation is a key growth driver for India, as it leads to faster infrastructure development, job creation, development of modern consumer services, and the city's ability to mobilise savings. The share of urban population in total population has been consistently rising over the years and is expected to reach 36% by 2025 from 31% in 2011, spurring more demand.

Urban consumption in India has shown signs of improvement and given the country's favourable demographics, coupled with rising disposable incomes, the trend is likely to continue and drive domestic economic growth.

Urbanisation in India



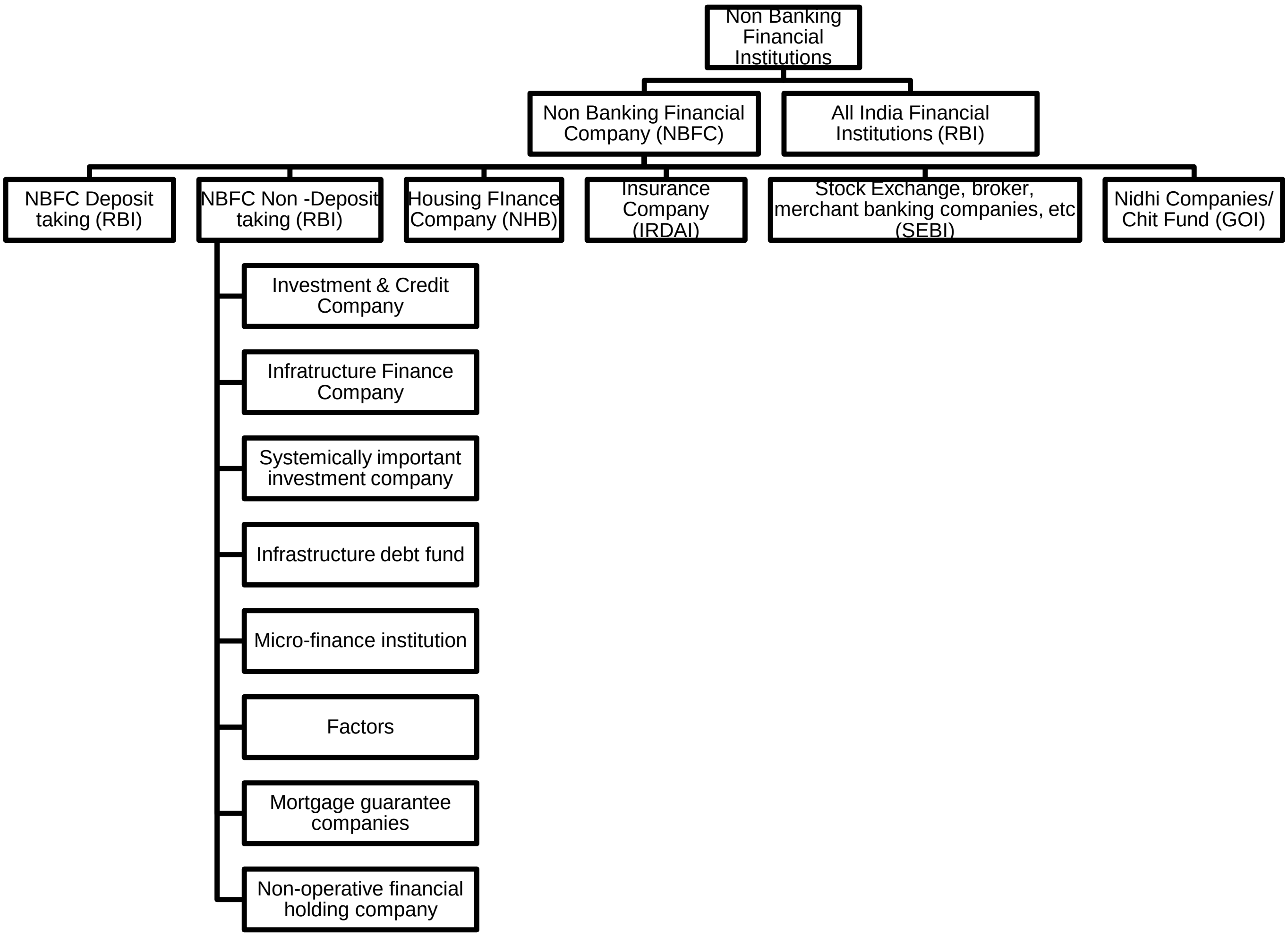
Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

SECTION I: Overall NBFC – Industry overview

NBFCs are important part of the credit system

Financing needs in India have risen in sync with the notable economic growth over the past decade. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions. NBFCs help fill gaps in the availability of financial services with respect to products as well as customer and geographic segments. A strong linkage at the grassroots level makes them a critical cog in the financial machine. They cater to the unbanked masses in rural and semi-urban reaches and lend to the informal sector and people without credit histories, thereby enabling the government and regulators to realise the mission of financial inclusion.

Structure of non-banking financial institutions in India



Note: The regulatory authority for the respective institution is indicated within the brackets; All-India Financial Institutions include NABARD, SIDBI, EXIM Bank
Source: RBI, CRISIL MI&A Research

Classification of NBFCs

NBFCs until now have been classified on the basis of the kind of liabilities they access, types of activities they pursue and their perceived systemic importance. RBI on October 22, 2021, introduced additional classification of NBFCs vide Scale Based Regulation (SBR) framework into four categories i.e., Base Layer (NBFC – BL), Middle Layer (NBFC – ML), Upper Layer (NBFC – UL) and Top Layer (NBFC – TL).

Liabilities-based classification

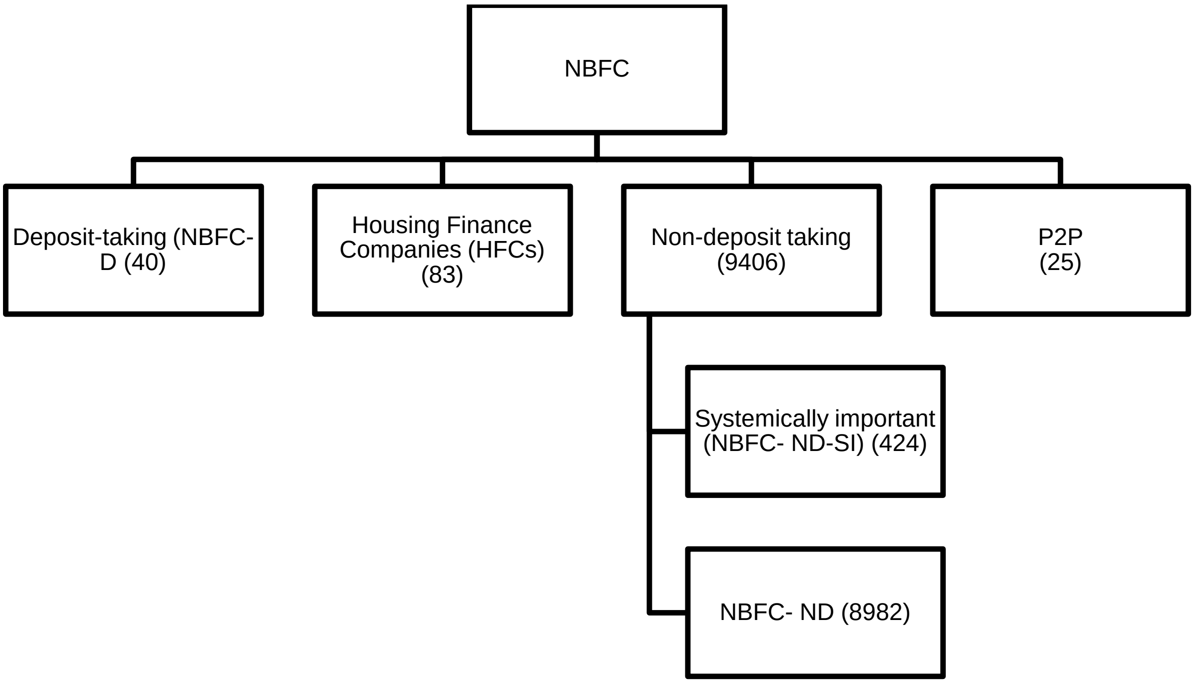
NBFCs are classified on the basis of liabilities into two broad categories:

(a) deposit-taking; and
(b) non-deposit taking.

Deposit-taking NBFCs (NBFC – D) are subject to the requirements of stricter capital adequacy, liquid-assets maintenance and exposure norms.

Further, in 2015, non-deposit taking NBFCs with an asset size of Rs 5 billion and above were labelled as 'systemically important non-deposit taking NBFCs' (NBFC – ND – SI), and separate prudential regulations were made applicable to them.

Classification on the basis of liabilities



Note: Figures in brackets represent number of entities registered with RBI as of March 2023.
Source: RBI, CRISIL MI&A Research

Activity-based classification

As per the RBI circular dated February 22, 2019, the central bank merged three categories of NBFCs, i.e., asset finance companies (AFC), loan companies (LCs) and investment companies (ICs), into a new category called NBFC - Investment and Credit Company (NBFC-ICC)

1. **Investment and credit company – (NBFC-ICC)**: An NBFC-ICC means any company that is a financial institution carrying on as its principal business of providing finance by making loans or advances or otherwise for any activity other than its own and acquisition of securities; and is not any other category of NBFC.

2. **Infrastructure finance company (IFC):** An IFC is an NBFC that deploys at least 75% of its total assets in infrastructure loans and has a minimum net-owned funds of Rs 300 crore, with a minimum credit rating of 'A' or equivalent and a 15% CRAR (Capital to risk-weighted adequacy ratio).

3. **Infrastructure debt fund (IDF-NBFC):** An IDF-NBFC is a company registered as an NBFC to facilitate the flow of long-term debt into infrastructure projects. It raises resources through the issue of rupee or dollar-denominated bonds with a minimum five-year maturity. Only IFCs can sponsor IDF-NBFCs

4. **Micro-finance institution (NBFC-MFI):** An NBFC-MFI is a non-deposit-taking NBFC with not less than 75% of its assets in the nature of qualifying assets, which satisfy the following criteria:

- NBFC MFIs can disburse loans to borrowers with household annual income not exceeding Rs 300,000. The household shall mean an individual family unit, i.e., husband, wife and their unmarried children.

- All collateral-free loans will be considered as qualifying assets. Such loans will include all non-collateral loans irrespective of end use and mode of application/ processing/ disbursal.

- The loan shall not be linked with a lien on the deposit account of the borrower.

5. **Factors (NBFC-Factors):** An NBFC-Factor is a non-deposit-taking NBFC engaged in the principal business of factoring. Financial assets in the factoring business should constitute at least 50% of its total assets and income derived from the factoring business should not be less than 50% of its gross income.

6. **Mortgage guarantee companies (MGC):** An MGC is a financial institution for which at least 90% of the business turnover is mortgage guarantees or at least 90% of the gross income is from the mortgage-guarantee business and whose net-owned funds is atleast Rs 100 crore.

7. **Non-operative financial holding company (NOFHC):** An NOFHC is a financial institution through which promoter / promoter groups will be permitted to set up a new bank. A wholly owned NOFHC will hold the bank as well as all other financial services companies regulated by the RBI or other financial sector regulators to the extent permissible under the applicable regulatory prescriptions.

8. **Account Aggregators (NBFC-AA):** NBFC Account Aggregator is a financial entity which functions as the Account Aggregator for the customers of NBFC. NBFC-AA accumulates and provides information concerning multiple accounts which are held by the customers in various NBFC entities.

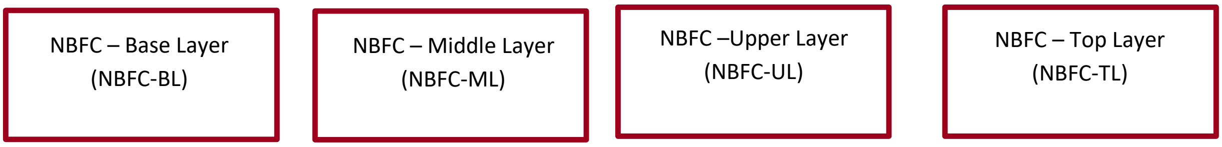
9. **Peer to Peer Lending (NBFC-P2P):** NBFC –Peer to Peer Lending platform (NBFC-P2P) is a type of Non-Banking Financial Company which carries on the business of providing services of Loan facilitation to willing lenders and borrowers through online platform.

Scale based classification

As per RBI circular dated October 22, 2021, the central bank introduced Scale Based Regulation (SBR) framework for classification of NBFCs along with the activity-based classification of NBFCs as per earlier regulations. The revised SBR framework shall be effective from October 01, 2022

As per the revised framework NBFCs will be classified into four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer will be known as NBFC – Base Layer (NBFC BL), NBFCs in middle layer and upper layer shall be known as NBFC - Middle Layer (NBFC-ML) and NBFC - Upper Layer (NBFC-UL) respectively. The Top Layer is expected to be empty and will be known as NBFC - Top Layer (NBFC - TL).

Classification on the basis of scale-based regulation



Source: RBI, CRISIL MI&A Research

Base Layer – NBFC – BL shall comprise of (a). Non deposit taking NBFCs below asset size of Rs 1000 crore and (b). Following NBFCs – (i) NBFC P2P, (ii) NBFC – AA, (iii) NOHFC, and (iv) NBFCs not availing public funds and not having any customer interface

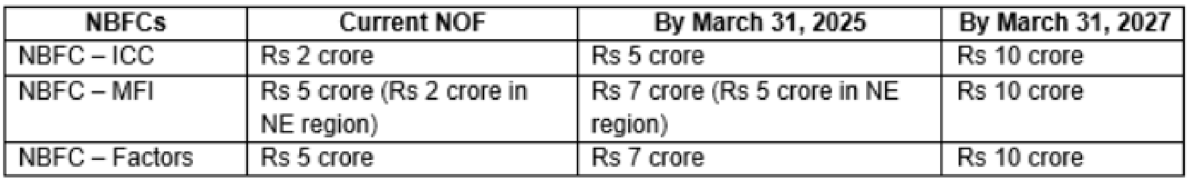
Middle Layer – NBFC – ML shall comprise of (a). All deposit taking NBFCs irrespective of asset size, (b). Non-deposit taking with asset size of Rs 1000 crore and above and (c). Following NBFCs – (i) Standalone primary dealer (SPD), (ii) Infrastructure debt fund (IDF), (iii) Core investment companies (CIC), (iv) Housing finance companies (HFCs) and (v) Infrastructure finance companies (IFCs) Government owned NBFCs shall be placed in the Base Layer or Middle Layer, as the case may be. They will not be placed in the Upper Layer till further notice by RBI.

Upper Layer – NBFC – UL shall comprise of NBFCs which are specifically identified by the Reserve Bank as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

Top Layer – NBFC – TL shall be populated only if in opinion of RBI there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer. Such NBFCs shall be moved to Top layer from the Upper layer.

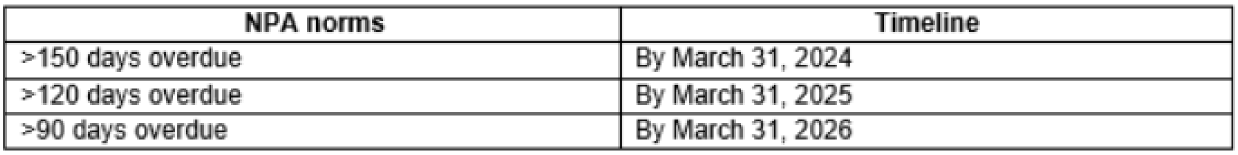
Other regulatory changes under Scale Based Regulations

1. Net Owned Fund (NOF) for NBFC-ICC, NBFC-MFI and NBFC-Factors shall be increased to Rs 10 cr timelines for change in NOF for above mentioned NBFCs is as follows.



NBFCs	Current NOF	By March 31, 2025	By March 31, 2027
NBFC – ICC	Rs 2 crore	Rs 5 crore	Rs 10 crore
NBFC – MFI	Rs 5 crore (Rs 2 crore in NE region)	Rs 7 crore (Rs 5 crore in NE region)	Rs 10 crore
NBFC – Factors	Rs 5 crore	Rs 7 crore	Rs 10 crore

2. NPA classification: NPA classification norms stands changed to the overdue period of more than 90 days for all categories of NBFCs, timelines to adhere change for NBFC – BL to 90 days NPA norm is as follows.



NPA norms	Timeline
>150 days overdue	By March 31, 2024
>120 days overdue	By March 31, 2025
>90 days overdue	By March 31, 2026

3. Experience of the board - Considering the need for professional experience in managing the affairs of NBFCs, at least one of the directors shall have relevant experience of having worked in a bank/ NBFC. This regulation shall be applicable for all class of NBFCs.

4. Ceiling on IPO Funding – RBI prescribed ceiling of Rs 1 crore per borrower for financing subscriptions to IPO. NBFCs can fix more conservative limits. This regulation shall come into effect from April 01, 2022.

Prompt corrective action framework

NBFCs have been growing in size and now have substantial interconnectedness with other segments of the financial system. Accordingly, in October 2022, the RBI made effective a prompt corrective action (PCA) framework to further strengthen the supervisory tools applicable to NBFCs. The objective of the framework is to enable supervisory intervention at the appropriate time.

It requires the supervised entity to initiate and implement remedial measures in a timely manner to restore its financial health. It does not preclude the central bank from taking any other action as it deems fit at any time, in addition to the corrective actions prescribed in the framework.

The PCA framework applies to all NBFC-Ds and all NBFC-NDs in the middle, upper and top layers, identified under the new SBR. It excludes NBFCs not accepting/ not intending to accept public funds, government companies, primary dealers and HFCs.

The risk thresholds when breached that may result in invocation of PCA are:

1. For NBFC-Ds and NBFC-NDs (excluding CICs):

Indicator	**Risk threshold 1**	**Risk threshold 2**	**Risk threshold 3**
CRAR	Up to 300 bps below the regulatory minimum CRAR (currently, CRAR <15% but ≥12%)	More than 300 bps, but up to 600 bps below regulatory minimum CRAR (currently, CRAR <12% but ≥9%)	More than 600 bps below regulatory minimum CRAR (currently, CRAR <9%)
Tier 1 capital ratio	Up to 200 bps below the regulatory minimum tier 1 capital ratio (currently, tier 1 capital ratio <10% but ≥8%)	More than 200 bps, but up to 400 bps below the regulatory minimum tier 1 capital ratio (currently, tier 1 capital ratio <8% but ≥6%)	More than 400 bps below the regulatory minimum tier 1 capital ratio [currently, tier 1 capital ratio <6%]
NNPA ratio (including NPIs)	>6% but ≤ 9%	>9% but ≤12%	>12%

Source: RBI

2. For CICs

Indicator	**Risk threshold 1**	**Risk threshold 2**	**Risk threshold 3**
Adjusted net worth (ANW) / aggregate risk	Up to 600 bps below the regulatory minimum ANW/	More than 600 bps, but up to 1200 bps below regulatory minimum ANW/ RWA	More than 1200 bps below regulatory minimum ANW/

weighted asset (RWA)	RWA (currently, ANW/RWA <30% but ≥24%)	(currently, ANW/RWA <24% but ≥18%)	RWA (currently, ANW/RWA <18%)
Leverage ratio	≥2.5 times but <3 times	≥ 3 times but <3.5 times	≥3.5 times
NNPA ratio (including NPIs)	>6% but ≤ 9%	>9% but ≤12%	

Source: RBI

Credit concentration norms

RBI, in its April 19, 2022 guidelines on Large Exposure Framework for Non-Banking Financial Company – Upper Layer (NBFC-UL), permits exposures to the original counterparty to be offset with certain credit risk transfer instruments. These include instruments such as cash margin/caution money/security deposit against which the right to set off is available, held as collateral against the advances, and government guaranteed claims (0% risk weight for central and 20% for state government for CRAR computation) However, this was exclusive to NBFC-UL.

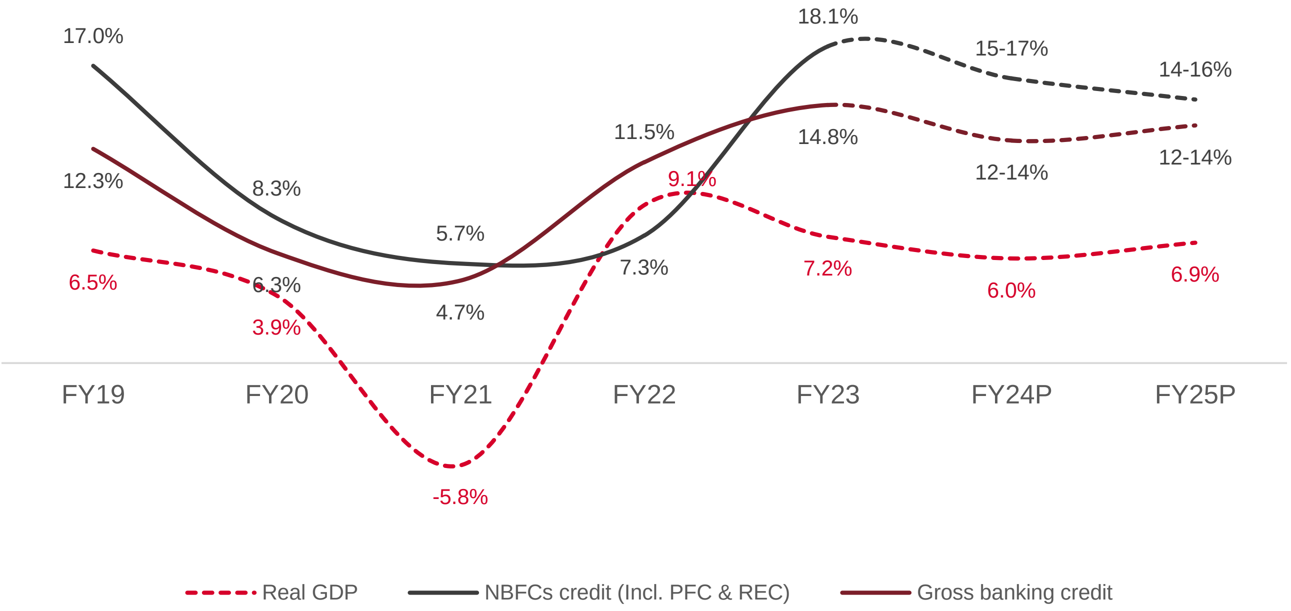
In a move towards standardisation, the RBI has extended this provision to NBFCs in the middle and base layers. This harmonisation levels the playing field for all NBFCs across layers.

Out of 9,376 RBI-registered NBFCs, only 15 fall under the NBFC-UL category, while the majority are in the middle and base layers.

Overview on NBFC sector

NBFCs clocked double-digit credit growth last fiscal, healthy momentum to continue

NBFCs to report retail segment-led credit growth of 15-17% this fiscal



Note: 1) P — projected

2) Historical credit growth numbers are adjusted for merger of HDFC Ltd into bank for comparable credit growth

Source: Reserve Bank of India (RBI), National Housing Bank (NHB), Ministry of Finance, company reports, CRISIL MI&A Research

India remains one of the fastest-growing economies globally even amid ongoing geopolitical tensions. This could be attributed to factors such as demographic advantage, robust domestic demand, economic reforms, manufacturing and infrastructure development, technological advancements and digital push.

The International Monetary Fund (IMF), in its July 2023 economic outlook update, revised its real economic growth forecast for India for the current fiscal to 6.3% from 5.9% forecast in April 2023. It cited momentum from stronger-than-expected growth in the first quarter of this fiscal as a result of stronger domestic investment, as an important driver. In contrast, it projected global economic growth to decelerate from an estimated 3.5% in 2022 to 3.0% in 2023, with the growth rate sustaining in 2024. While the forecast for 2023 is higher than the earlier estimate by a wafer-thin 0.2%, it remains weaker than the historical average.

To tackle domestic inflation, the Reserve Bank of India (RBI) started increasing the policy repo rate in fiscal 2023 — by 40 basis points (bps) in May, 50 bps each in June, August and September and 35 bps in December 2022, and a further 25 bps in February 2023 — taking it to 6.50%. The central bank has hit the pause button after the aggregate hike of 250 bps and is evaluating the impact of the hikes on the economy which tend to get transmitted with a lag.

Performance of NBFCs in the past five years

Between fiscals 2016 and 2018, non-banking financial companies (NBFCs) clocked 15% compound annual growth rate (CAGR) in credit, mainly due to aggressive expansion of their footprint and entry of numerous new players across India. However, they faced headwinds after the IL&FS default in September 2018, followed by a liquidity crisis. Later, funding challenges and the Covid-19 pandemic added to the pressures, curbing growth. Banks benefitted in this milieu and used their surplus liquidity to gain market share in terms of credit in a few key segments.

The pandemic brought about a sudden halt in economic activity and slowed down demand for credit in fiscal 2021. In fiscal 2022, the economy began to reopen and lockdowns were relaxed after the second wave of the pandemic, leading to normalisation of business activities and driving credit growth in most segments. In fiscal 2023, NBFCs were back on track with a growth of 18.1% albeit on a lower base compared to 7.3% in fiscal 2022.

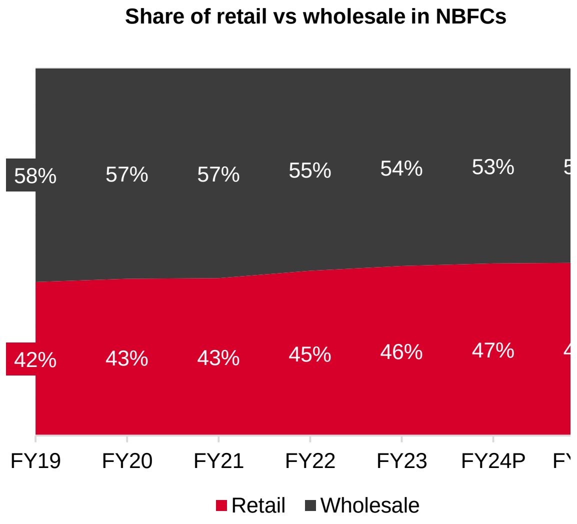
CRISIL MI&A Research expects credit to grow 15-17% and 14-16% this fiscal and next fiscal respectively, with housing loans, personal loans, auto loans and microfinance in the retail segment, and micro, small and medium enterprise (MSME) loans in the wholesale segment continuing to be the primary drivers.

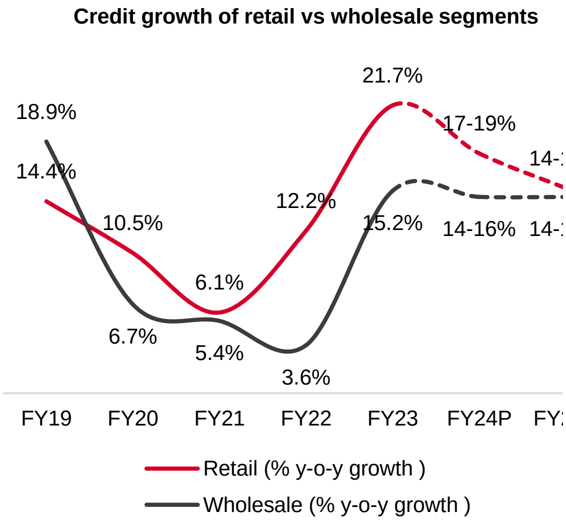
Lending to MSMEs has gained traction over the past three fiscals, with a focus on unsecured business loans amid higher competition from banks in the traditional segments. Heavy competition from banks and impact on asset quality of gold loans led to a slowdown in credit flow for gold finance NBFCs, resulting in low growth of 4% last fiscal. Additionally, the entry of a new player in the retail space is expected to intensify competition, especially in the consumer loan market, in the coming fiscals. Overall, consolidation in certain groups and other corporate activities indicate buoyancy in the NBFC space and expectations of healthy credit growth.

Asset quality too improved last fiscal on account of normalisation of economic activity and improved collection efficiency across segments, with the gold segment being an exception. Collection efficiency is expected to hold up in the near future, resulting in an easing of asset quality.

Retail segment to continue driving NBFC credit growth

Gap between retail and wholesale segment share narrowing





Note: P — projected

1) Retail includes housing, auto, gold, microfinance, personal loans, consumer durables, and education

2) Wholesale includes MSME, real estate and large corporate, infrastructure, and construction equipment

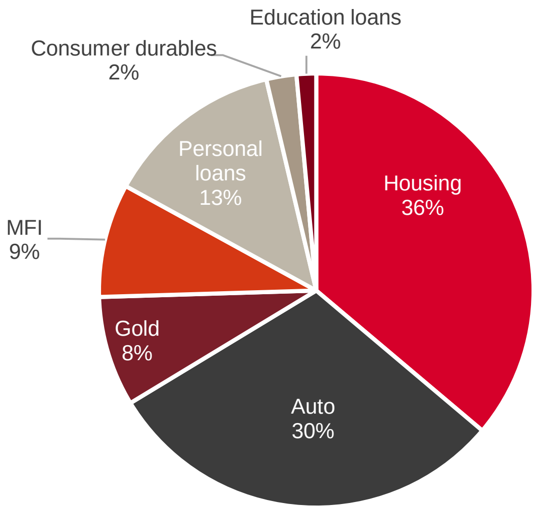
Source: Industry, CRISIL MI&A Research

After the NBFC crisis in fiscal 2018, the retail segment led growth in the NBFC sector, while the wholesale segment saw low single-digit growth between fiscals 2020 and 2022. Last fiscal, the retail segment grew 22% and wholesale by 15%. While credit growth was broad-based in the retail segment, MSME was the primary growth driver for the wholesale segment, supported by decent growth on a high base in infrastructure financing.

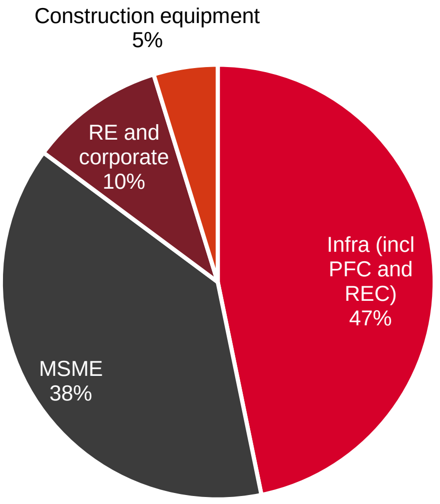
With continued focus on the retail segment and multiple players announcing plans to reduce wholesale exposure, the retail segment's market share is expected to rise further to 47% (vs the wholesale's 53%) by end of this fiscal and remain stable in fiscal 2025.

Break-up of retail vs wholesale segment of NBFCs in fiscal 2023

Retail credit breakup

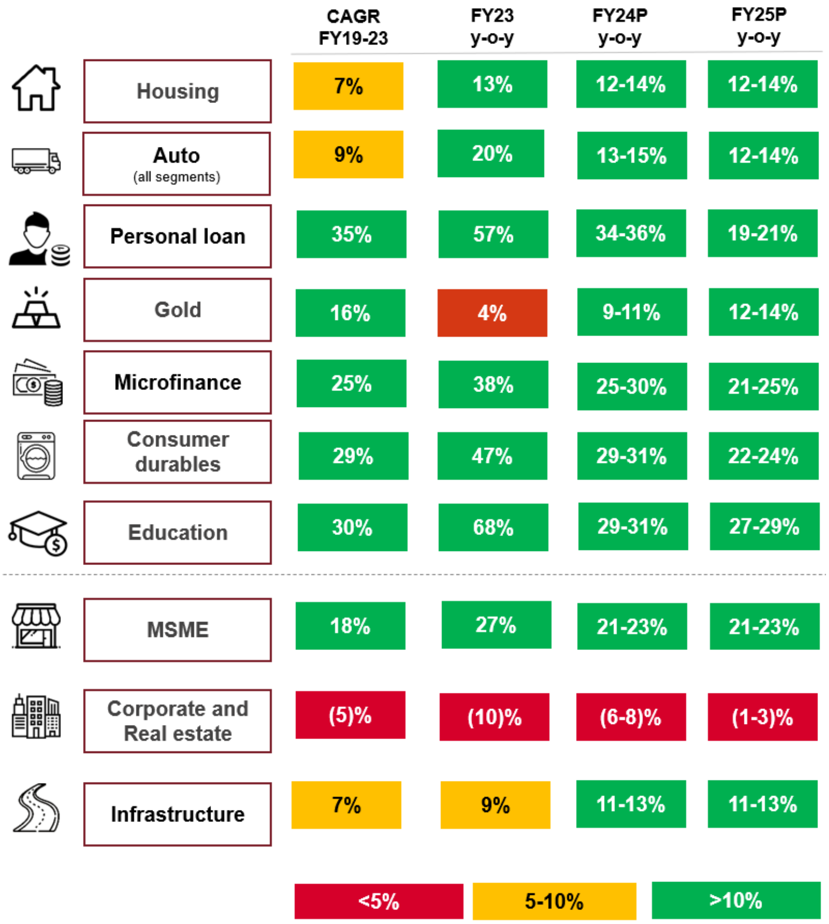


Wholesale credit breakup



Source: RBI, company reports, CRISIL MI&A Research

Retail segment continues to lead NBFC credit growth



	CAGR FY19-23	FY23 y-o-y	FY24P y-o-y	FY25P y-o-y
Housing	7%	13%	12-14%	12-14%
Auto (all segments)	9%	20%	13-15%	12-14%
Personal loan	35%	57%	34-36%	19-21%
Gold	16%	4%	9-11%	12-14%
Microfinance	25%	38%	25-30%	21-25%
Consumer durables	29%	47%	29-31%	22-24%
Education	30%	68%	29-31%	27-29%
MSME	18%	27%	21-23%	21-23%
Corporate and Real estate	(5)%	(10)%	(6-8)%	(1-3)%
Infrastructure	7%	9%	11-13%	11-13%

🟥 <5% 🟨 5-10% 🟩 >10%

Note: P — projected

Source: Company reports, CRISIL MI&A Research

Housing: Over the past few years, despite the revised regulatory frameworks and challenges such as the Covid-19 pandemic, the housing finance market has posted consistently healthy growth. It logged a compound annual growth rate (CAGR) of 12% between fiscals 2019 and 2023, driven by higher affordability, pent-up demand for housing, and positive government initiatives. Further, credit growth of the overall housing finance sector has returned to its pre-pandemic level at ~15%. Demand for home loans has been fuelled by a growing young population with rising disposable incomes migrating to metro cities with an aspiration to buy homes. High demand in Tier 2 and 3 cities has further contributed to a significant increase in demand for real estate. Last fiscal, the RBI started increasing the repo rate to rein in spiralling inflation However, this did not slow down housing credit demand as the economy remained resilient, income levels of salaried customers remained largely intact, and disbursements remained healthy. CRISIL MI&A Research expects NBFC credit demand to grow further, at 12-14% in this fiscal and next. Further, following the merger of HDFC Ltd and HDFC Bank, the market share of banks increased from 67% pre-merger to 80% in fiscal 2023, with housing finance companies (HFCs) having a 20% market share.

Auto finance: This segment grew marginally during the pandemic fiscals on account of pandemic-led disruptions, as well as supply-side issues in fiscal 2022. Last fiscal, growth was healthy due to easing of the semiconductor shortages, pent-up demand for car and utility vehicles, improving profitability of transporters, and pre-buying in anticipation of the second phase of Bharat Stage (BS) VI norms. This trend is expected to continue in the short term. With this, the auto finance NBFC segment is expected to grow 13-15% this fiscal, marginally outpacing banks, and followed by 12-14% growth next fiscal.

Gold loan finance: Credit growth for NBFCs is expected to moderate to 9.0-11.0% on-year this fiscal, compared with the 16.2% CAGR between fiscals 2019 and 2023. While the trajectory was high over these years overall, growth decelerated to 3.8% on-year in fiscal 2023. The moderate growth in relation to past 5 year CAGR would be on account of intense competition from banks and mixed credit demand from the rural economy — a major market segment. Further, NBFC credit in the gold loan finance segment is expected to grow at 12-14% in fiscal 2025.

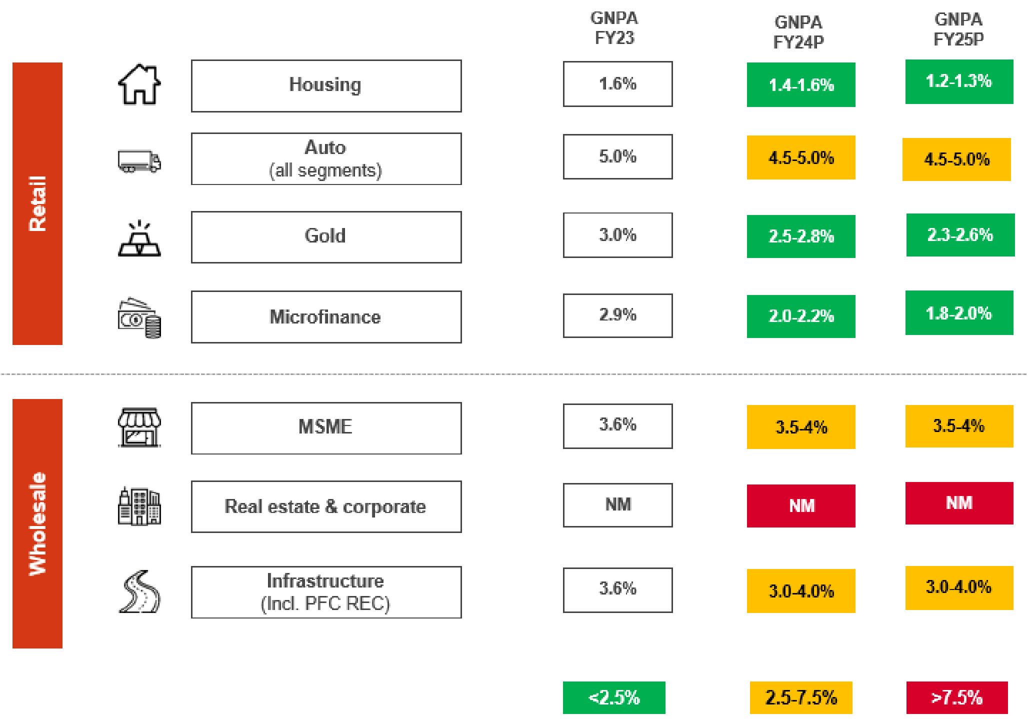
Microfinance: This segment clocked 40% CAGR between fiscals 2015 and 2020 on account of players undergoing an expansionary phase and NBFCs increasingly catering to the credit needs of micro players. Growth picked up from the second quarter of fiscal 2022 due to revived pent-up demand amid ebbing impact of the pandemic. Disbursements in the sector picked up and monthly collections also normalised. The new regulatory framework contributed to improved financial inclusion due to higher household income. Hence, last fiscal, growth of 38% was fuelled by an increase in the average ticket size and higher customer acquisitions. With improved collection efficiency, increasing ticket size, and implementation of the new regulatory framework, disbursements are expected to gain momentum. This would result in the outstanding book growing 25-30% this fiscal, followed by some moderation in growth at 21-25% next fiscal.

MSME: The first and second waves of the pandemic were particularly hard on MSMEs. The segment has a fundamental link to economic activity. During fiscal 2023 the Indian economy normalised, with industrialisation and urbanisation picking up pace. As a result, revenue increased 13-15% for corporate India and 11-13% for SMEs. In line with overall growth, aggregate MSME credit grew 17% last fiscal. CRISIL MI&A Research projects NBFC MSME credit growth to be healthy at 21-23% in this fiscal and next.

Real estate and corporate: The wholesale portfolios of NBFCs/HFCs are systematically being trimmed. NBFCs/HFCs are collectively shifting their focus towards the retail business. This led to degrowth in credit of 6% in fiscal 2022 and 9% last fiscal. CRISIL MI&A Research expects wholesale credit to further degrow 6-8% this fiscal and further by 1-3% next fiscal, with real estate disbursement expected to pick up for a few NBFCs/HFCs.

Infrastructure (including PFC and REC): The infrastructure book of NBFCs saw muted growth in fiscal 2022 because of weak demand for power amid the pandemic. However, last fiscal, growth gained momentum owing to investments in renewable power and a pick-up in transmission and distribution (T&D) amid increased demand for power due to a revival in industrial activity and the early onset of summer. Accordingly, the book grew 9% to an outstanding of Rs 8,890 crore as of March 2023, albeit on a low base of the previous fiscal. Growth is expected to be stronger in fiscals 2024 and 2025 at 11-13%, for each year owing to firm demand from the power sector.

Gradual improvement in asset quality



		GNPA FY23	GNPA FY24P	GNPA FY25P
Retail	Housing	1.6%	1.4-1.6%	1.2-1.3%
	Auto (all segments)	5.0%	4.5-5.0%	4.5-5.0%
	Gold	3.0%	2.5-2.8%	2.3-2.6%
	Microfinance	2.9%	2.0-2.2%	1.8-2.0%
Wholesale	MSME	3.6%	3.5-4%	3.5-4%
	Real estate & corporate	NM	NM	NM
	Infrastructure (Incl. PFC REC)	3.6%	3.0-4.0%	3.0-4.0%

Note: P: Projected

1) Green: <2.5%; Amber: 2.5-7.5%; Red: >7.5%

2) Asset quality in real estate and corporate loans is not meaningful due to the addition of contractual moratorium, date for commencement for commercial operations extension, one-time restructuring, and player strategy to reduce the wholesale portfolio

Source: Company reports, CRISIL MI&A Research

Pandemic-induced stress has affected asset quality over the past few fiscals across all retail and wholesale segments. The intensity of the stress has varied across segments, based on the asset class. Further, the relief measures initiated by the government and central bank, such as moratorium and one-time restructuring schemes, have helped arrest, to an extent, the significant deterioration in asset quality.

In fiscal 2023, normalisation of economic activities and resumption in credit flow helped improve collection efficiency leading to a reduction in overall GNPA levels.

The housing segment is expected to perform relatively better. Cashflows of the salaried class, who are the primary customers of housing loans, remain resilient, supported by robust economic growth prospects. At the same time, timely relief and schemes such as the emergency credit line guarantee scheme launched by the Government of India to support MSMEs led to their growth, further stabilising incomes of the target groups for the housing finance market. As pent-up credit demand picked up after the pandemic, HFCs were able to take advantage of schemes such as Liquidity Infusion Facility Scheme, the Affordable Housing Fund and other schemes announced under the government’s Atmanirbhar Bharat package.

With the cumulative effects of these schemes and the Indian financial system remaining resilient through global and domestic disturbances, asset quality improved to 1.64% in fiscal 2023. It was buoyed by collections and credit growth inching towards pre-Covid levels. CRISIL MI&A Research estimates the asset quality in the retail home loan to improve to 1.4–1.6% in fiscal 2024 and further to 1.2–1.3% in fiscal 2025.

Auto industry's stress levels, which peaked in fiscal 2021, have now returned to pre-pandemic levels. There is a moderate downturn in GNPAs. However, stress in certain segments such as two-wheelers and tractors persists and is expected to be range-bound. Overall asset quality of the auto finance segment declined to ~5% in fiscal 2023. It is expected to remain at 4.5-5.0% this fiscal and in the next one too.

Gold finance is considered to be a safer segment from an asset quality perspective. Moreover, players can improve GNPAs by auctioning gold collateral. Additionally, given the liquid nature of collateral and recent increase in gold prices, the ultimate loss given default is be modest. Gold loan NBFCs have loan to value (LTV) ratios of 60-70%, a sufficient buffer for any price fluctuation. However, GNPAs increased to 3.0% in fiscal 2023, due to a combination of migration of teaser loans to higher interest loans and broadening of credit filters. Traditionally, GNPAs have been controlled via recoveries through gold auctions. However, since gold financing is an extremely customer-centric business, gold auctions tend to be the last resort. Typically, NPAs are resolved through customer repayments. Additionally, in case of GNPAs driven by migration of teaser loans to higher rates, further slippages could be limited since much of the teaser loan book has already been migrated. Overall, CRISIL MI&A Research expects GNPAs of gold loan NBFCs to improve to 2.5-2.8% as of March 2024 and further moderate to 2.3-2.6%.

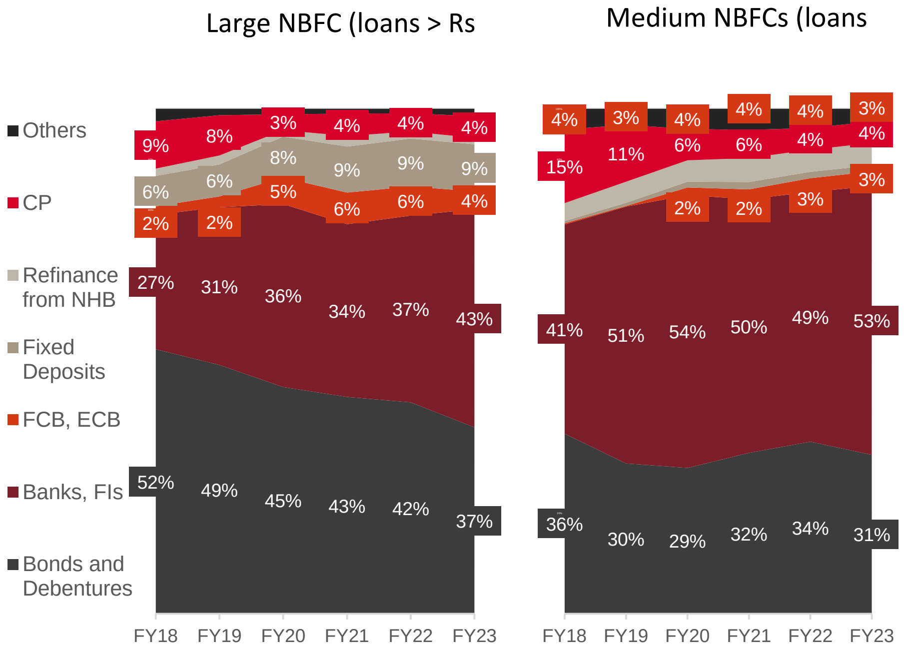
GNPAs of the NBFC-Microfinance book stood at 2.90% as of March 2023 after declining from a peak of 6% as of March 2022. With this, it appears that asset quality concerns plaguing the segment are largely over. GNPAs are expected to further moderate to 2.0-2.2% and 1.8-2.0% this fiscal and next, respectively, as normal collections and disbursements continue.

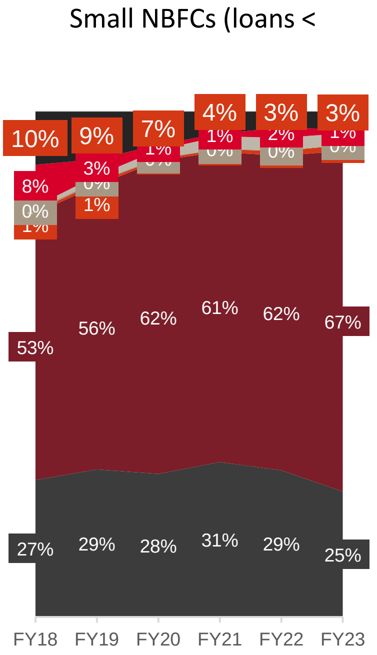
In fiscal 2021, GNPAs for the NBFC MSME segment reached 6-7% due to increased stress among MSME borrowers, hit the hardest by the pandemic. The second wave further impacted economic activities, leading to greater stress. However, the impact on asset quality was cushioned by the one-time restructuring announced by the RBI in May 2021. NBFC GNPA declined from 5.0% in March 2022 to 3.6% in March 2023, with continued improvement in economic activity, better collection efficiency, and faster credit growth. CRISIL MI&A Research estimates the asset quality to be rangebound this fiscal, at 3-4%.

Overall stress in the real estate and corporate segment is among the highest across the NBFC segments. CRISIL MI&A Research estimates overall stress in the wholesale book to be high. This includes contractual moratorium, book under DCCO extension and book estimated to be under one-time restructuring.

Banks continue to gain share in borrowing mix of NBFCs

Bank and capital market borrowings interplay to continue as a function of scale of operations





Note: Coverage includes 100+ NBFCs (including HFCs) constituting 81% of the total NBFC market size (excluding PFC, REC and HDFC)

Source: Company reports, CRISIL MI&A Research

Large NBFCs (with loan book > Rs 500 billion) have a higher capability to tap capital markets and raise bonds and debentures for their funding requirements due to strong market presence, larger scale of operations and a better set of ratings. However, after the NBFC crisis in fiscal 2019, the share of bonds in the borrowing mix has been declining. It stood at 37% in fiscal 2023 compared with 52% in fiscal 2018. Correspondingly, share of bank borrowings continued to increase.

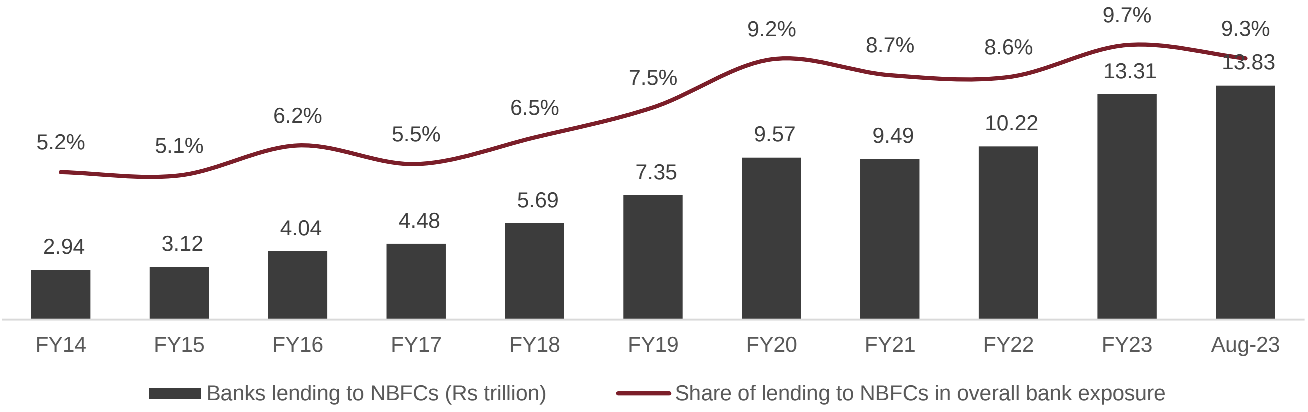
With softer policy rates abroad, large NBFCs have also tapped overseas funding options through the external commercial borrowing (ECB) route. As a result, ECBs held a 6% share in the borrowing mix in fiscal 2022 compared with 2% in fiscal 2018. However, with reversal of interest rates in fiscal 2023 and most central banks adopting aggressive rate hikes, the share of ECBs declined at fiscal-end 2023 to 4%, with some NBFCs even opting to prepay their ECB/foreign currency borrowings. Refinance from NHBs occupied a small but steady share in large NBFCs.

Meanwhile, small and medium-sized NBFCs depend on term loans as the principal source in their borrowing mix. In addition, the share of deposits is lower, as a higher share of small and medium sized NBFCs are non-deposit taking. With limited access to capital markets compared with large NBFCs, impacted further during the liquidity crisis, these NBFCs have become more dependent on banks and financial institutions for funding. Hence, the share of term loans has increased rapidly in small and medium-sized NBFCs after the crisis. Here, it is pertinent to note that there was a small decline in the share of bank borrowings in fiscals 2021 and 2022, during a period of low interest rate environment, when capital markets offered attractive yields and the share of bonds increased.

In addition, short-term borrowings from commercial papers (CPs) have been reducing across NBFCs, and being replaced by short-term loans from banks. With interest rate repricing in benchmark-linked bank borrowings, the share of CPs could see an uptick if short-tenure yields normalise.

Going forward, bank funding to NBFCs is expected to remain healthy, which would also be a function of surplus liquidity with banks. This would result in banks gaining further share in the borrowing mix across all NBFCs.

Bank lending to NBFCs increased ~23% in fiscal 2023

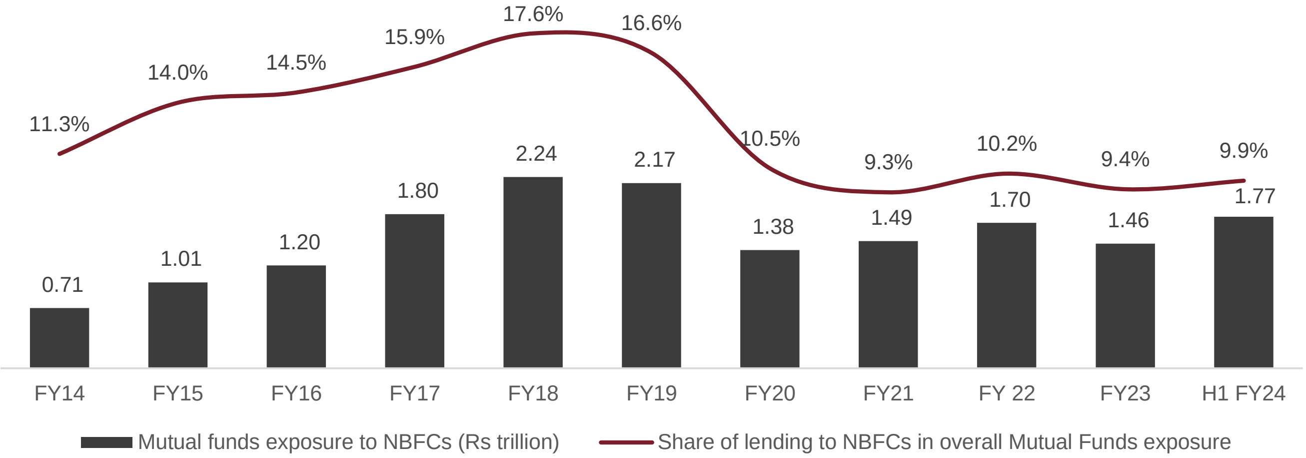


Source: Company reports, CRISIL MI&A Research

The share of bank lending to NBFCs has almost doubled during the past 10 years. In fiscal 2023, with interest rate tightening and repo increasing 250 bps to 6.50%, the cost of debt market borrowing increased. This contributed to high-risk premium for lower-rated NBFCs, leading to term loans of banks becoming the preferred source of borrowing. This was also supported by improved credit growth across all segments during the current fiscal, leading to higher demand for bank credit from NBFCs.

Growth in banks’ credit exposure to NBFCs was up 26% on-year as of August 2023. The share of NBFCs in the overall credit exposure was 9.26% as of August 2023.

Mutual funds' exposure towards NBFCs remains on the lower side



Source: Securities and Exchange Board of India, CRISIL MI&A Research

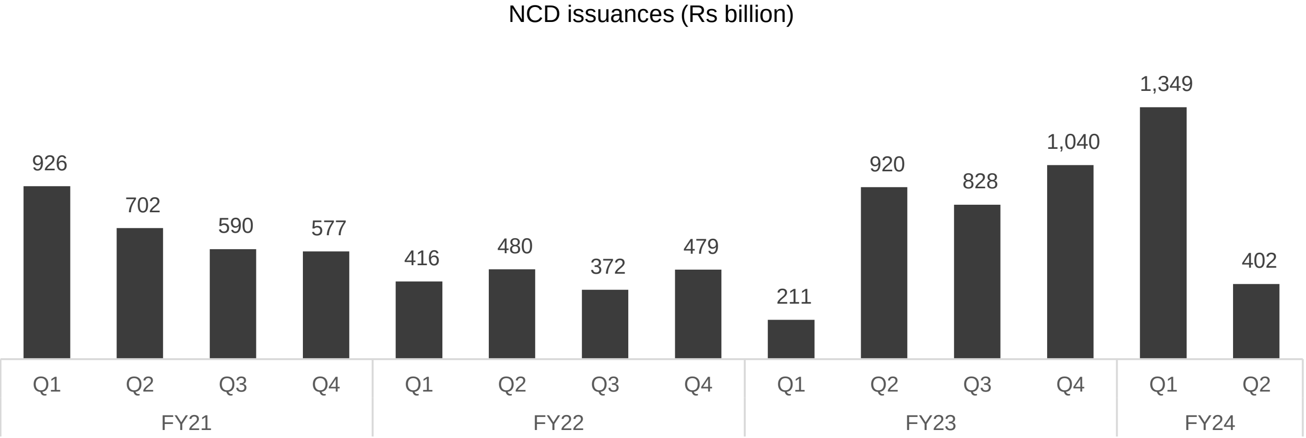
Note: Mutual fund exposure in the above graph refers to debt mutual fund

Mutual fund deployment in NBFCs grew at a rapid pace from fiscal 2014. However, the IL&FS crisis in fiscal 2019 led to funds becoming extremely cautious towards investing in NBFCs. Exposure declined from ~18% in fiscal 2018 to 10% in fiscal 2022, and this trend is expected to continue in the medium term. Large NBFCs that showcased strong performance and resilience in fiscal 2022, and small and medium-sized NBFCs to some extent, are expected to drive mutual fund investments in NBFCs, going forward. This is unlike prior to fiscal 2019, when the bulk of the investments were towards small and medium-sized NBFCs, which were aggressively pursuing growth.

The total exposure of mutual funds towards NBFCs stood at Rs 1.77 trillion as of October 2023, constituting 9.9% of the total MF exposure.

Non-convertible debenture issuances to pick up in fiscal 2024

HDFC merger dampens NCD issuance momentum



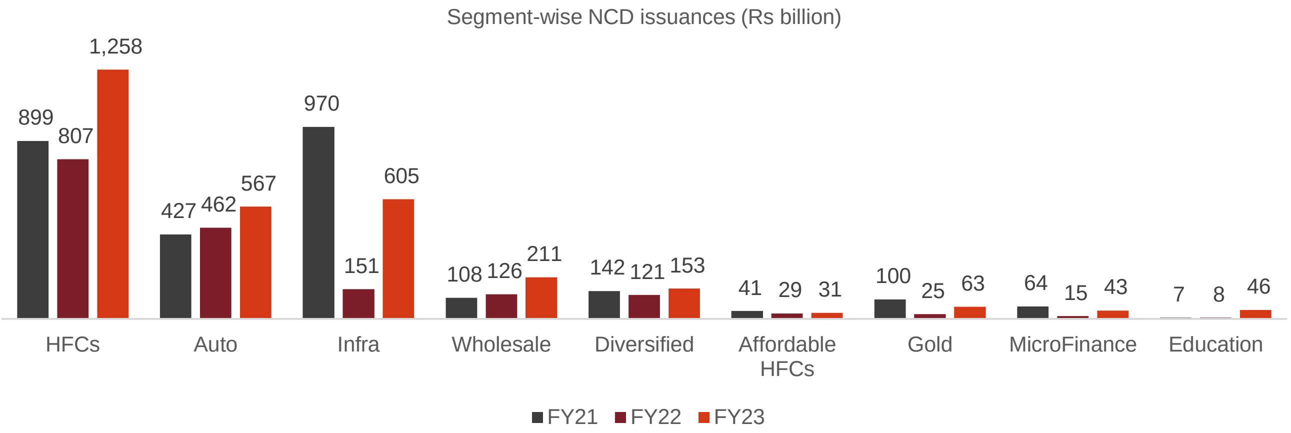
Note: 1. Issuance data for top 100 NBFC/HFCs in terms of AUM considered for issuances

Source: BSE, CRISIL MI&A Research

NCD issuances dipped in fiscal 2022, with not many interested in investing in NBFCs on account of asset quality concerns. Issuances were mainly by larger players with good parental support and a strong credit rating. NCD issuance fell ~37% on-year from Rs 2.8 trillion in fiscal 2021 to Rs 1.7 trillion as of fiscal 2022.

NCD issuances plummeted after the first quarter of fiscal 2024, impacted by HDFC's merger as a significant issuance was made by HDFC Ltd in May (~37%) and June 2023 ~(31%) out of the total issuances of NCDs. Subsequently, the company merged with HDFC Bank with effect from July 2023. In absolute terms, the issuances rose to Rs 17.5 bn in the first half of this fiscal compared with Rs 11.3 bn in the first half of fiscal 2023. The key issuers during the period were HDB Financial Services Ltd, L&T Finance Ltd and Silverline Investment & Finance Pvt Ltd.

NCD issuances in the retail segment perform better than wholesale



Note: Top 100 companies by AUM considered for issuances

Source: CRISIL MI&A Research

In fiscal 2023, NCD issuances surpassed fiscal 2020 levels across all retail segments, with the highest increase in education loans on the low base of fiscal 2022. Issuances also picked up in the wholesale segment, with healthy issuances among infrastructure finance issuers.

Securitisation volume rises 25% on-year to over Rs 1.0 trillion in the first half this fiscal

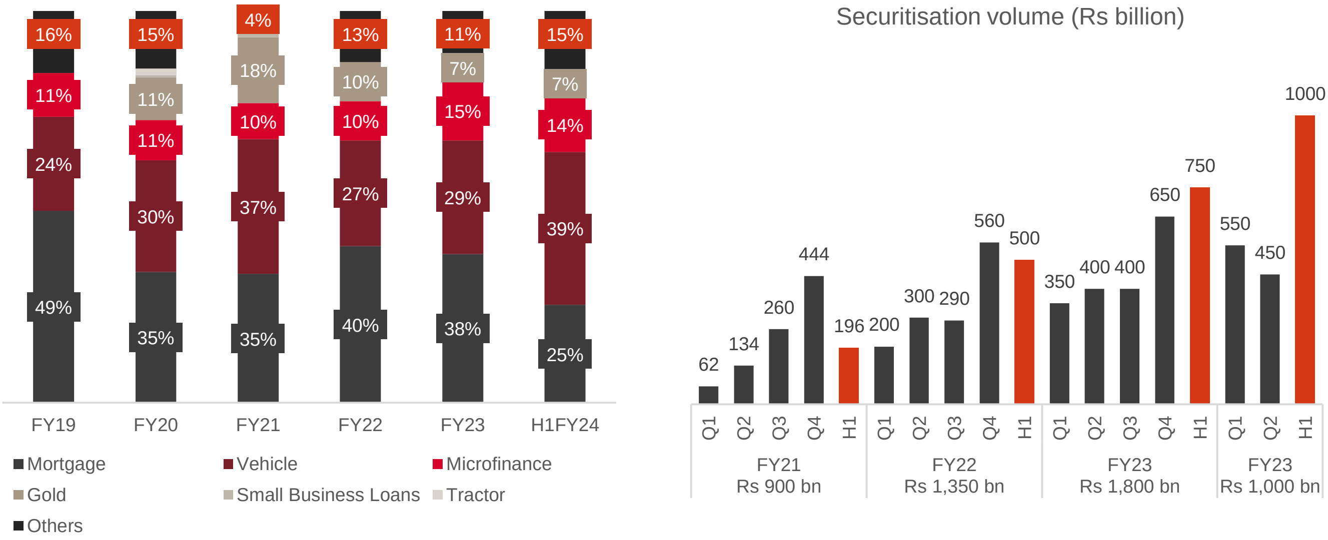
The securitisation market in India exhibited healthy growth in fiscal 2023. The upward trend in securitisation volume for fiscal 2023 vis-à-vis fiscal 2022 zoomed to Rs 1,800 billion. NBFCs saw an increase in funding requirements to meet the strong growth in retail credit demand, despite the rise in policy repo rates during the fiscal. The amendments notified in the RBI guidelines on December 5, 2022, bars lenders from securitising loans that mature in less than 365 days. This can impact the securitisation volume for short-tenure loans, and remains a monitorable.

Fiscal 2023 saw a wider participation with ~160 originators and ~110 investors. This compares with ~130 originators and ~90 investors in fiscal 2022. Among new originators in the securitisation market are small finance banks, which have increased their securitised issuances in recent quarters to access incremental liquidity. Increase of share in the non-mortgage sector in fiscal 2023 was led by commercial vehicle (29%) and microfinance (15%) loans. Mortgage-backed loans declined to ~38% in fiscal 2023 compared with ~40% of the entire securitisation volume in fiscal 2022. Gold and others made up the remaining 18% of the volume, at 7% and 11%, respectively.

Banks continued to invest in retail assets, resulting in a 35% increase in securitisation volume to Rs 1,000 billion in the first half of fiscal 2024 from Rs 750 billion during the same period in the previous fiscal. The adoption of securitisation for raising capital was also influenced by the originating NBFCs' robust credit expansion. Volume growth remained resilient even though a sizable housing finance company (HFC) quit the securitisation market in the second quarter of this fiscal after merging with an affiliate bank. Market dynamics have changed because of this large HFC's exit. Non-mortgage loans have gained in popularity, and direct assignments (DA) have lost market share relative to pass-through certificates (PTCs).

Retail mortgage-backed securitisations (MBS), which used to make up the majority of the asset class, saw a decline in share to 25% in the first half of this fiscal from 40% in the same period last year. With a volume share that increased from 31% to 39%, vehicle loans, including those for commercial vehicles, passenger cars, and two-wheelers have displaced mortgages as the leading asset class. In keeping with the first half of the previous fiscal year, microfinance loans made up 14% of the total volume, with gold loans marginally falling by 100 basis points in the first half of this fiscal as compared to the previous fiscal's first half. The business and personal loan categories, among other asset classes, gained more traction, with their volume share rising to 8% and 4%, respectively, in the first half from 4% and 3%, respectively, last fiscal.

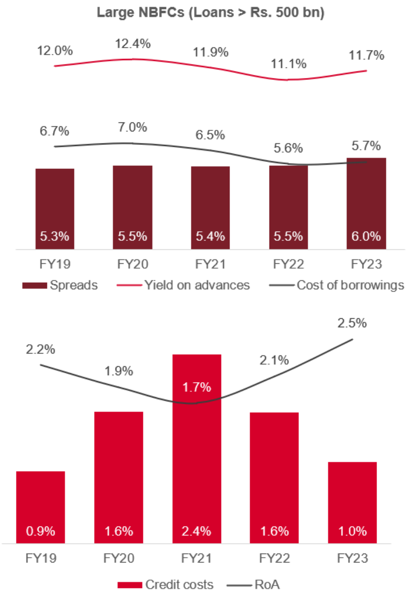
Securitisation deals continued to gain traction in first half of fiscal 2024; volume at Rs 1.0 trillion

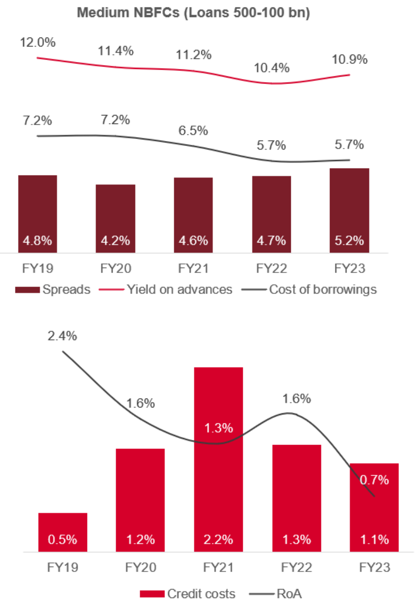


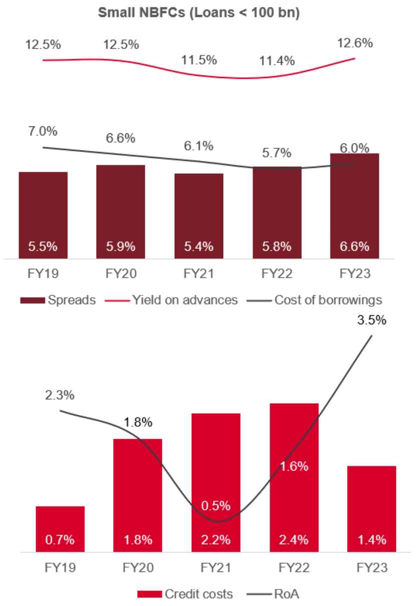
Source: CRISIL Ratings

Profitability continues to inch higher as NBFCs try to protect their spreads

Net interest margin protected by marginal pass on of increasing interest rates and deleveraging in fiscal 2023







Note: Coverage includes 100+ NBFCs (including HFCs) constituting 81% of the total NBFC market size (excluding PFC, REC and HDFC)

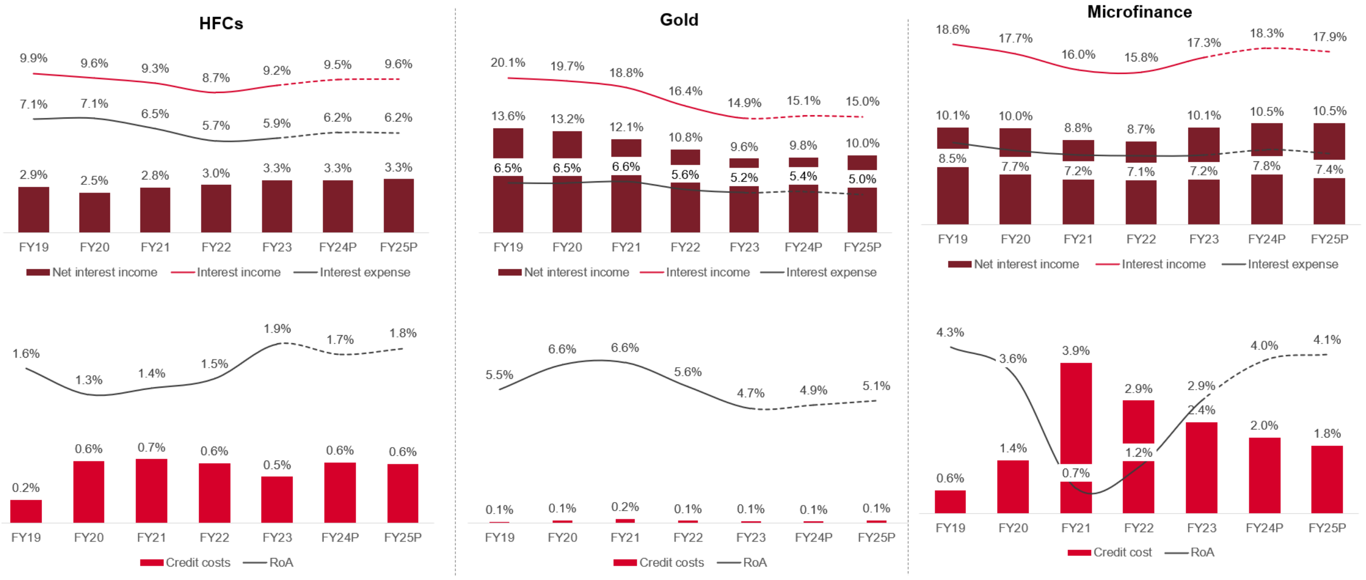
Source: Company reports, CRISIL MI&A Research

With reversal in the interest rate cycle, the yields and cost of funds are estimated to have gone up during fiscal 2023 owing to increasing interest rates. It should be noted that the RBI hiked the policy rate by 250 bps taking repo to 6.50% before a pause in April 2023. This has impacted both the cost of borrowings and yields across sectors and, in turn, net interest margins (NIMs) and return on assets (RoAs).

Historically, borrowing costs, yields and spreads have varied significantly across large, medium-sized and small NBFCs. All the NBFCs were able to better transmit the hike in interest rates to their borrowers with varying degrees with small NBFCs hiking their yields by the highest in fiscal 2023 from fiscal 2022. The small group consisted of NBFCs such as NBFC-MFIs and AHFs, which typically have better pricing power compared to other NBFCs. There was a marginal uptick in the costs of funds for NBFCs at various scales with partial transmission of rate hikes during the same period. In line with yields, small NBFCs reported the highest increase in spreads in fiscal 2023 compared to fiscal 2022 Additionally, the gearing for large and small and large NBFCs declined whereas medium NBFCs increased their gearing in fiscal 2023 compared to fiscal 2022. With the increase in spreads and decline in gearing, NIMs expanded by ~50 bps each for large and medium NBFCs, respectively, in fiscal 2023 compared to fiscal 2022. NIMs expanded by 30 bps for medium-scale NBFCs.

RoA for large NBFCs increased in fiscal 2023 by ~40 bps compared to fiscal 2022, driven by expansion in NIM and decline in credit costs. RoAs for small NBFCs increased by 190 bps in fiscal 2023 aided by high provision writebacks and expansion in credit costs. RoA for medium NBFCs compressed ~90 bps in fiscal 2023 compared to fiscal 2022, driven by high operating costs despite a modest decline in credit costs and expansion in NIMs.

Profitability expected to be flat on account of stable NIMs



Note: The above ratios are calculated on average total assets

Source: Company reports, CRISIL MI&A Research

Improved NIMs and decline in credit costs are the key reasons for improving or stable profitability outlook going forward. In fiscal 2023, the MFI segment, which typically has more pricing power, was able to improve its NIM. Similarly, the housing segment also improved its NIM owing to the floating nature of its loan book where it was able to pass on the increase in rates to its customers faster. However, competition from banks and subdued credit demand resulted in NIM compression for the gold segment.

Overall yield and cost of funds for the retail segment are estimated to have gone up in fiscal 2023 owing to increasing interest rates. However, the amount of pass-on has been distinct across all segments on account of the level of competition, nature of asset class and segmental credit demand.

Housing: With the aggressive 250 bps repo rate hike in fiscal 2023, the yield on assets has increased by ~50 bps and the weighted average cost of funds has risen ~20 bps, leading to margins and return on assets improving to 3.3% and 1.9%, respectively. The lag in interest rate reset for housing loans has almost been transferred to the final consumer by the last quarter of fiscal 2023. CRISIL MI&A Research expected the yield on assets to improve by 30 basis points with the weighted cost of funding rising by 30 bps, which would cause no decline in margins and a marginal decline of RoA to 3.3% and 1.7%, respectively, in fiscal 2024. It is anticipated that the weighted cost of capital will be constant in fiscal 2025 and that the yield on assets will climb to 9.6%. This will result in a margin that is equal to 3.3% in fiscal 2024 and an improvement in RoA at 1.8%. A higher credit cost is expected for fiscals 2024 and 2025, owing to global uncertainties and a rise in repo rate that is passed on to the final consumer.

Gold finance: The pressure of competition continues to be a drag on NIMs of gold loan NBFCs. The initial effect of competition was felt when certain NBFCs introduced teaser rate loans, which adversely impacted the yields. With majority of the teaser loans having been reduced, the yields may have bottomed out. However, at a structural level, the yields will continue to be lower than the pre-pandemic levels in the near-to-medium term. On the other hand, the cost of funds is expected to inch up with further repricing of bank borrowings. Fierce competition, coupled with expansion activities, resulted in higher advertisement and employee benefit costs and kept the operating costs elevated, putting pressure on RoAs in fiscal 2023. Credit cost declined owing to lower provision coverage despite deterioration in asset quality indicators in fiscal 2023 compared with fiscal 2022. RoAs, however, remain healthy at 4.7% in fiscal 2023, in line with past performance, and are expected to improve in fiscals 2024 and 2025.

Microfinance NBFCs: NIMs improved by 140 bps in fiscal 2023 and are expected to improve further by ~60 bps in fiscal 2024 with the increasing share of incremental portfolio having originated at higher rates post the implementation of new regulations in fiscal 2023. The credit costs pertaining to the pandemic-related stressed asset quality stabilised during fiscal 2023 at 2.4% from a high of 3.9% in fiscal 2021. With most of the credit costs for stressed assets being absorbed in past fiscals, the residual credit costs on account of these assets is expected to be lower. Hence, credit costs are expected to decline to 2% this fiscal and further to 1.8% in fiscal 2025. Overall, CRISIL MI&A Research expects the RoA to improve to ~4.0% in fiscal 2024 and ~4.1% in fiscal 2025, supported by reducing credit cost and improving NIM.

SECTION II: Gold finance

Review and outlook

Credit growth of gold loan NBFCs to pick up this fiscal despite shrinking market share

Gold loan non-banking financial companies (NBFCs) will continue to lose market share to banks amid intense competition in the segment even as their disbursements are expected to recover this fiscal. They are expected to continue the growth albeit at a normalised rate.

Last fiscal, overall credit growth was healthy as economic activity rebounded strongly across urban and rural geographies. In line with this, the overall gold loans segment (banks and NBFCs combined) grew 20.8%, maintaining the compound annual growth rate (CAGR) of 21% logged over the past five years, driven by declining volatility in gold prices, inherently better asset quality performance and better rates of interest.

This fiscal, while credit growth of banks in the segment is expected to normalise, that of NBFCs is expected to witness some recovery, leading to a healthy growth in the overall segment.

Banks dominate the gold loans segment

Type	Share (FY23)	Book (Rs bn) - FY23	CAGR (FY19-FY23)	Growth in FY23	Growth in FY24P	Growth in FY25P
NBFCs	22%	1,340	16.2%	3.8%	9-11%	12-14%
Banks	78%	4,816	22.2%	26.6%	23-25%	16-18%
Overall	100%	6,156	20.8%	20.8%	20-22%	15-17%

Note: P: Projected

Source: Company reports, CRISIL MI&A Research

Overall credit outstanding of gold loans is projected to increase 20-22% on-year this fiscal, followed by a further healthy growth of 15-17% next fiscal.

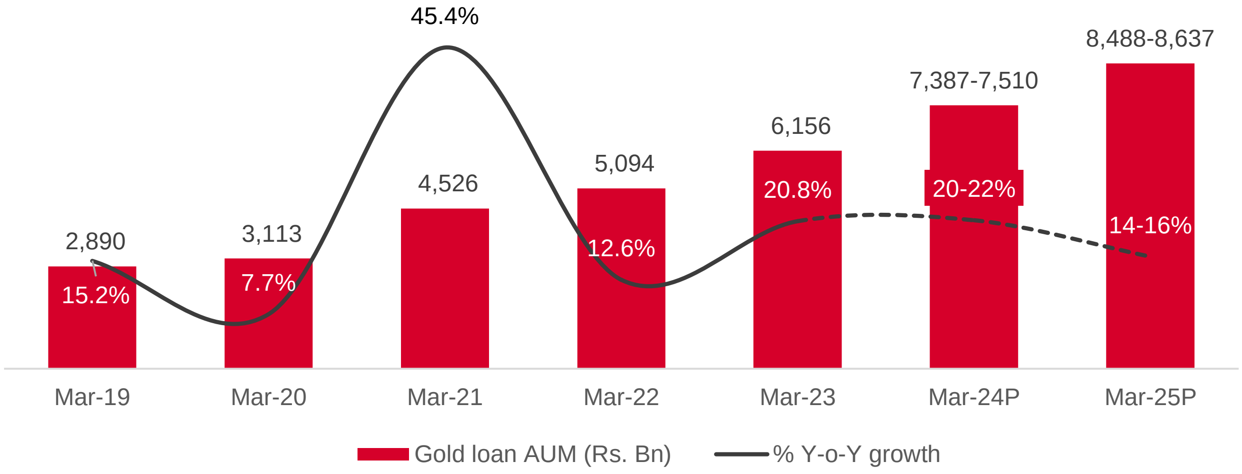
Gold loan to grow on four factors

Source: CRISIL MI&A Research

The credit growth for NBFCs this fiscal will moderate to 9.0-11.0% on-year compared with the 16.2% CAGR logged between fiscals 2019 and 2023. The high trajectory in the previous five years was despite the growth decelerating to 3.8% on-year in fiscal 2023. The slower growth rate this fiscal is on account of the intense competition from banks, which have further sharpened their focus on the segment, and the mixed credit demand in the rural economy, which is a key customer segment for the NBFCs.

That said, the overall gold loan assets under management (AUM) is expected to reach ~Rs 7.4 trillion this fiscal, up from Rs 6.2 trillion last fiscal. Next fiscal, it is expected to grow further to ~Rs 8.6 trillion.

Gold loan AUM to normalise going forward



Notes: P: Projected

Includes agriculture lending by banks with gold as collateral

Source: Company reports, CRISIL MI&A Research

The firming up of gold prices in India on account of elevated inflation, global economic slowdown, rupee depreciation and increase in gold import duty could support the loan-to-value (LTV) ratio of lenders. The rising prices also creates headroom for credit growth.

Gold stocks for the top-2 NBFCs were in a declining trend for majority of the fiscal 2023 before reporting a moderate uptick in the last quarter. As a result, LTVs remained around ~67-68%. However, gold prices started climbing up in the month of December-2022 till March-2023 which resulted in decline in LTV to around ~62% at the end of fiscal 2023. However, in first quarter of fiscal 2024, LTV began to rise up despite moderate volatility in gold prices as incremental loans were disbursed at higher LTV.

Customer shift from unorganised players to organised players will also support the credit growth. This is largely because the unorganised players charge exorbitant rates of interest and lack clarity regarding valuation of gold and LTV. Also, there is no assurance that the pledged asset will be returned.

Going forward, CRISIL MI&A Research believes organised financiers will see their share increasing driven by increasing gold loan penetration in the country through geographical diversification and wider popularity of this mode of financing.

- Organised gold loan penetration in India (computed as gold stock with organised financiers divided by total gold stock in India) is estimated to be approximately 7% as of March 2023, which indicates that organised gold loan market has significant headroom for growth. Going forward, the penetration is expected to deepen because of wider geographical diversification, growing branch network and households increasing keenness to monetise their gold holdings for personal and business needs. The increase in gold prices and expectations of micro-enterprises using gold loans to fund working capital requirements are also expected to boost the growth of gold financing.
- According to CRISIL MI&A Research, owing to increasing awareness about the benefits of availing gold loans from the organised segment, the share of organised gold loan financiers has increased from 56-58% in fiscal 2017 to approximately 61% (in terms of value) in fiscal 2023. The trend is expected to continue and the share of the organised players is likely to further improve to approximately 63% in the near term.

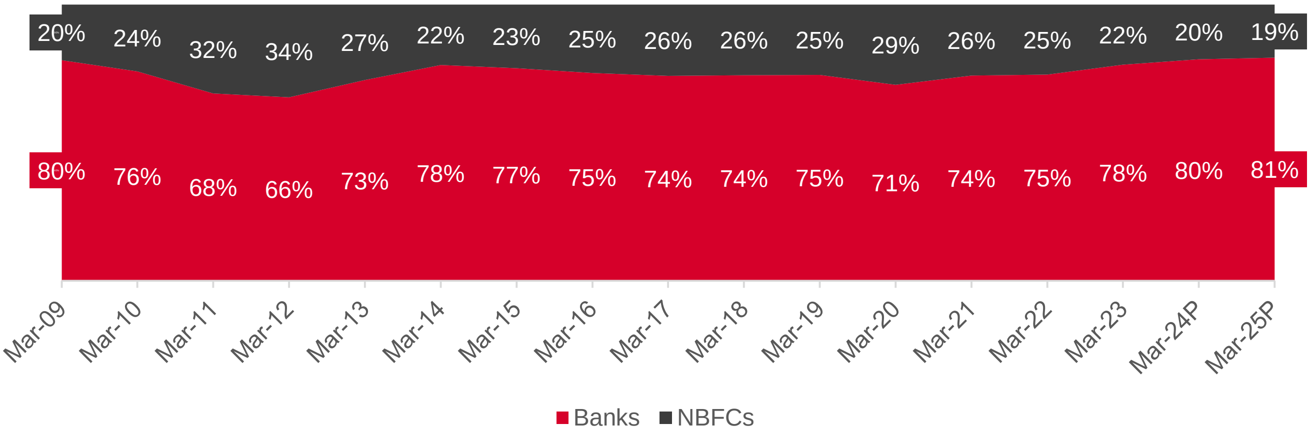
The organised segment has been using digital and online platforms along with phygital (combination of physical and digital) modes to do business. In fact, growing uptake under these modes is expected to be the primary driver going forward.

Interplay in market share between banks and gold loan NBFCs

Banks have enjoyed a majority share in the domestic gold loan business historically. Their share increased significantly whenever there was a major disruption in the financial markets, such as the Global Financial Crisis of 2008, the taper tantrum of fiscal 2014 and the onset of the pandemic in fiscal 2021. This was because banks see gold as a product with relatively better asset quality as it is backed by liquid collateral like gold. It offers higher ROI and gold prices are also likely to increase. In fiscal 2021, during the peak of the Covid-19 pandemic, increase in the regulatory cap on LTV to 90% for a year provided further incentive for banks to focus on the safer segment of gold loans. After fiscal 2021, despite the lowering of the regulatory cap on LTV to 75%, banks continued to grow in the segment, as the country was buffeted by the effects of the second wave of Covid-19 and subsequent reimposition of lockdowns.

With banks aggressively focusing on the segment, gold loans NBFCs have seen a sustained reduction in their share, including in the last fiscal. Even as the NBFCs are expected to lose further market share this fiscal, the overall gold loan segment is expected to continue to grow with banks leading the credit growth, at least in the near term.

Banks to continue outpacing NBFCs, gain market share in the near to medium term



Notes: P: Projected

Includes agriculture lending by banks with gold as collateral

Source: Company reports, CRISIL MI&A Research

NBFCs compete on the basis of operating efficiency, turnaround time, local connect while managing risks

Despite banks having a competitive advantage of offering gold loans at lower cost, the NBFCs have been trying to compete through aggressive branch expansion and sharper focus on customer experience. The NBFCs focus more on the gold loans business and have, accordingly, built their service offerings by investing significantly in manpower, systems and processes in keeping with the needs of the customer, some of which are listed below:

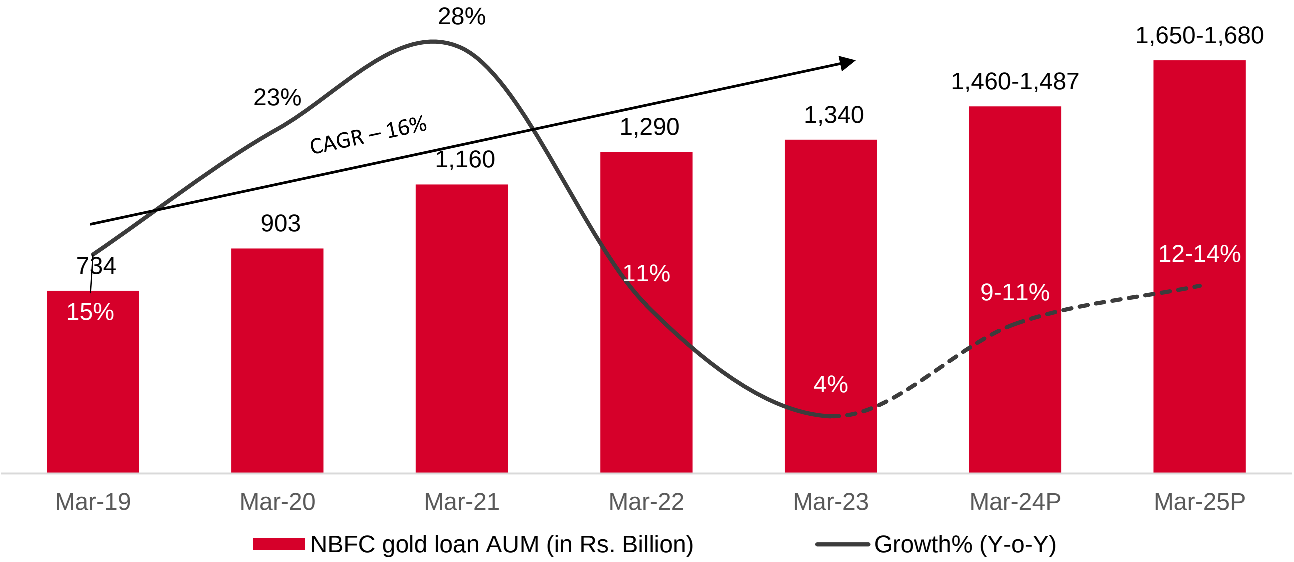
1. **Lower turnaround time and lesser documentation:** The borrower generally wants to get the loan disbursed as quickly as possible. Availability of well-trained and experienced employees in assessment and valuing gold helps NBFCs disburse loans faster than banks.

2. **Wider reach and better local connect:** NBFCs have a geographically wider and deeper reach, especially in rural and semi-urban regions, where demand for gold loans is higher.

3. **Risk management process:** Most NBFCs have put in place a comprehensive and robust risk management process based on their experiences and considering the key risks involved. These include steps to prevent fraud, ensure safety of the gold stored and recoup losses from possible non-performing assets.

The growth in disbursals of gold loan NBFCs moderated further in fiscal 2023, owing to increased competition from banks and lower rural credit demand. Also, as cash flows improved following a rebound in economic activity, borrowers began repaying their loans and redeeming the gold. However, the moderation in growth is expected to reverse with a recovery in rural credit demand, expanding of branches and optimisation of gold loan branches.

Gold loan NBFCs on branch-expansion spree amid rising gold prices



Note: P: Projected

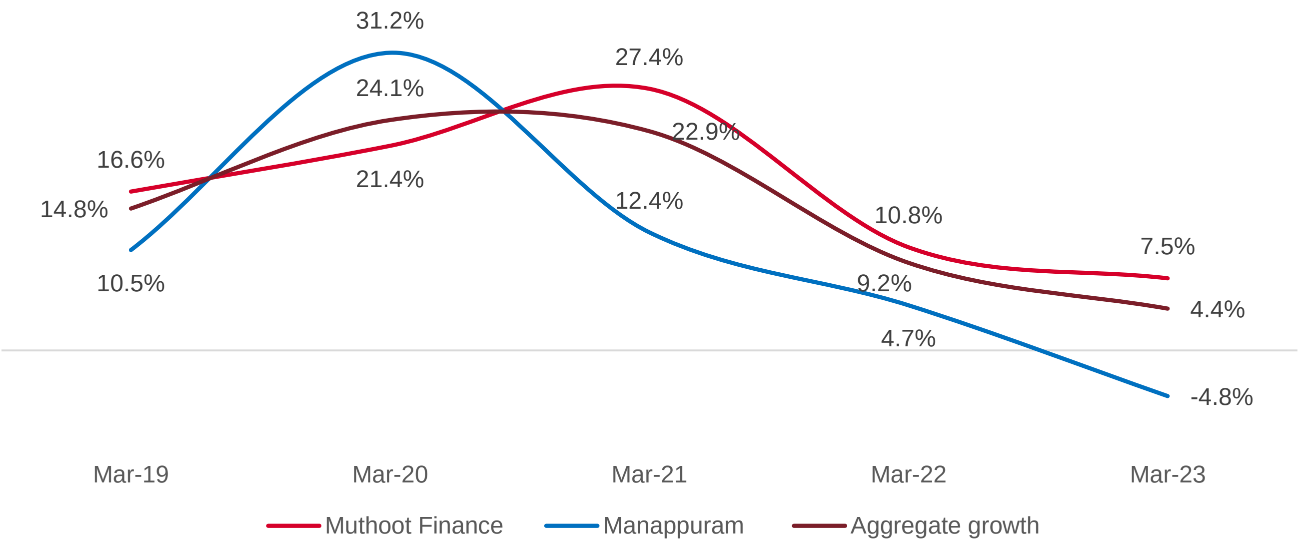
Source: Company reports, CRISIL MI&A Research

In an effort to better compete with banks and fintechs, gold loan NBFCs are expanding their reach and customer base through focused marketing strategies, and also by increasing advertising and employee incentives. They are also working towards ringfencing their high-value customer base (loans >Rs 2 lakh), which is targeted by the banks, and expanding to cater to rural low-income customers. The overall customer base of gold loan NBFCs, though, remains stable, as banks typically cater to higher ticket sizes.

The NBFCs exhibited decent growth between fiscals 2019 and 2023 logging a CAGR of 16% despite fiscal 2023 seeing a marginal 4% growth. CRISIL MI&A Research expects the gold AUM credit growth to pick to 9-11% this fiscal on account branch expansion and optimisation, expected firming up of gold prices and spur in credit demand from the target consumer segment of the NBFCs. Their gold loan book is expected to grow a further 12-14% next fiscal.

Credit growth further moderates for top two gold loan NBFCs in fiscal 2023

Muthoot Finance and Manappuram Finance enjoyed 60% of the NBFC gold loan market as of March 2023. Other key players are Muthoot Fincorp, IIFL, Shriram Finance, Muthoot Mini Financiers, Bajaj Finance and Kosamattam Finance. The top two have established franchise, strong regional presence and good network of branches and reach. However, intense competition from banks and improving cash flow of borrowers have moderated their growth.



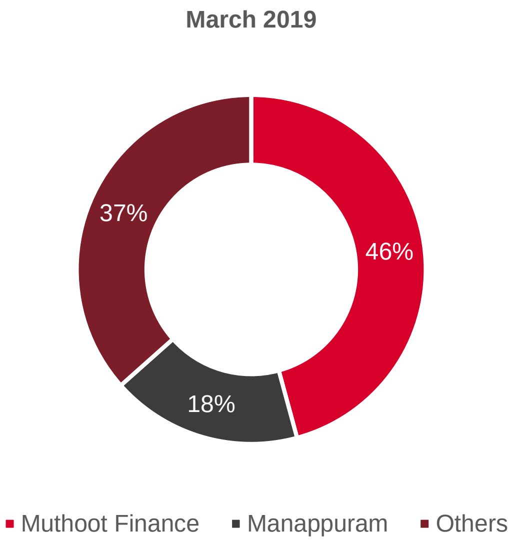
Source: Company report, CRISIL MI&A Research

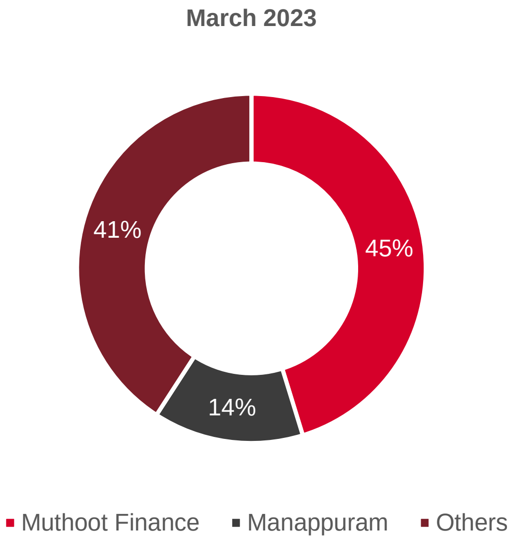
In their bid to maintain the market share, the two companies have taken various steps. Apart from making significant investments in marketing and employee benefits, they also introduced teaser loans in fiscal 2022. Subsequently, majority of the teaser loans were run down or migrated to higher rates as of March 2023.

Specialised gold loan NBFCs have a focused approach and technological initiatives that allow customers to transact online.

But against the backdrop of increased competition from banks, along with higher gold prices, credit growth of gold loan NBFCs will remain a key monitorable in the near to medium term.

Market share shift among gold loan NBFCs



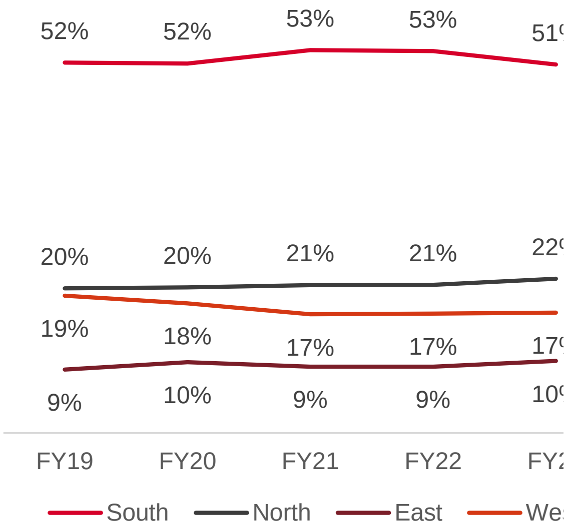


Source: Company reports, CRISIL MI&A Research

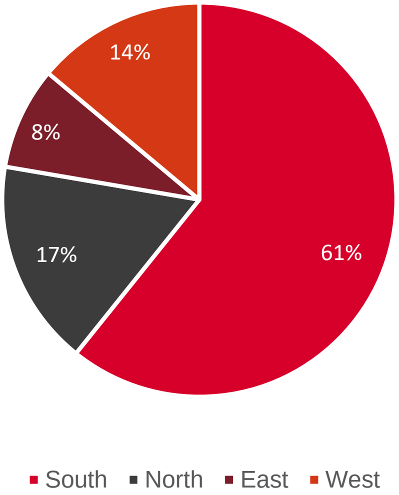
Southern India to have lion's share of AUM

Southern India will continue to have a dominant share in gold loan NBFCs' AUM, though the players will increase their penetration into other regions. Changing consumer perception of gold loans, driven by increasing awareness and funding requirements, will give an impetus to the sector in the other regions.

Region-wise share of AUM of top 2 players



Region-wise share of branches in fiscal 2023



Note: Aggregate includes Muthoot Finance and Manappuram Finance

Source: Company reports, CRISIL MI&A Research

Demand for gold loans higher in southern states

Southern states accounted for 50-55% of the overall gold loan AUM in the past five years. This was because:

- Gold owners in the region have better awareness about the utility of the yellow metal as a collateral to raise funds
- The region has seen the origination and establishment of gold loan franchisees, which have devised simple procedures that ensure quick loan disbursement
- Though the south continues to dominate, players have been shifting focus to untapped markets in the eastern and western regions, where there are fewer branches but provide incremental growth opportunity.

OUR BUSINESS

In this section, any reference to "we", "us" or "our" refers to Kosamattam Finance Limited. Unless stated otherwise, the financial data in this section is as per our Audited Financial Statements and the Unaudited Financial Result set forth elsewhere in this Prospectus.

The following information should be read together with the more detailed financial and other information included in this Prospectus, including the information contained in the chapter titled "Risk Factors" and "Industry Overview" beginning on pages 16 and 86.

Overview

We are a non-deposit taking NBFC – Middle Layer primarily engaged in the Gold Loan business, lending money against the pledge of household jewellery ("***Gold Loans***") in the state of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Delhi, Maharashtra, Gujarat, Uttar Pradesh and Telangana along with the Union Territory of Puducherry. Our Gold Loan portfolio for the financial years ending on March 31, 2023, March 31, 2022 and March 31, 2021 comprised of 8,82,414, 8,10,711 and 7,18,836, gold loan accounts, respectively, aggregating to ₹ 4,45,407.85 lakhs, ₹ 3,65,802.24 lakhs and ₹ 3,14,609.59 lakhs, respectively, which is 98.68%, 98.52% and 98.34% of our total loans portfolio as on those dates. As on September 30, 2023, we had a network of 994 branches spread in the states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Delhi, Maharashtra, Gujarat, Uttar Pradesh and Telangana along with the Union Territory of Puducherry and we employed 3,842 persons in our business operations. We belong to the Kosamattam Group led by Mathew K. Cherian. We are headquartered in Kottayam in the state of Kerala.

We are registered with RBI as a systemically important, non-deposit taking NBFC (Registration No. B-16.00117 dated December 19, 2013) under Section 45 IA of the RBI Act. Further, we also have a Full Fledged Money Changers ("**FFMC**") license bearing number FE.KOC.FFMC.40/2006 dated February 07, 2006 which is valid up to February 28, 2025.

The Kosamattam group was originally founded by Nasrani Varkey. His great grandson, Mathew K. Cherian, the present Chairman and Managing Director of Kosamattam Group is a fourth-generation entrepreneur in the family. Under his able leadership, our Company is emerging as a prominent Gold Loan business company with 994 branches, as on September 30, 2023, largely spread across southern India.

Gold Loan is the most significant product in the product portfolio of our Company. Our Gold Loan customers are typically businessmen, vendors, traders, farmers, salaried individuals and families, who for reasons of convenience, accessibility or necessity, avail of our credit facilities by pledging their gold jewellery with us under our various gold loan schemes. These Gold Loan schemes are designed such that higher per gram rates are offered at higher interests and vice versa, subject to applicable laws. This enables our customers to choose the Gold Loan scheme best suited to their requirements. These Gold Loan schemes are revised by us, from time to time based on the rates of gold, the market conditions and regulatory requirements. Our Gold Loans are sanctioned for a tenure of upto 12 months, with an option to our customers to foreclose the Gold Loan. Our average Gold Loan amount outstanding was ₹ 50,476, ₹ 45,121 and ₹ 43,864 per loan account, for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021, respectively. For the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, our yield on Gold Loan assets were 18.47%, 17.70% and 17.76%, respectively.

In addition to the core business of Gold Loan, we also offer fee based ancillary services which includes microfinance, money transfer services, foreign currency exchange, power generation, agriculture and air ticketing services.

For the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 our total income was ₹ 78,254.08 lakhs, ₹ 62,478.73 lakhs and ₹ 54,184.17 lakhs, respectively. Our profit after tax for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 was ₹ 10,699.30 lakhs, ₹ 7,892.07 lakhs and ₹ 6,524.61 lakhs, respectively. For the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, revenues from our Gold Loan business constituted 96.82%, 96.38% and 94.89% of our total income for the respective year.

A summary of our key operational and financial parameters for the last three completed financial years are as given below:

(₹ in lakhs)

Parameters	**Fiscal year 2023**	**Fiscal year 2022**	**Fiscal Year 2021**
BALANCE SHEET			
Net Fixed Assets	12,015.75	12,204.96	12,278.28
Current Assets	5,08,478.04	4,28,114.69	3,81,067.37
Non- Current Assets	21,684.82	14,090.85	7,270.64
Total Assets	**5,42,178.62**	**4,54,410.50**	**4,00,616.29**
Non- Current Liabilities (including maturities of long-term borrowings and short-term borrowings)			
Financials (borrowings, trade payables, and other financial liabilities)	3,24,392.77	2,13,875.57	2,08,948.89
Provisions	451.89	601.37	427.09
Deferred Tax Liabilities (Net)	(1,260.76)	(916.06)	(843.12)
Other Non – Current Liabilities	Nil	Nil	Nil
Current Liabilities (including maturities of long-term borrowings)			
Financials (borrowings, trade payables, and other financial liabilities)	1,42,540.51	1,76,345.93	1,40,959.71
Provisions	356.06	125.58	3.97
Current Tax Liabilities (Net)	(994.75)	(1,562.56)	(1,095.74)
Other Current Liabilities	291.20	238.25	156.65
Equity (equity and other equity)	76,401.71	65,702.42	52,058.85
Total Equity and Liabilities	**5,42,178.62**	**4,54,410.50**	**4,00,616.29**
PROFIT AND LOSS			
Total Revenue	78,254.08	62,478.73	54,184.17
From Operations	78,222.21	62,464.65	54,175.03
Other Income	31.87	14.08	9.14
Total Expense	63,717.94	51,753.50	44,584.81
Total Comprehensive Income			
Profit/ Loss	14,536.14	10,725.23	9,599.36
Other Comprehensive Income	(6.08)	(107.59)	(6.97)
Profit/ Loss after Tax	10,699.30	7,892.07	6,524.61
Earnings per Share (a) basic; and (b) diluted			
Continuing Operations			
(a) Basic	4.94	3.83	3.31
(b) Diluted	4.94	3.83	3.12
Discontinued Operations			
(a) Basic	-	-	-
(b) Diluted	-	-	-
Total Continuing and discontinued Operations			
Basic	4.94	3.83	3.31
Diluted	4.94	3.83	3.12
CASH FLOW			
Net Cash generated from/(used in) operating activities	(73,285.07)	(37,899.93)	(41,903.60)
Net Cash (used in) /generated from investing activities	(6,079.51)	(8,900.58)	(6,045.41)
Net Cash from/ (used in) financing activities	75,834.91	37,743.62	60,814.69

Cash and Cash Equivalents	3,772.30	7,301.97	16,358.86
Balance as per Statement of Cash Flow	3,772.30	7,301.97	16,358.86

ADDITIONAL INFORMATION			
Net worth	76,399.26	65,699.56	52,055.99
Cash and Cash Equivalents	3,772.30	7,301.97	16,358.86
Current Investments	Nil	Nil	Nil
Assets under Management	4,84,569.06	4,00,725.00	3,47,826.38
Off Balance Sheet Assets	Nil	Nil	Nil
Total Debt to Total Assets	0.85	0.84	0.86
Debt Service Coverage Ratio	NA	NA	NA
Interest Income	77,851.56	62,126.39	53,799.22
Interest Expense	43,330.53	36,915.29	31,592.56
Interest Service Coverage Ratio	NA	NA	NA
Provisioning and Write Off	Nil	0.67	NIL
Bad Debts to Account Receivable Ratio	NA	NA	NA
Gross NPA (%)	1.58%	1.55%	1.45%
Net NPA (%)	0.68%	0.95%	0.86%
Tier I Capital Adequacy Ratio (%)	14.56%	14.45%	13.58%
Tier II Capital Adequacy Ratio (%)	3.15%	4.20%	5.02%

Gross Debt Equity Ratio of the Company:

Parameters	As on March 31, 2023
Before Issue of the Debt Securities	6.04
After Issue of the Debt Securities	6.31

4. The pre-issue figures disclosed are based on the audited financial statements as on March 31, 2023.

5. The Debt Equity ratio post issue is indicative and is on account of the assumed inflow of ₹20,000 lakhs from the proposed issue.

6. The following events that occurred from October 01, 2023:

a) The Company allotted 38,67,437 Equity shares as Right Issue on October 30, 2023. The issue of equity shares of ₹10 each were made at a premium of ₹50 and ₹2,320.46 Lakhs (share capital + securities premium) was received by the Company.

b) Following loans were sanctioned for the Company:

- *New Working Capital Demand Loan Sanctioned for f 1,000 lakhs from Axis Bank on September 08,2023*
- *New Term Loan Sanctioned for f 2,000 lakhs from Axis Bank on September 08, 2023.*
- *New Term Loan Sanctioned for f 5,000 lakhs from Oxyzo Financial Services Ltd on October 10, 2023*
- *New Working Capital Demand Loan Sanctioned for f 1,000 lakhs from DCB Bank on September 27,2023.*
- *New Working Capital Demand Loan Sanctioned for f 3,500 lakhs from HDFC Bank on November 22, 2023.*
- *New Working Capital Demand Loan Sanctioned for f 2,500 lakhs from Vivriti Capital Ltd on November 22,2023.*

Debt Equity Ratio

For details of the debt-equity ratio of our Company, see "*Capital Structure*" beginning on page 45 of this Prospectus.

Our Strengths

We are part of the Kosamattam Group which has a long operating history and a large customer base.

We are part of the Kosamattam Group, which was originally founded by Nasrani Varkey and one of the leading business financial services group in South India. Over the years, we have been successful in expanding our customer base. Our total number of Gold Loan customers grew to 4,32,613 as of March 31, 2021 and to 4,75,026 as of March 31, 2022 and to 4,88,303 as of March 31, 2023. We attribute our growth, in part, to our market penetration, particularly in areas less served by organised lending institutions and the efficient and streamlined procedural formalities which our customers need to complete in order to complete a loan transaction with us, which makes us a preferred medium of financier for our customers. We also attribute our growth to customer loyalty which in turn leads to repeat business. We believe that we are known for the quality of service we have provided to our customers over the years and for our consistent approach to developing long-term relationships with our customers, based on our local knowledge and experience amongst other things.

Branch network across rural and semi-urban areas in South India

We believe that the scale of our operational network provides us with a competitive advantage. As of September 30, 2023, our Company's operations included 994 branch offices spread across 8 states and 1 union territory. We commenced our operations in rural areas and small towns and have followed an approach of targeting geographies with low credit penetration. We have expanded our branch network by opening 9 branch offices in Delhi, 1 branch office in Uttar Pradesh and 8 branch offices in Maharashtra. Our customers are typically retail customers, businessmen, vendors, traders, farmers, salaried individuals and families, who for reasons of convenience, accessibility or necessity, avail of our credit facilities by pledging their gold jewellery with us. Our understanding of the local characteristics of markets has allowed us to address the unique needs of our customers and enabled us to penetrate deeper into such markets.

Over the years, we have focused on customers in such markets that offer us significant growth opportunities and customer loyalty. We believe that with such a large network specifically with semi-urban areas, we were able to penetrate and cater to our customers across various cities and towns in south India especially in semi-urban locations. Having such a network enables us to service and support our existing customers from proximate locations which gives our customers easy access to our services and enables us to reach new customers especially potential rural customers. We believe we can leverage on this existing network for further expansion and for fulfilling our customer requirements.

Organised and efficient IT Infrastructure

We use information technology as a strategic tool for our business operations to improve our overall productivity and efficiency. All our branches are computerised. We believe that through our existing information technology systems, we are able to effectively, manage our operations, market to our target customers, and monitor and control risks. We believe that this system has improved customer service by reducing transaction time and has allowed us to comply with regulatory record-keeping and reporting requirements. Further, in order to manage our expanding operations as well as our increased customer base, we have entered into an arrangement for the development of software for our product offerings and other allied functions. Accordingly, the new software was introduced for operational efficiency.

Additionally, our Company has entered into an agreement dated September 15, 2016, with PayU Payments Private Limited ("**PayU**"), a payment gateway, with a view to provide our customers with a convenient option of online payments through the internet or through the interactive voice responsive ('IVR') system provided by PayU, using credit/debit cards, net banking and various other modes of payment options.

Effective risk management system including appraisal, internal audit and inspections.

Risk management forms an integral part of our business as we are exposed to various risks relating to the Gold Loan business. The objective of our risk management system is to measure and monitor the various risks we are subject to and to implement policies and procedures to address such risks. We have an internal audit system which consists of audit and inspection, for risk assessment and internal controls. The audit system comprises of accounts audit and gold appraisal. In accordance with our internal audit policy, all of our branches are subject to surprise gold audit every month and accounts audit once in very four months. A majority of our customers are borrowers who have been referred to us by existing or former customers and our branches act as a single point of contact for them. The personnel at our branches are responsible for sourcing loans, carrying out preliminary checks on the credit worthiness of a prospective customer, providing assistance in documentation, disbursing loans and in monitoring repayments and collections. We have implemented an analytics platform with a pre-defined approval matrix, which expedites the processing of loan applications. Further the staff is strictly advised to make the acid test, sound test etc., at the time of making the pledge for checking whether the ornament is of acceptable quality or not.

Experienced management team and skilled personnel

Our Board, Promoters and senior management is composed of experienced professional, and management professionals. We believe that we have a strong senior management team to lead us, a majority of whose members have been with us for over 5 years. Our management team comprises of our Promoter and Director, Mathew K. Cherian, who has over 40 years of experience in finance business. The management team possesses the required skill, expertise and vision to continue and to expand the business of our Company. Our management team has an in-depth understanding of the gold loan business and under their direction and guidance our Company has grown organically. We believe that the long-standing industry experience of our Promoters and our management team provides us with an understanding of the needs and behavior of the client's particularly in rural and semi-urban areas and issues specific to the gold financing industry in India. We believe that this expertise gives us a competitive advantage in the gold loan industry and has helped us in maintaining our resilience through industry cycles.

Our Strategy

Our business strategy is designed to capitalise on our competitive strengths and enhance our position in the Gold Loan industry. Key elements of our strategy include:

Expansion of business activity by opening new branches in rural and semi urban areas to tap potential market for gold loans

We intend to continue to grow our loan portfolio by expanding our branch network by opening new branches. A good reach to customers is very important in our business. Increased revenue, profitability and visibility are the factors that drive the branch network. Currently, we are present in key locations which are predominantly in South India for sourcing business. Our strategy for branch expansion includes further strengthening our presence in south Indian states by providing higher accessibility to customers as well as leveraging our expertise and presence in southern India. At the core of our branch expansion strategy, we expect to penetrate new markets and expand our customer base in rural and semi-urban markets where a large portion of the population has limited access to credit either because they do not meet the eligibility requirements of banks or financial institutions, or because credit is not available in a timely manner at reasonable rates of interest, or at all. We plan to continue to focus on low and middle income self employed customers and increase the market share of our existing products in the rural and semi-urban markets of India. A large segment of India's rural and semiurban population is comprising customers without any credit history and we believe that such customer segment offers us significant growth opportunities and customer loyalty. A typical Gold Loan customer expects high loan-to-value ratios, rapid and accurate appraisals, easy access, quick approval and disbursement and safekeeping of their pledged gold jewellery. We believe that we meet these criteria when compared to other unregulated money lenders, and thus our focus is to expand our Gold Loan business.

Expansion of business into metros and select Tier 1 cities across India

In addition to our continuing focus on rural and semi-urban markets in the states that we are present, we are also focusing on opening branches in metros and select Tier 1 cities where we believe our business has high growth potential. We carefully assess the market, location and proximity to target customers when selecting branch sites to ensure that our branches are set up close to our target customers. We believe specialised teams focused on specific customer segments into metros and select Tier 1 cities across India will enable us to increase the productivity of our distribution channels, meet specific customer segments and increase quality of customer experience. This will also help us to increase our customer base and increase our profitability. We believe our customers appreciate this convenience and it enables us to reach new customers.

Increase visibility of Kosamattam Brand to attract new customers

Our brand is key to the growth of our business. We started focusing on brand building exercise in 2013. Our logo was re-designed and the tag- line '*Trust grows with time'* was introduced. We believe that we have built a recognisable brand in the rural and semi-urban markets of India, particularly in the southern states of Kerala, Tamil Nadu and Karnataka. We believe that having a strong recognizable brand is a key attribute in our business, which helps us attract and retain customers, increases customer confidence and influences their investment decisions.

We intend to continue to undertake initiatives to increase the strength and recall of our *'Kosamattam'* brand to attract new customers. We seek to build our brand by engaging with existing and potential customers' through customer literacy programs, sponsor popular events in the regions we operate and advertise in newspapers, hoardings, television, radio and in other advertising media.

Minimise concentration risk by diversifying the product portfolio and expanding our customer base.

We intend to further improve the diversity of our product portfolio to cater to the various financial needs of our customers and increase the share of income derived from sale of financial products and services.

Beyond our existing Gold Loan product, we intend to leverage our brand and office network, develop complementary business lines and become the preferred provider of financial products – 'a one-stop shop for customers' financial needs.

Our diverse revenue stream will reduce our dependence on any particular product line thus enabling us to spread and mitigate our risk exposure to any particular industry, business, geography or customer segment. Offering a wide range of products helps us to attract more customers thereby increasing our scale of operations.

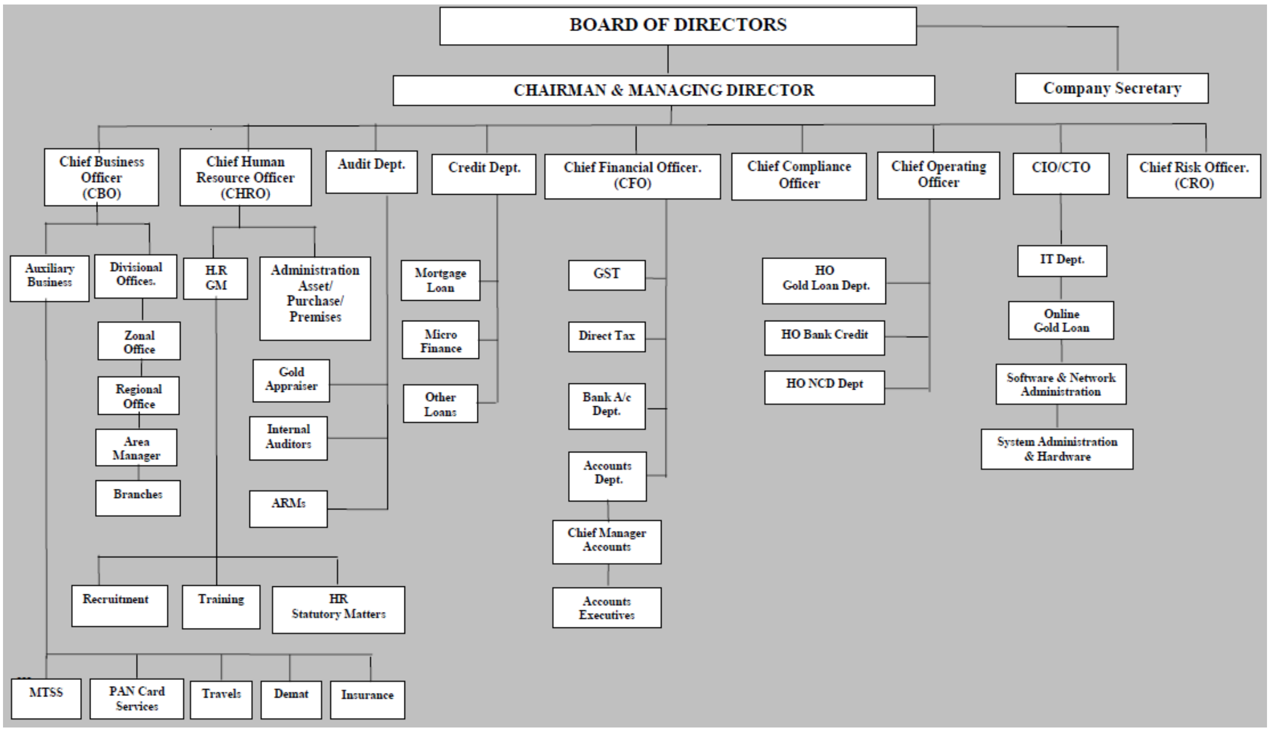
We expect that complementary business lines will allow us to offer new products to existing customers while attracting new customers as well. We expect that our knowledge of local markets will allow us to diversify into products desired by our customers, differentiating us from our competitors.

Further strengthen our risk management, loan appraisal and technology systems

We believe risk management is a crucial element for further expansion of our Gold Loan business. We therefore continuously focus on improving our integrated risk management framework with processes for identifying, measuring, monitoring, reporting and mitigating key risks, including credit risk, appraisal risk, custodial risk, market risk and operational risk. We plan to continue to adapt our risk management procedures, to take account of trends we have identified. We believe that prudent risk management policies and development of tailored credit procedures will allow us to expand our Gold Loan financing business without significantly increasing our non-performing assets. Since we plan to expand our geographic reach as well as our scale of operations, we intend to further develop and strengthen our technology platform to support our growth and improve the quality of our services. We are focused on improving our comprehensive knowledge base and customer profile and support systems, which in turn will assist us in the expansion of our business.

We continue to focus on developing and strengthening our IT capabilities to support our growth and improve the quality of our services. We believe that improving our technology infrastructure will allow us to respond to challenges on a real-time basis and improve our risks management capabilities. We also intend to develop data-driven insights to understand our target customers' propensity towards certain financial products. We anticipate using such information to conduct targeted marketing efforts allowing us to improve the availability of our products and consequently the quality of our services and credit portfolio.

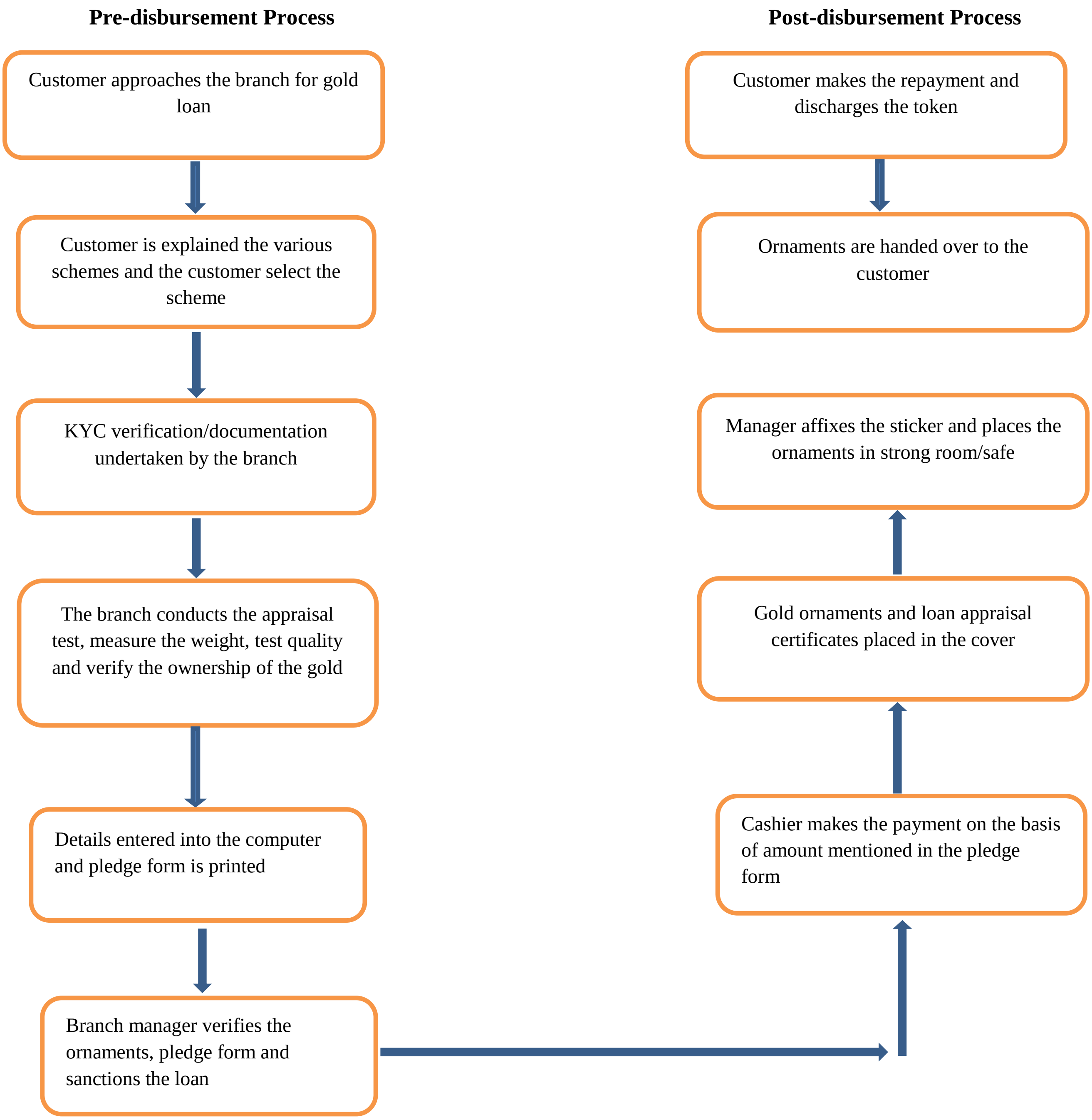
ORGANISATION STRUCTURE



GOLD LOAN BUSINESS

Our lending business is primarily Gold Loans, which are typically loans against pledge of gold jewellery. As of March 31, 2023, we had approximately 8,82,414 loan accounts, representing an aggregate principal balance of ₹ 4,45,407.85 lakhs. For the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, our Gold Loan portfolio yield representing interest income on gold loans as a percentage of average outstanding of Gold Loans, for the same period were 18.47%, 17.70% and 17.76%, respectively, per annum. For the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, income from interest earned on our Gold Loans constituted 96.82%, 96.38% and 94.89%, of our total income for the respective years. We offer variety of Gold Loan schemes to our customers to suit their individual needs. The schemes differ in relation to the amount advanced per gram of gold, interest rate chargeable and amount of loan.

Gold Loan disbursement process



The principal form of security that we accept is household gold jewellery. We do not accept bullion, gold biscuits, gold bars, new mass-produced gold jewellery or medallions. While these restrictions narrow the pool of assets that may be provided to us as security, we believe that it provides us with the following key advantages:

a. It filters out spurious jewellery that may be pledged by jewellers and goldsmiths. We find that household, used jewellery is less likely to be spurious or fake.

b. The emotional value attached by each household to the pledged jewellery acts as a strong incentive for timely repayment of loans and revoking the pledge.

c. As we only accept the pledge of household jewellery, the value of the pledged gold is typically only as much as the worth of gold that is owned by an average Indian household. This prevents our exposure to large sized loans where the chances of default and subsequent losses are high.

The amount that we finance against the pledged gold jewellery is typically based on a fixed rate per gram of gold content in the jewellery. We value the gold jewellery brought by customers based on our corporate policies and guidelines. As per the policy, we grant gold loans on 22 Carat gold ornaments. However, in case the jewels that are being pledged are less than 22 carats, the branches are required to convert the carat of gold jewels to the equivalent of 22 carats. Under no-circumstances are gold ornaments below 19 carats accepted by our Company. The rates per gram is fixed by us on weekly intervals. The actual loan amount varies according to the type of jewellery pledged. While jewellery can be appraised based on a variety of factors, such as total weight, weight of gold content, production cost, style, brand and value of any gemstones, we appraise the gold jewellery solely based on its gold content. Our Gold Loans are, therefore, generally well collateralised because the actual value of the gold jewellery is higher than our appraised value of the gold jewellery when the loan is disbursed. The amount we lend against an item and the total value of the pledged gold we hold fluctuates according to the market price of gold. An increase in the price of gold will not automatically result in an increase in the value of our Gold Loan portfolio unless the rate per gram is revised by our Registered Office. It only results in a favourable movement in the value of the security, pledged with us. Similarly, since adequate margins are built in at the time of the loan disbursement and owing to the short tenure of these loans, on average, a decrease in the price of gold generally has little impact on our interest income. However, a sustained decrease in the market price of gold could cause a decrease in the growth rate of Gold Loans in our loan portfolio.

At present our Gold Loans have a maximum tenure of upto 12 months, however, customers may redeem the loan at any time prior to the full tenure. As per the current policy of our Company, interest is to be paid in accordance with the scheme. In the event that a loan is not repaid on time and after providing due notice to the customer, the unredeemed pledged gold is disposed of, on behalf of the customer in satisfaction of the principal and interest charges in accordance with the applicable RBI guidelines. Any surplus arising out of the disposal of the pledged gold is refunded to the customer or is appropriated towards any other liability by the borrower. In the event that the recoverable amount is more than the realisable value of the pledged gold, the customer remains liable for the shortfall.

The processes involved in approving and disbursing a Gold Loan are divided into three phases:

- Pre-disbursement;
- Post disbursement; and
- Release of the pledge.

Pre-disbursement process

Gold Loan appraisal of a customer involves the following steps

(a) ***Customer identification***

Gold Loans are sanctioned only to genuine borrowers. Before sanctioning the Gold Loan, the branch manager should take all precautions to ensure that the applicant, pledging the ornaments, is the owner of those ornaments and that the borrower is genuine. The branch manager should obtain ID proof and photograph of the borrower and assign a branch KYC ID No. and should also make reasonable enquiry about the residence, job, personal details, ownership of the ornaments etc. and make a note in the pledge form. We also undertake a field verification to authenticate the genuineness of the borrower in case of high value Gold Loans.

(b) ***KYC Documentation***

The borrower should produce government issued valid photo id, with an address which is within the designated area of the branch, as a necessary proof for KYC documentation. While processing the application, the branch ensures that the correct postal address of the borrower is entered in the computer such as name, door number, street name, name of post office, place, PIN code and the nearest land mark. Also, the borrower’s telephone number is obtained. The branch also calls on the number furnished by the borrower every month, and reminds the borrower to remit the requisite interest, so that branch can know the telephone number is operational. Further if the telephone number of the borrower is not operational then the branch immediately contacts the borrower personally and obtains his new telephone number.

(c) ***Security appraisal***

The branch manager/joint custodian and the branch staff shall appraise the gold ornaments thoroughly. Stone weight should be deducted correctly in consultation with the branch manager and staff. Low purity and spurious items should be detected and not to be accepted as pledge. Appraisal is to be done by all members at the branch and the ornament shall be accepted only if all the branch staff approve. Neither the branch manager nor the joint custodian or any staff has the authority to accept a pledge on the basis of his/her own assessment of the ornaments. It is strictly a group task and all the branch staff are equally responsible in the process. After pledging gold ornaments, the same should be packed immediately. The manager and joint custodian should sign across the packet and affix the branch sticker on the cover and keep it in the safe. The safe is to be locked by all the custodians together.

(d) Documentation

For each pledge of the gold, branch appraisal certificate, application for personal loan, customer's token etc., are adequately documented and all the details pertaining to the gold, including the weight and items pledged are to be mentioned.

Post-disbursement process

The period/tenure for a Gold Loans is maximum upto 12 months. Timely interest collection and closing of accounts within the specified period is vital for the successful and smooth functioning of gold loan companies like that of ours. To ensure this, the branches regularly follow up with their gold loan customers through notices served at three months (ordinary notice), six-months (registered notice), and nine months (registered notice with acknowledgement due) as well as personal contacts directly and over the phone.

Branch security and safety measures: Electronic Security System

Branches are normally equipped with security devices (alarms) which automatically alert the branch manager, regional manager as well as the nearest police station in the event of any theft attempts. The gold pledged as security is insured with an insurance company. Our Company makes periodic analysis and revises the insurance policy as per the value/quantity of the gold.

Release of pledge

Once a loan is fully repaid, the pledged gold jewellery is returned to the customer. The customer must be present personally along with the gold loan token, at the branch where the pledge was originally made. The branch will verify the person with the photo taken at the time of pledge and confirm that there is no foul play and the amount to be paid is informed to the customer from the software and clarifies doubts if any on the amount demanded. The customer pays the amount at the cash counter and the ornaments are taken out of the safe and handed over to the customer after confirming them with the list of ornaments mentioned in the token and gold loan application form.

Our Other Business initiatives

In addition to the core business of Gold Loan, we also offer fee based ancillary services which include loans against property, money transfer services, depository participant services, power generation, agriculture, foreign currency exchange and air ticketing services.

For the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, revenues from our business other than Gold Loans constituted 3.18%, 3.62% and 5.11%, of our total income for the respective years.

LOAN AGAINST PROPERTY

Our Company along with its primary business of offering gold loans also engages in offering loans against property which includes loans against collateral of residential/commercial property and comprised 1.26% of our loan book as on March 31, 2023.

Loan against Property ("**LAP**") is a loan facility to customers requiring funds for business/personal purposes against mortgage of residential/commercial property. As a part of LAP lease rental discounting is also offered. The funds so raised are utilised for meeting business as well as investment needs.

Customer Evaluation, Credit Appraisal and Disbursement

Our Credit Policies

All loans are sanctioned under the credit policy approved by our Board of Directors. Emphasis is applied on demonstrated past and future assessment of income, repayment capacity and credit history prior to approving any loan. Our Company undertakes periodic update of credit policies based on portfolio performance, product profitability and market and economic development.

Loan Origination

Our Company sources all potential customers through our branches and trained sourcing teams.

Evaluation

Our Company undertakes various credit control checks and field investigations on a prospective customer which, *inter-alia,* includes an internal data de-duplication check, CIBIL database check, fraud verification, asset verification and valuation, trade credit reference checks and other legal and technical verification procedures. After having completed our internal verification procedures all documents submitted by the prospective customer are checked and verified as required and any discrepancies and/or gaps in such documentation are highlighted and sent to the prospective customer for corrections, explanations and resubmissions as required.

Our Company conducts various diligence procedures in connection with the collateral/security for such loans which include review and verification of the relevant ownership documents and obtain title reports as applicable. Reports from these checks along with detailed analysis of financial statements, tax challans, bank statements and other documents put together constitute the credit file for all customers. These files are at length reviewed by the credit managers for evaluation using credit evaluation tool. Based on the document review the credit managers conduct personal discussions with the customers at their workplace. The discussion is intended to gather information about the business model of the customer, his positioning in the value chain, dependence of suppliers and/or customers and to ascertain any business risks like export dependence, raw-material supplies, etc. which might adversely impact the business cash flows and hence diminish repayment capacity. Further, additional business documents like stock registers and books of accounts are reviewed during such visits. Based on the all the information gathered, and assessment of customer's business risks, debt servicing ability and collateral risks, the credit manager puts the transaction proposal to appropriate approving committee in the hierarchy for decision.

Credit Appraisal

Approval and Disbursement Process

Once the credit history, credentials, information and documents have been submitted by the prospective customer and verified to our satisfaction, the applications are approved at the appropriate credit approval level.

There are four progressive levels of approvals which a proposal can be put to which are based on loan product, loam amount and identified risks. All proposals require minimum of two approvals and up to four approvals for larger ticker size loans. With due sanctioning of the loan, we execute agreements in connection with the loan and creation of security in relation thereto, if any, with the customer. Margin money and other charges, if any, are collected prior to loan disbursements. The disbursing officer retains evidence of the applicant's acceptance of the terms and conditions of the loan as part of the loan documentation.

Prior to the loan disbursement, our concerned officer ensures that a Know Your Customer, ("**KYC**"), checklist is completed by the applicant. The concerned officer verifies such information provided and includes the records in the relevant loan file. The officer is also required to ensure that the contents of the loan documents are explained in detail to the customer either in English or in the local language of the customer. The customer is provided with a copy of the loan documents executed by him. Further although our customers have the option of making payments by cash or cheque, we may require the applicant to submit post-dated cheques covering an initial period prior to any loan disbursement.

Loan administration and monitoring

The customer (and guarantor, if any) execute(s) the security creation documents and the loan agreement setting out the terms of the loan. A loan repayment schedule is attached as a schedule to the loan agreement, which generally sets out periodical repayment terms. Repayments are made in periodical instalments. Loans disbursed are recovered from the customer in accordance with the loan terms and conditions agreed with the customer. We track loan repayment schedules of our customers on a monthly basis, based on the outstanding tenure of the loans, the number of instalments due and defaults committed, if any. This data is analysed based on the loans disbursed and location of the customer. All recovery of amounts due on loans is managed internally by us. We ensure complete focus on all stages of the collections process. We monitor the completeness of documentation, creation of security etc. through regular visits to the business outlets by our regional as well as head office executives and internal auditors. All customer accounts are reviewed on a regular basis.

Our Company believes that close monitoring of debt servicing efficiency enables us to maintain high recovery ratios and maintain satisfactory asset quality.

MICROFINANCE

Our microfinance operations entail providing micro credit lending to our customers who are predominantly located in rural and semi-urban areas of our targeted geographies in India and the purpose of loans sanctioned to them is mainly for utilisation in small businesses or for other income generating activities but not for personal consumption. Primarily, we utilise a village centred, group lending model to provide unsecured loans to our members. This model relies on a form of 'social collateral' and ensures credit discipline through peer support within the group. This model presupposes our members being prudent in conducting their financial affairs and prompt in repaying their outstanding borrowings. As a deterrent, any instance of failure to make timely loan repayments by an individual borrower prevents the other members in the group from making any further borrowings from us, in the future. Therefore, the KFLs tend to employ peer support to encourage the delinquent borrower to make timely repayments or often repay on behalf of a defaulting borrower, effectively providing an informal joint guarantee on the sanctioned loan.

PORTFOLIO MANAGEMENT, COLLECTION AND RECOVERY PROCESSES

Our Company manages the portfolio management and collection processes in-house. We have on-roll collection personnel across branches to ensure timely collection of dues. As part of our collection process we have tele-calling through which calls to all customers are made before the due-dates. In-case of non-payment the team initiates collection calling for dues. We utilise our branch personnel for collection of payment. Further, for effective recovery management, all early delinquent customers are management by a dedicated team which undertakes methodical customer visits for recovery of dues. In cases where customers are unable to make payments and move to higher delinquency levels, a specified team of collection officers including branch managers, regional managers and other such officials are deployed who manage deep delinquent accounts. In addition to customer visits, this team utilises available legal tools for attachment of properties, for re-payment of dues and legal arbitration proceedings.

INSURANCE AGENCY

With a view to expand our regular fee and commission based income, we finalised a corporate agency agreement with the Life Insurance Corporation of India for marketing their life insurance plans, as a corporate agent, with effect from April 23, 2015. Under the terms of the agreement we are entitled to a commission and marketing support fee on sale of health insurance products facilitated by our Company. In furtherance to these objectives our Company had obtained a certificate of renewal registration from the IRDA, dated March 28, 2022, which is valid up to March 31, 2025, to commence/carry business in the capacity of a Corporate Agent (Composite) under the Insurance Regulatory and Development Authority Act, 1999. Further, our Company entered into corporate agency agreement with HDFC Life Insurance Company Limited on September 14, 2019 for providing corporate agent services including soliciting, procuring and marketing of HDFC life insurance products. Under the terms of these agreements we are entitled to a commission based on performance obligations of our Company.

MONEY TRANSFER BUSINESS

Money transfer to India is a fast, simple and convenient method to transfer money from anywhere in the world. We have entered into agreements with various companies who act as agents/representatives to companies that undertake money transfer services in India ("**Agreements**"). These agents have their country wide network of branches and sub agents in India. For example, we entered into a sub representation agreement with EBIX Money Express Private Limited ("**EBIX**") to act in the capacity of a sub representative to offer money transfer service on EBIX's behalf.

Our Company, pursuant to these Agreements, acts as sub agent and provides money transfer service payments through its identified branches to the customers/beneficiaries in full without any deduction as per the transaction. The representatives reimburse to our Company for the total payments effected. Under these Agreements, we are also entitled to receive a commission for the services provided.

Our Board in its meeting dated January 5, 2017 adopted an operational manual for the Money Transfer Service Scheme ("**MTSS**"), in accordance with the guidelines prescribed by the RBI, to set out requirements, rules and guidelines to be followed, by our Company's branches engaged in the Money Transfer Business.

MONEY CHANGING BUSINESS

Our Company holds a FFMC license and carries on money changing activities through its branches authorised by RBI. As on September 30, 2023, we had 1 head office and 61 authorised branches. Our currency operations include sale and purchase of foreign exchange at different authorised branches.

DEPOSITORY PARTICIPANT SERVICES

Our Company has secured the registration from SEBI as a depository participant and received the certificate of registration on May 28, 2014. On receipt of SEBI registration as a depository participant, we have entered into a MoU with a broking company, to conduct and promote brokerage business in equity, commodity and currency segments of national level stock/commodity exchanges as a broker, making use of our select branches/regional offices.

TRAVEL SERVICES

Our Company provides air ticketing services through Riya Travel & Tours (I) Private Limited, which is an IATA approved agency.

AGRICULTURE

Our Company owns a parcel of agricultural land in Kattappana village, Udumpanchola Taluk, Idukki district, in Kerala admeasuring 108.74 acres, through which our Company undertakes agricultural activity of cultivating cardamom. For the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, the agricultural income derived from this undertaking was ₹ (180.31) lakhs, ₹ (99.93) lakhs and ₹ (101.65) lakhs.

POWER GENERATION AND SUPPLY

Our Company has entered into definitive agreements for installation including erection and commissioning of four windmill units at Ramakkalmedu, Idukki district of Kerala. The windmills or wind electric generators shall be connected to the power grid, post testing and commissioning and upon becoming operational shall be used for generation and supply of power on a commercial basis. Our Company has commenced operation of the windmills and has commissioned the project. Our Company has also submitted a tariff petition dated May 16, 2018 before the Kerala State Electricity Regulatory Commission for fixing of the tariff rate. For the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, the income derived from this was ₹ (15.74) lakhs, ₹ (25.73) lakhs and ₹ (20.30) lakhs, respectively.

Branch Network

As on September 30, 2023, we had 994 branches in the states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Delhi, Uttar Pradesh and Maharashtra along with the union territory of Puducherry. The branch details of our company as on September 30, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 is as given below:

States/Union territory	As on September 30, 2023	As on March 31		
		2023	2022	2021
Andhra Pradesh	64	64	61	57
Delhi	9	9	9	10
Gujarat	0	1	2	4
Karnataka	181	181	173	146

States/Union territory	**As on September 30, 2023**	**As on March 31**		
		2023	**2022**	**2021**
Kerala	352	352	373	374
Maharashtra	8	8	8	8
Puducherry	5	5	5	5
Tamil Nadu	357	348	342	331
Telangana	17	17	15	10
Uttar Pradesh	1	0	0	0
Total	994	**986**	**988**	**945**

Marketing, Sales and Customer Care

Our Company undertakes publicity through media, both print and electronic to increase the visibility of our brand. Our media plan ensures the visibility and reach of our Kosamattam brand within the desired budget. These advertisements are carried out across various states wherever our Company has presence. This helps individual branches to target the public and thereby generate business from the locality. For the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, our total advertisement expenditure were ₹ 949.20 lakhs, ₹ 543.92 lakhs and ₹ 323.52 lakhs, respectively.

In promoting our brand, our advertisement campaigns focus on "**Kosamattam Gold Loan**", to differentiate our loan products from other NBFCs and financial institutions and emphasise the convenience, accessibility and expediency of Gold Loans.

Risk Management

Risk management forms an integral part of our business as we are exposed to various risks relating to the Gold Loan business. The objective of our risk management systems is to measure and monitor the various risks, we are subject to and to implement policies and procedures to address such risks suitably. We intend to continue to improve our operating processes and risk management systems which will further enhance our ability to manage the risks inherent to our business.

Asset and Liability Management ("ALM")

Our business operations require steady flow of working capital and hence managing the day to day liquidity becomes a critical function. The ALM, amongst other functions, is concerned with risk management, providing a comprehensive as well as a dynamic framework for measuring, monitoring and managing liquidity and interest rate risk. The ALM function also alters the asset-liability portfolio in order to manage risks. The ALM also monitors interest rate sensitivity in our portfolio and takes pre-emptive steps to mitigate any potential liquidity and interest rate risks.

Credit Risk

Credit risk is the possibility of loss due to the failure of any counterparty abiding by the terms and conditions of any financial contract with us. We aim to reduce the aforesaid credit risk through a rigorous loan approval and collateral appraisal process, as well as a strong NPA monitoring and collection strategy. This risk is diminished because the gold jewellery used as collateral for our loans can be readily liquidated, and there is only a remote possibility of recovering less than the amounts due to us in light of the 25 % margin retained on the value of the gold jewellery collateral. However, a sustained decrease in the market price of gold can cause a decrease in the size of our loan portfolio and our interest income.

Operational Risk

Operational risk is broadly defined as the risk of direct or indirect loss due to the failure of systems, people or processes, or due to certain other external events. We have instituted a series of checks and balances, including an operating manual, and both internal and external audit reviews. Although we disburse loans in a relatively short period of time, we have clearly defined appraisal methods as well as KYC compliance procedures in place to mitigate operational risks. Any loss on account of failure by employees to comply with defined appraisal mechanism is recovered out of their variable incentive. We also have detailed guidelines on movement and security measures of cash or gold. We are in the process of introducing centralised software which automates inter branch transactions, enabling branches to be monitored centrally and thus reducing the risk of un-reconciled entries. In addition, we are in the process of installing surveillance cameras across our various branches, and subscribe to insurance to cover employee theft or fraud and burglary. Our internal audit department and our centralised monitoring systems assist in the management of operational risk.

Financial Risk

Our business is cash intensive and requires substantial funds, on an ongoing basis to finance the gold loan portfolio and to grow it. Any disruption in the funding sources might have an adverse effect on our liquidity and financial condition. Our Company is proactively pursuing a system of identifying and accessing newer and cheaper sources of funds, to finance the loan book and to grow the business. Our Asset Liability Committee meets regularly and reviews the liquidity position of our Company and ensures availability of sufficient funding in advance.

Market Risk

Market risk refers to potential losses arising from the movement in market values of interest rates in our business. The objective of market risk management is to avoid excessive exposure of our earnings to loss. The majority of our borrowings, and all the loans we make, are at fixed rates of interest. Thus, presently, our interest rate risk is minimal.

Our Risk Management Policy

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes a risk management committee, internal audit department, vigilance department and a risk management department. Our Risk Management Committee, which is led by one of our Directors, oversees our risk management policies, which help us to identify, measure, monitor and mitigate the various risks that we face in our businesses.

Internal Audit Department

Our internal audit department assists in the management of operational risk using our centralised monitoring systems. Separate divisions of our internal audit department are in place to handle the audit of the departments of the registered office and those of the branch offices. The audits of our branches are divided into two categories: (i) Audit and (ii) Inspection. Branch audit is carried out quarterly with the focus on the verification of documents, accounts, performance and compliance. In addition, an incremental high value loan check is carried out by regional managers as part of their periodical branch inspection.

Vigilance Department

We have an internal vigilance department for undertaking surprise inspections of high/medium risk branches and other branches or on the basis of any report or detection of serious deviations or irregularities. The vigilance undertakes the responsibility of visiting branches to oversee the implementation of risk mitigation initiatives and improvements in customer service.

Risk Management Audit

Our branch auditors also carry out a system driven risk audit on certain identified key risk parameters. These are keyed into the system and alerts are sent to branch controllers and top management in case the risk weight given under a specific parameter goes beyond the prefixed tolerance levels. In all such cases, the concerned branches are inspected by the branch controllers or top management personnel depending on the severity of risk and immediate remedial actions are initiated.

ALM Organisation

The Asset - Liability Committee (ALCO) is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of our Company (on the assets and liabilities sides) in line with our Company’s budget and decided risk management objectives.

The business and risk management strategy of our Company will ensure that our Company operates within the limits/parameters set by the Board. The business issues that an ALCO would consider, inter alia, includes product pricing, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for the similar services/product, etc. In addition to monitoring the risk levels of our Company, the ALCO reviews the results of and progress in implementation of the decisions made in the previous meetings. The ALCO would also articulate the current interest rate view of our Company and base its decisions for future business strategy on this view.

The frequency of holding ALCO meetings will be quarterly.

Liquidity Risk Management

Our ALCO measures not only the liquidity position of our Company on an ongoing basis but also examines how liquidity requirements are likely to evolve under different assumptions. Experience shows that assets commonly considered as liquid, like Government securities and other money market instruments, could also become illiquid when the market and players are unidirectional. Therefore, liquidity has to be tracked through maturity or cash flow mismatches. For measuring and managing net funding requirements, the use of a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates is adopted as a standard tool. The format of the **Statement of Structural Liquidity** as prescribed by RBI may be used for this purpose.

The Maturity Profile based on ALM – II could be used for measuring the future cash flows of company in different time buckets. The time buckets may be distributed as under:

(i) 1 day to 7 days
(ii) 8 days to 14 days
(iii) 15 days to 1 month
(iv) Over one month and up to 2 months
(v) Over 2 months and up to 3 months
(vi) Over 3 months and up to 6 months
(vii) Over 6 months and up to 1 year
(viii) Over 1 year and up to 3 years
(ix) Over 3 years and up to 5 years
(x) Over 5 years

The Statement of Structural Liquidity shall be prepared by placing all cash inflows and outflows in the maturity ladder according to the expected timing of cash flows. A maturing liability will be a cash outflow while a maturing asset will be a cash inflow. While determining the likely cash inflows/outflows, company will have to make a number of assumptions according to their asset - liability profiles. While determining the tolerance levels, the company may take into account all relevant factors based on their asset-liability base, nature of business, future strategy, etc.

In order to enable the company to monitor their short-term liquidity on a dynamic basis over a time horizon spanning from 1 day to 6 months, company will estimate their short-term liquidity profiles on the basis of business projections and other commitments for planning purposes. An indicative format ALM – I issued by RBI for estimating ‘Short-term Dynamic Liquidity’ will be used for the said purpose.

Interest Rate Risk (IRR)

The operational flexibility given to NBFCs in pricing most of the assets and liabilities imply the need for the financial system to hedge the Interest Rate Risk. Interest Rate Risk is the risk where changes in market interest rates might adversely affect an NBFC's financial condition. The changes in interest rates affect our Company. The immediate impact of changes in interest rates is on our Company’s earnings (i.e. reported profits) by changing its Net Interest Income (NII). As such our Company is into funding of loans which are always fixed rate loans. The company manages risk on NII by pricing its loan products to customers at a rate which covers Interest Rate Risk. The risk from the earnings perspective can be measured as changes in the NII or Net Interest Margin (NIM). Measurement of such risk is done at the time of deciding rates to be offered to customers. Once interest rate risk is measured by the ALCO, lending rates are finalised. RBI has prescribed ALM – III for the purpose of Interest Rate Risk Monitoring and our Company may use the same for the purpose of measurement and monitoring of interest rate risk.

Non-performing Assets (NPA)

The RBI Master Directions require that every non-deposit taking NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

i. Standard assets;

ii. Sub-standard assets;

iii. Doubtful assets; and

iv. Loss assets.

Further, the class of assets referred to above shall not be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for an upgrade. A non-deposit taking NBFC is required to make provisions against sub-standard assets, doubtful assets and loss assets in accordance with the Master Directions. In terms of the Master Directions, non-deposit taking NBFC has to make the following provisions on their loan portfolio.

Asset Classification	**Provisioning Policy**
Standard Assets	0.40%
Sub-standard Assets	10.00%
Doubtful Assets	100.00% of unsecured portion + 20% - 50% of secured portion
Loss Assets	100.00% provided if not written off

Based on the Master Directions, the norms for asset classification, details of the classification of our gross NPAs for significant classes of our assets for the financial years ending on March 31, 2023, March 31, 2022 and March 31, 2021, are as furnished below:

(in ₹ lakhs)

Asset Type	**As on March 31**		
	2023	**2022**	**2021**
Sub-standard	1,363,98	1,870.56	2,016.76
Doubtful	3,525.08	3,165.43	1,950.57
Loss	2,865.80	706.30	674.78
Gross NPA	7,754.86	5,742.29	4,642.11
Less Provisions	4,429.87	2,218.41	1,884.20
Net NPA	3,324.97	3,523.88	2,757.91
Net NPA % of Total Loans & Advances	0.68	0.95	0.87

Secured loans are classified or provided for, as per management estimates, subject to the minimum provision required as per Master Directions. We have written off ₹ Nil, ₹ 0.67 lakhs and ₹ Nil in the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively.

NPA Management Policy

Our Company has put in place a gold loan monitoring, follow-up and disposal mechanism. Our Gold Loans have a maximum tenure of upto 12 months, however, customers may redeem the loan at any time prior to the full tenure. In the case of non-repayment, i.e., within a period of nine or 12 months, as applicable, from the date of pledging, the asset will be disposed of by our Company after the expiry of either nine or twelve months and 15 days of grace, by sale through public auction. Our Company may also consider settlement of loan dues by way of concessions in interest as a one –time settlement on a case to case basis only with the approval of registered office. The auction procedure shall be transparent. And prior notice will be given to customer by Registered Post/Courier informing about the auction. The auction shall be announced to the public by issuing advertisements in at least two newspapers, one in vernacular language and another in national daily newspaper, describing the date of auction, venue of auction, and the details of gold etc. Auction will be conducted by an approved auctioneer appointed by the Board of Directors of our Company. The amount due to our Company by the customer, being the aggregate of the principal and up to the date of interest as well as other expenses like expenses for conducting auction, will be adjusted against the sale proceeds, whereas the surplus, if any available, will be refunded to the customer, and deficit if any shall have to be paid by him/her. Our Company or its associate concerns will not participate in the auction.

Appointment of an Auctioneer

As per the revised RBI guidelines, our Company or its Promoters cannot participate in the auction. Qualified and experienced auctioneers are to be appointed by our Company to carry out the auction on behalf of the company.

Capital Adequacy Ratio

As per the Master Directions, every NBFC-ND-SI including us are subject to capital adequacy requirements. Currently, we are required to maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items. Further, we need to maintain a Tier I capital of 12%. Also, the total of Tier II capital, at any point of time, shall not exceed one hundred percent of Tier I capital. Additionally, we are required to transfer up to 20% of our annual profit to a reserve fund and make provisions for NPAs. We had a capital adequacy ratio of 17.71%, 18.65% and 18.60% on March 31, 2023, March 31, 2022 and March 31, 2021, respectively.

We have satisfied the minimum capital adequacy ratios prescribed by the RBI for the financial year ended March 31, 2023.

Technology

We use information technology as a strategic tool for our business operations to improve our overall productivity and efficiency. We believe that through our information systems which are currently in place, we are able to manage our operations efficiently, market effectively to our target customers, and effectively monitor and control risks.

We believe that this system has improved customer service by reducing transaction time and has allowed us to manage loan collection efforts better and to comply with regulatory record-keeping and reporting requirements. All our branches are computerised. A need was felt for a centralised IT platform for our continued aggressive growth along with risk management. Accordingly, we are in the process of introducing new software to improve the operational efficiency.

Our Borrowings and Credit Ratings

Source of funding

Please refer to sections titled "*Financial Statements*" and "*Financial Indebtedness*" on pages 156 and 148.

We have depended on working capital limits from bank and issuance of secured and unsecured non-convertible debentures through private placement as primary source of funding. We have also made public issue of secured and unsecured non-convertible debentures.

We also raise capital by issuing equity shares from time to time particularly to our Promoters.

Credit Rating

Credit Rating Agency	Instrument	Date	Ratings	Remarks	Rated amount in ₹ lakhs
India Ratings	Non-Convertible Debenture-Issue XXVIII	November 28, 2023	'IND A-/Stable'	Assigned	20,000
India Ratings	Non-Convertible Debenture-Issue XXVIII	August 10, 2023	'IND A-/Stable'	Assigned	20,000
India Ratings	Non-Convertible Debenture-Issue XXVII	February 17, 2023	'IND A-/Stable'	Assigned	30,000
India Ratings	Non-Convertible Debenture-Issue XXVI	November 23, 2022	'IND A-/Stable'	Assigned	40,000

Credit Rating Agency	Instrument	Date	Ratings	Remarks	Rated amount in ₹ lakhs
India Ratings	Non-Convertible Debenture-Issue XXVIII	November 28, 2023	'IND A-/Stable'	Assigned	20,000
Brickwork Ratings	Non-Convertible Debenture-Issue XXV	September 30, 2022	'BWR BBB+/ Positive'	Assigned	35,000
India Ratings	Non-Convertible Debenture-Issue XXIV	November 23, 2022	'IND A-/ Stable'	Upgraded	40,000
Brickwork Ratings	Non-Convertible Debenture-Issue XXIII	August 12, 2021	'BWR BBB+/ Stable'	Assigned	20,000^
Brickwork Ratings	Non-Convertible Debenture-Issue XXII	March 13, 2021	'BWR BBB+/ Stable'	Assigned	35,000$
Brickwork Ratings	Non-Convertible Debenture-Issue XXI	December 4, 2020	'BWR BBB+/ Stable'	Assigned	35,000*
India Ratings	Non-Convertible Debenture-Issue XX	November 23, 2022	'IND A-/ Stable'	Upgraded	30,000
India Ratings	Non-Convertible Debenture-Issue XIX	November 23, 2022	'IND A-/ Stable'	Upgraded	30,000#
India Ratings	Non-Convertible Debenture-Issue XVIII	November 23, 2022	'IND A-/ Stable'	Upgraded	35,000
India Ratings	Non-Convertible Debenture-Issue XVII	November 23, 2022	'IND A-/ Stable'	Upgraded	30,000
India Ratings	Non-Convertible Debenture-Issue XVI	November 23, 2022	'IND A-/ Stable'	Upgraded	30,000
India Ratings	Non-Convertible Debenture-Issue XV	November 23, 2022	'IND A-/ Stable'	Upgraded	30,000
India Ratings	Proposed Bank loan	November 23, 2022	'IND A-/ Stable'	Upgraded	10,000

$*The rated amount includes the unsecured portion of the Issue for up to ₹4,000 lakhs.*

**The rated amount includes the unsecured portion of the Issue for up to ₹3,000 lakhs.*

#*The rated amount includes the unsecured portion of the Issue for up to ₹3,000 lakhs.*

^ *Our Company has considered unutilised rating assigned of ₹ 1,000 lakhs for this Issue*

Security threats and measures taken to mitigate them

The principal security risks to our operations are robbery and employee theft or fraud. We have extensive security and surveillance systems and dedicated security personnel to counter external security threats. To mitigate internal threats, we undertake careful pre-employment screening, including obtaining references before appointment. We also started installing surveillance cameras across our branches. To protect against robbery, all branch employees work behind wooden, glass and steel counters, and the back office, strong room/safe and computer areas are locked and closed to customers. We also keep the pledged gold in joint custody. While we provide around the clock armed security guards for risk prone branches, the majority of our branches do not require security guards as the gold jewellery are stored securely in strong rooms. Since we handle high volumes of cash and gold jewellery at our locations, daily monitoring, spot audits and immediate responses to irregularities are critical to our operations. We have an internal auditing program that includes unannounced branch audits and cash counts at randomly selected branches.

Competition

We face competition from banks, NBFCs and other unregulated/unorganised money lenders. Our Board believes that we can achieve economies of scale and increased operating efficiencies by increasing the number of branches under operation and proven operating methods. We believe that the primary elements of competition are the quality of customer service and relationship management, branch location and the ability to lend competitive amounts at competitive rates. In addition, we believe the ability to compete effectively will be based increasingly on strong management, regional market focus, automated management information systems and access to capital.

Property

Our registered office is located in Kottayam, Kerala and is owned by our Promoter. As of September 30, 2023, we have branch offices in Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Delhi, Gujarat and Maharashtra along with the union territory of Puducherry, most of which are contracted on a leasehold basis.

Intellectual Property

As on the date of this Prospectus, we have obtained 16 trademark registrations with the Trade Marks Registry under the Trade Marks Act, 1999.

Employees

As on September 30, 2023, we had 3,842 employees.

HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was incorporated on March 25, 1987, as '*Standard Shares and Loans Private Limited*', a private limited company under the Companies Act, 1956 with a certificate of incorporation issued by the RoC. The name of our Company was changed to '*Kosamattam Finance Private Limited*' pursuant to a resolution passed by the shareholders of our Company at the EGM held on June 2, 2004 and a fresh certificate of incorporation dated June 8, 2004 issued by the RoC. Subsequently, upon conversion to a public limited company pursuant to a special resolution of the shareholders of our Company dated November 11, 2013, the name of our Company was changed to '*Kosamattam Finance Limited*' and a fresh certificate of incorporation was issued by the RoC on November 22, 2013.

Our Company has originally obtained a certificate of registration dated August 24, 2000 bearing Registration no B-16.00117 issued by RBI to commence/carry on the business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the said certificate of registration, under Section 45 IA of the RBI Act. As on date, our Company has a valid certificate of registration dated December 19, 2013 bearing registration no. B-16.00117 issued by the RBI to commence/carry on business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the certificate of registration, under Section 45 IA of the RBI Act.

Our Company has obtained a full-fledged money changers license bearing license number FE. KOC.FFMC.40/2006 dated February 07, 2006 issued by the RBI which is valid up to February 28, 2025.

Our Company holds a Certificate of Registration dated May 28, 2014 bearing Registration Number IN–DP–CDSL–717-2014 issued by the SEBI to act as Depository Participant in terms of Regulation 20 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.

Our company holds a Certificate of Renewal Registration dated March 28, 2022 bearing Registration Number - CA0179 issued by IRDA to commence/carry business in the capacity of a Corporate Agent (Composite) under the Insurance Regulatory and Development Authority Act, 1999. The registration is valid up to March 31, 2025.

Our Company does not have any subsidiaries.

Registered office of our Company

The registered office of our Company is located at Kosamattam City Centre, Floor Number 4th & 5th, T.B Road, Kottayam - 686001, Kerala, India.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

1. *To carry on business as a non-banking financial company as defined under Section 45-I A of the RBI Act.*
2. *To engage in the business of a depository participant.*
3. *To engage in the business of agriculture by acquiring land on freehold basis or leasehold basis.*
4. *To act as composite corporate agent of insurance companies in India in accordance with the terms and conditions prescribed by RBI vide its circular DNBS (PD) C.C. No. 35/10.24/2003-04 of February 10, 2004, and any amendment thereto from time to time.*
5. *To act as mutual fund distributor and commission agent.*
6. *To act as agents and sub agents of travel agents, tour operators, transport agents and contractors and to book tickets for travel by air, rail, and road, to arrange and operate tours and to handle all matters related to travel and transport as their agents and sub agents.*
7. *To carry on and undertake the business of commission agents of various service providers, money transfer services, money changers, authorised dealers in foreign exchange or foreign securities, either directly or as agents, brokers or otherwise of other companies engaged in these businesses, to do fee based marketing activities for other third-party products and services and to act as Business Correspondents and / or Direct Selling Agents of Banks and other Financial Institutions.*
8. *To carry on, manage, supervise, and control the business of transmitting, manufacturing, supplying, generating, distributing, buying selling and dealing in electricity and all forms of energy and power generated*

by any source whether nuclear, steam, hydro or tidal, water, wind, solar, hydrocarbon fuel or any other form, kind or description.

9. *To provide leasing advisory, investment, and financial consultancy service and or to form the leasing arm of other entities.*

Key milestones and major events

Financial Year	Particulars
2004-2005	Mathew K. Cherian & Laila Mathew acquired the entire share capital of Standard Shares & Loans Private Limited.
2006-2007	Our Company received FFMC license for money changing activities.
2009-2010	Our Company was designated as a Systemically Important NBFC (NBFC – ND- SI).
2014-2015	Our Company received Depository Participant License.
2015-2016	Our Company became corporate agent of Life Insurance Corporation.
2015-2016	Our Company was issued a certificate of registration by IRDA to commence business in the capacity of a corporate agent (composite).
2017-2018	Our Company started its microfinance operations.
2018-2019	Kosamattam Mathew K. Cherian Financiers Private Limited merged with our Company pursuant to the order of the NCLT approving the scheme of amalgamation *vide* an order dated June 26, 2018.
2019-2020	Our Company has entered into corporate agency agreement with HDFC Life Insurance Company Limited on September 14, 2019 for providing corporate agent services including soliciting, procuring and marketing of HDFC life insurance products.
2022-2023	India Ratings & Research Private Limited upgraded the debt facilities of our Company to ‘IND A-/Stable’.

Key Agreements

Memorandum of Understanding dated May 07, 2004 between Mathew K. Cherian (representative of the “buyers”) and Thomas Porathur (representative of the “sellers”) (“MoU”)

Pursuant to the MoU, Mathew K. Cherian and Laila Mathew, our Promoters, acquired the entire paid up share capital of Standard Shares and Loans Private Limited comprising of ₹42,00,000 divided into 4,200 equity shares of ₹1,000 each. The consideration for the sale was the par value of the equity shares as credited as paid up capital in the balance sheet as at March 31, 2004.

OUR MANAGEMENT

The Articles of Association of our Company require us to have not less than three and not more than 15 Directors. As on the date of this Prospectus, we have five Directors on the Board which include two Executive Directors, three Independent Directors.

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in the Board of Directors.

Details relating to Directors

Name, designation, DIN, nationality, occupation, date of appointment, term and address	Age (years)	Other Directorships
Mathew K. Cherian **Designation:** Chairman and Managing Director **DIN:** 01286073 **Nationality:** Indian **Occupation:** Business **Date of appointment:** May 07, 2004 **Term:** Re-appointed for a further period of five years with effect from March 09, 2023, and liable to retire by rotation **Address:** 354A, Kosamattam House, Manganam P.O., Kottayam - 686 018, Kerala, India.	67	1. Kosamattam Ventures Private Limited; and 2. Kosamattam Nidhi Limited.
Laila Mathew **Designation:** Whole-Time Director **DIN:** 01286176 **Nationality:** Indian **Occupation:** Business **Date of appointment:** May 07, 2004 **Term:** Re-appointed for a further period of five years with effect from March 09, 2023 **Address:** 354A, Kosamattam House, Manganam P.O., Kottayam – 686 018, Kerala, India.	65	1. Kosamattam Ventures Private Limited; and 2. Kosamattam Nidhi Limited

Name, designation, DIN, nationality, occupation, date of appointment, term and address	Age (years)	Other Directorships
Paul Jose Maliakal **Designation:** Independent Director **DIN:** 07218120 **Nationality:** Indian **Occupation:** Chartered Accountant **Date of appointment:** June 25, 2018 **Term:** Re-appointed with effect from March 24, 2020 up to March 23, 2025* **Address:** Chethalan Deepthi, Convent Road, Chalakudy – 680 307, Kerala, India.	71	1. Muthoottu Mini Financiers Limited
C. Thomas John **Designation:** Independent Director **DIN:** 02541626 **Nationality:** Indian **Occupation:** Business **Date of appointment:** August 19, 2015 **Term:** Re-appointed with effect from March 24, 2020 up to March 23, 2025* **Address:** Chirappurath House, Kollad. P.O., Kottayam - 686 029, Kerala, India	77	1. Malankara Enterprises Limited; 2. Malankara Plantations Limited; and 3. Malankara Wood Limited.
Sebastian Kurian **Designation:** Independent Director **DIN:** 09416863 **Nationality:** Indian **Occupation:** Lawyer **Date of appointment:** December 14, 2021 **Term:** Appointed with effect from December 14, 2021, up to May 17, 2024** **Address:** Puthiyaparampil, Pampady, Poothakuzhy, Vaikom, Kottayam - 686 521, Kerala, India	66	NIL

[*] Vide Shareholders' Special Resolution dated March 16, 2020, Paul Jose Maliakal and C. Thomas John are reappointed for a term of five consecutive years with effect from March 24, 2020.

[**] Sebastian Kurian was appointed as an lndependent Director to fill the casual vacancy caused by the death of Kavil Viswambharan Raveendravilasam.

Brief Profile of Directors

Mathew K. Cherian, aged 67 years, is the Chairman and Managing Director of our Company. He started the lending business through Kosamattam Bankers and has over 40 years of experience in finance business. He received the 'Gandhi Peace Foundation Award' in 2007.

Laila Mathew, aged 65 years, is the Whole-Time Director of our Company. She has over 30 years of experience in finance business. She received the Kerala Christian Foundation, Annie Mascarene award in year 2014-2015.

Paul Jose Maliakal, aged 71 years, is an Independent Director of our Company. He is qualified chartered accountant and a member of the Institute of Chartered Accountants of India.

C. Thomas John, aged 77 years, is an Independent Director of our Company. He holds a bachelor's degree in science from the University of Allahabad and post-graduate diploma in management from the Indira Gandhi National Open University. He has around 44 years of experience working in the plantations industry.

Sebastian Kurian, aged 66 years, is an Independent Director of our Company. He holds a degree of bachelor of law from the University of Kerala and a degree of bachelor of arts from the University of Kerala.

Confirmations

None of our Directors have been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

None of our directors is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by the SEBI.

None of our Directors have been identified as a 'wilful defaulter' by any financial institution or bank, or a consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI. None of our directors features in any list of defaulters by ECGC or any government/regulatory authority. Further, none of our Promoters or Directors have been declared as a Fugitive Economic Offender.

None of our Directors was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Prospectus, in accordance with the SEBI Delisting Regulations or Chapter V of the erstwhile SEBI (Delisting of Equity Shares) Regulations, 2009.

Relationship between Directors

Except as stated below, none of our Directors are related to each other.

Sr. No.	Name of Director	Designation	Relationship with other Directors
1.	Mathew K. Cherian	Chairman and Managing Director	Husband of Laila Mathew
2.	Laila Mathew	Whole-Time Director	Wife of Mathew K. Cherian

Remuneration to the Directors

Chairman and Managing Director

Mathew K. Cherian was re-appointed for a period of 5 years, with effect from March 09, 2023 as the Chairman and Managing Director of our Company by a resolution of the Board of Directors dated February 10, 2023 and the approval of the shareholders in their extraordinary general meeting held on March 09, 2023.

Pursuant to the resolution of our Board of Directors passed at their meeting held on February 10, 2023 and a resolution of our Shareholders passed at in their extraordinary general meeting held on March 09, 2023, the remuneration to be paid to Mathew K. Cherian was revised and set forth below are the details of his present remuneration pursuant to the terms of his employment:

Particulars	Details
Salary	₹10.00 lakh per month
Commission	4% of net profits of our Company

Whole-time Director

Laila Mathew was re-appointed for a period of 5 years, with effect from March 09, 2023 as the Whole-Time Director of our Company by a resolution of the Board of Directors dated February 10, 2023 and the approval of the shareholders in their extraordinary general meeting held on March 09, 2023.

Pursuant to the resolution of our Board of Directors passed at their meeting held on February 10, 2023 and a resolution of our Shareholders passed at in their extraordinary general meeting held on March 09, 2023, the remuneration to be paid to Laila Mathew was revised and set forth below are the details of her present remuneration pursuant to the terms of her employment:

Particulars	Details
Salary	₹8.00 lakh per month
Commission	4% of net profits of our Company

Independent Directors

The Board of Directors of our Company in their meeting held on March 25, 2015, has approved payment of ₹5,000 as sitting fees to Non-Executive/Independent Directors, for attending every meeting of the Board of Directors. During the financial year ended March 31, 2023, the total sitting fees paid by our Company to our Independent Directors was ₹ 5.55 lakhs.

Borrowing Powers of the Board

Pursuant to the resolution passed by the shareholders of our Company at their EGM held on March 09, 2023 and in accordance with provisions of Section 180(1)(c) of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Articles of Association of our Company, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company’s bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) by a sum not exceeding ₹12,00,000 lakhs.

Interest of the Directors

All the directors of our Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration, commission and reimbursement of expenses payable to them. Further, other than the Promoter Directors of our Company, none of the Directors have any interest in the promotion of our Company. Further, none of our Directors have any interest in any immovable property acquired by our Company in the two years preceding the date of the Prospectus or any immovable property proposed to be acquired by it.

All the directors of our Company may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All our directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Prospectus and statutory registers maintained by our Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made with them.

Appointment of any relatives of Directors to an office or place of profit

Other than George Thomas (Chief Business Officer), Saju John Varghese (Chief Operating Officer) and Milu Mathew (Senior Manager), none of the relatives of Directors are appointed to an office or place of profit.

Debenture holding of Directors

As on date, none of our Directors hold any debentures issued by our Company.

Details of remuneration paid/payable to our Directors as on September 30, 2023 during the current year and the last three financial years ended March 31, 2023, March 30, 2022 and March 31, 2021 by Our Company and our associates are as follows:

(₹ in lakhs)

Sr. No.	Name of the Director	Designation	April 1, 2023 to September 30, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
1.	Mathew K. Cherian	Chairman and Managing Director	195.00	520	417.50	390.00
2.	Laila Mathew	Whole-Time Director	183.00	496	393.50	367.00
3.	Jilu Saju Varghese*	Non-Executive Director	Nil	0	Nil	Nil
4.	Paul Jose Maliakal	Independent Director	Nil	1.55	1.20	0.95
5.	C. Thomas John	Independent Director	Nil	2.9	2.70	1.95
6.	Kavil Viswambharan Raveendravilasam**	Independent Director	NA	NA	0.05	0.20
7.	Sebastian Kurian	Independent Director	0.70	1.1	0.35	NA

**Ceased to be the independent director of the Company w.e.f. September 17, 2021.*
***Ceased to be the non-executive director of the Company w.e.f. September 30, 2023*

Appointment to office of profit

Other than George Thomas (Chief Business Officer), Saju John Varghese (Chief Operating Officer) and Milu Mathew (Senior Manager) none of our Directors' relatives have been appointed to an office or place of profit.

Changes in the Directors of our Company during the last three years

The changes in the Board of Directors of our Company in the three years preceding the date of this Prospectus are as follows:

Sr. No.	Name, Designation, DIN	Date of Appointment	Date of Cessation, if applicable	Remarks
1.	Sebastian Kurian, Designation: Independent Director, DIN: 09416863	December 14, 2021	-	Appointed to fill the casual vacancy caused by the death of Mr. Kavil Viswambharan Raveendravilasam
2.	Mr. Kavil Viswambharan Raveendravilasam, Designation: Independent Director, DIN: 07603053	March 21, 2019	September 17, 2021	Nil
3.	Jilu Saju Varghese Designation: Non Executive Director, DIN: 03621643	October 01, 2011	September 30, 2023	Resigned w.e,f. September 30, 2023

Shareholding of Directors, including details of qualification shares held by Directors

As per the provisions of our MoA and AoA, Directors are not required to hold any qualification shares. Details of the Equity Shares held in our Company by our Directors, as on September 30, 2023, are provided in the table given below:

Sr. No.	Name of Director	Number of Equity Shares held	Number of Preference Shares held	Percentage of the total equity paid-up capital (%)	Percentage of the total paid-up capital (%)
1.	Mathew K. Cherian	12,84,52,270	Nil	57.83	57.83
2.	Laila Mathew	3,01,48,300	Nil	13.57	13.57
3.	Paul Jose Maliakal	Nil	Nil	Nil	Nil
4.	C. Thomas John	Nil	Nil	Nil	Nil
5.	Sebastian Kurian	Nil	Nil	Nil	Nil

Key Managerial Personnel

Our Company's Key Managerial Personnel are as follows:

Annamma C. Varghese, aged 63 years, is the Chief Financial Officer of our Company. Prior to being appointed as the Chief Financial Officer of our Company, she was the Company Secretary of our Company. She is a member of the Institute of Company Secretaries of India. She is also an associate member of the Institute of Cost Accountants of India. She has more than 26 years of work experience in corporate and secretarial functions. Prior to joining our Company, she was working with Thaqdees Hospitals Limited. She has been working with our Company since March 2, 2012. She was appointed as Chief Financial Officer of our Company on March 5, 2016.

Sreenath P, aged 33 years, is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in Commerce from University of Calicut, master's degree in Commerce from Indira Gandhi National Open University. He is also a fellow Member of the Institute of Company Secretaries of India. He has over 7 years of experience in secretarial and compliance matters. He was appointed as the Company Secretary of our Company on March 5, 2016.

Interest of the Directors, Key Managerial Personnel or Senior Management in the Issue

None of our Directors, Key Managerial Personnel or Senior Management have any financial or other material interest in the Issue.

Details of various committees of the Board

1. Audit Committee

The Audit Committee was constituted by the Board of Directors through its resolution dated February 27, 2012. The Audit Committee was last re-constituted on May 06, 2019, and it currently comprises the following Directors:

(i) Mathew K. Cherian
(ii) Paul Jose Maliakal
(iii) C. Thomas John

The scope and functions of the Audit committee are in accordance with Section 177 of the Companies Act, 2013 and its terms of reference are as follows:

Functions and terms of operations of the Audit Committee include the following:-

A. The Audit Committee shall have powers, including the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and

4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. The role of the audit committee shall include the following:

1. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    (a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    (b) changes, if any, in accounting policies and practices and reasons for the same;
    (c) major accounting entries involving estimates based on the exercise of judgment by management;
    (d) significant adjustments made in the financial statements arising out of audit findings;
    (e) compliance with listing and other legal requirements relating to financial statements;
    (f) disclosure of any related party transactions;
    (g) qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval of any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to\ the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the whistle blower mechanism;
19. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
22. Audit Committee must ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Company.

Further, the Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;

4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor if any shall be subject to review by the Audit Committee.
6. Statement of deviations:
    (a) Quarterly statement of deviation(s), submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
    (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

2. Asset Liability Management Committee

The Asset Liability Management Committee was constituted by the Board of Directors through its resolution dated July 09, 2011. The Asset Liability Management Committee was last reconstituted on June 30, 2023, and it currently comprises the following:

(i) Mathew K. Cherian
(ii) Laila Mathew
(iii) C. Thomas John
(iv) Saju John Varghese
(v) George Thomas
(vi) Annamma Varghese
(vii) Jayachandran P.

Asset Liability Management Committee shall be responsible for recommending to the Board prudent asset/liability management policies and procedures and shall have the following responsibilities:

(a) successful implementation of the risk management process;
(b) integration of basic operations and strategic decision making with risk management;
(c) overall responsibility for management of risks;
(d) deciding the risk management policy of the Company;
(e) setting limits for liquidity, interest rate and equity price risks and shall be responsible for ensuring adherence to the limits set thereby;
(f) Deciding the business strategy of the Company (on the assets and liabilities side) in line with the Company's budget and decided risk management objectives.
(g) Articulating the current interest rate view of the NBFC and base its decisions for future business strategy on this view.
(h) reviewing Interest rate forecasts and spreads for Company;
(i) analyzing, monitoring and reporting the risk profiles;
(j) responsible for balance sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
(k) review the results of and progress in implementation of the decisions made in the previous meetings
(l) Asset Liability Management Committee shall consider, *inter alia*, shall include product pricing for both deposits and advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for the similar services/product, etc.

a. Asset Liability Management Process: the scope of Asset Liability Management Committee function can be described as follows:

- Liquidity risk management
- Management of market risks
- Funding and capital planning
- Profit planning and growth projection
- Forecasting and analyzing 'What if scenario' and preparation of contingency plans

Any other power, role and terms of references as may be stipulated under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

3. Risk Management Committee

The Risk Management Committee was constituted by the Board of Directors through its resolution dated July 09, 2011. The Risk Management Committee was last reconstituted on June 30, 2023.

The Risk Management Committee currently consists of the following persons:

(i) Mathew K. Cherian
(ii) Laila Mathew

(iii) C. Thomas John
(iv) Arun Kumar (Chief Information Officer and Chief Risk Officer)

The terms of reference of the Risk Management Committee includes the following:

(a) Establishing the context of risks;
(b) Identifying the risks;
(c) Assessing probability and possible consequences of the risks.
(d) Developing strategies to mitigate these risks;
(e) Monitoring and reviewing the outcomes;
(f) Communicating and consulting with the parties involved;
(g) Risk committee performs centralised oversight and policy setting of risk management activities and to provide communication to the board of directors regarding important risks and related risk management activities;
(h) The risk committee approves the design of the Company's enterprise-wide risk management framework, including supporting methods, risk policies, risk inventories and the risk ranking methodology, as they relate IT and IT compliance risks;
(i) The committee review and advise the board on the risk impact of strategic business decisions and assess strategic alignment with the Company's IT risk appetite;
(j) Review significant aggregate risk concentration and other escalations and approve significant corrective actions recommended by management;
(k) Report to the full Board / IT Steering Committee on the Company's most significant risk, risk trends, as well as related risk response strategies and the performance of the Company's risk management capabilities;
(l) Oversee the implementation of and adherence to corporate risk policies, processes, and other risk guidance;
(m) Frequent review of risk assessment.

4. Nomination & Remuneration Committee

The Nomination & Remuneration Committee was constituted by a board resolution dated January 09, 2012. The Nomination & Remuneration Committee was last reconstituted on June 30, 2023 and it currently comprises the following Directors:

The Committee currently comprises:

(i) Sebastian Kurian
(ii) Paul Jose Maliakal
(iii) C. Thomas John

The scope and function of the Nomination and Remuneration committee is in accordance with Section 178 of the Companies Act and its terms of reference are as follows:

Terms of reference of the Nomination Committee includes the following:
1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Recommending to the Board, all remuneration, in whatever form, payable to senior management of the Company;
7. Ensuring 'fit and proper' status of proposed/ existing Directors of the Company.
8. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
   a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or
   b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
9. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee."

5. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was re-constituted by way of a board resolution dated June 30, 2023. The Corporate Social Responsibility Committee comprises of the following members:

(i) Mathew K. Cherian
(ii) Laila Mathew

(iii) C. Thomas John

The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act and its terms of reference are as follows:

The terms of reference of Corporate Social Responsibility Committee includes the following:

(a) To formulate and to recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by our Company as specified in Scheduled VII;
(b) Recommend the amount of expenditure to be incurred on the activities referred to in clause 1; and
(c) Monitor the Corporate Social Responsibility policy of our Company from time to time.

6. Stakeholders Relationship Committee

The Stakeholders Relationship Committee was re-constituted by a board resolution dated June 30, 2023.

The Committee currently comprises of the following members:

(i) Mathew K. Cherian
(ii) Laila Mathew
(iii) C. Thomas John

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 (6) of the Companies Act, 2013.

Terms of Reference for the Stakeholders Relationship Committee:

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the

shareholders of the Company; and

5. Carrying out any other function contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.

7. Debenture Committee

The Debenture Committee was re-constituted by the Board of Directors through its resolution dated June 30, 2023. The Debenture Committee comprises of the following persons:

(i) Mathew K. Cherian;
(ii) Laila Mathew; and
(iii) C. Thomas John;

The terms of reference of the Debenture Committee includes the following:

1. To determine and approve, the terms and conditions and number of the debentures to be issued, the timing, nature, type, pricing and such other terms and conditions of the issue including coupon rate, minimum subscription, retention of oversubscription, if any, etc., to approve and make changes to the draft prospectus, to approve the prospectus, including any corrigendum, amendments supplements thereto, and the issue thereof and to issue and allot the debentures and to approve all other matters relating to the issue and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilisation of the issue proceeds, modify or alter any of the terms and conditions, including size of the Issue, as it may deem expedient, extension of issue and/or early closure of the issue.

Apart from the aforementioned committees formed in accordance with the Companies Act, 2013, the Listing Regulations and in relation to the Issue, our Company has also formed a Committee for Bank Operations and an IT Strategy Committee.

8. IPO Committee

The IPO Committee was constituted by our Board of Directors through its resolution dated May 6, 2019. The IPO Committee comprises of the following persons:

(i) Mathew K. Cherian;
(ii) Laila Mathew; and
(iii) C. Thomas John.

The terms of reference of the IPO Committee includes the following:

1. Approving all actions required to dematerialize the Equity Shares, including seeking the admission of the Equity Shares into the Central Depository Services (India) Limited (the “CDSL”) and the National Securities Depository Limited (the “NSDL”);
2. Finalizing and arranging for the submission of the DRHP, the RHP, the Prospectus and the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;
3. Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;
4. Issuing advertisements as it may deem fit and proper in accordance with Applicable Laws;
5. Approving suitable policies, including on insider trading, whistle blower/vigil mechanism, risk management and other corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under Applicable Laws in connection with the Issue;
6. Deciding on the size and all other terms and conditions of the Issue and/or the number of Equity Shares to be offered and transferred in the Issue, including any Pre-IPO Placement, Reservation, Green Shoe Option and any rounding off in the event of any oversubscription as permitted under Applicable Laws;
7. Taking all actions as may be necessary or authorized in connection with the Issue;
8. Appointing and instructing book running lead managers, lead managers, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsels, depositories, trustees, custodians, credit

rating agencies, monitoring agencies, advertising agencies and all such persons or agencies as may be involved in or concerned with the Issue and whose appointment is required in relation to the Issue, including any successors or replacements thereof;

9. Opening bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with Applicable Laws;
10. Entering into agreements with, and remunerating all such book running lead managers, lead managers, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsels, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all other agencies or persons as may be involved in or concerned with the Issue, including any successors or replacements thereof, by way of commission, brokerage, fees or the like;
11. Seeking the listing of the Equity Shares on the Stock Exchanges, submitting listing applications to the Stock Exchanges and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreements with the Stock Exchanges;
12. Seeking, if required, the consent of the Company's lenders and lenders of its subsidiaries, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue;
13. Submitting undertaking/certificates or providing clarifications to the SEBI and the Stock Exchanges;
14. Determining the price at which the Equity Shares are offered and transferred to investors in the Issue in accordance with Applicable Laws, in consultation with the selling shareholder and the book running lead manager(s) and/or any other advisors, and determining the discount, if any, proposed to be offered to eligible categories of investors;
15. Determining the price band and minimum lot size for the purpose of bidding, any revision to the price band and the final Issue price after bid closure;
16. Determining the bid opening and closing dates;
17. Finalizing the basis of allocation and transfer of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers and any other investor in consultation with the book running lead managers, the stock exchanges and/or any other entity;
18. Approving/taking on record the transfer of the Equity Shares;
19. Opening with the bankers to the Issue, escrow collection banks and other entities such accounts as are required under Applicable Laws;
20. To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
21. Severally authorizing Authorized Officers for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer considers necessary, desirable or expedient, in connection with the Issue, including, without limitation, engagement letters, memoranda of understanding, the listing agreements with the stock exchanges, the registrar's agreement, the depositories' agreements, the issue agreement with the book running lead managers (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the cash escrow agreement, the share escrow agreement, confirmation of allocation notes, the advertisement agency agreement and any undertakings and declarations, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue, the book running lead manager(s), lead manager(s), syndicate members, placement agents, bankers to the Issue, registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Issue including any successors or replacements thereof; and any such agreements or documents so executed and delivered and acts, deeds, matters and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing;
22. Severally authorizing the Authorized Officers to take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the Issue, including, without limitation, applications to, and clarifications or approvals from the Government of India, the RBI, the SEBI, the RoC, and the Stock Exchanges and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officer and the Company, as the case may be;
23. Severally authorizing the Authorized Officers, for and on behalf of the Company, to execute and deliver any

and all documents, papers or instruments and to do or cause to be done any and all acts, deeds, matters or things as any such Authorized Officer may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and the Company in so doing and any such document so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officer and the Company, as the case may be; and

24. Executing and delivering any and all documents, papers or instruments and doing or causing to be done any and all acts, deeds, matters or things as the IPO Committee may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing

OUR PROMOTERS

The Promoters of our Company are:

1. Mathew K. Cherian;
2. Laila Mathew; and
3. Jilu Saju Varghese

As on the date of this Prospectus, our Promoters collectively hold 15,86,00,970 Equity Shares, which constitutes 71.39% of our Company's equity shares capital.

Profiles of our Promoters

Mr. Mathew K. Cherian

Mr. Mathew K. Cherian, aged 67 years, is the Promoter and Chairman and Managing Director of our Company

Permanent Account Number: ABUPC1286H
Date of Birth: November 01, 1955

He has over 40 years of experience in finance business. He received the 'Gandhi Peace Foundation Award' in 2007. He holds 12,84,52,270 Equity Shares, which constitutes 57.82% of our Company's equity share capital. For further details, see "*Our Management*" on page 130.

Ms. Laila Mathew

Ms. Laila Mathew, aged 65 years, is the Promoter and Whole-Time Director of our Company

Permanent Account Number: AEDPM1526Q
Date of Birth: November 02, 1957

She has over 30 years of experience in finance business. She holds 3,01,48,300 Equity shares, which constitutes 13.57% our Company's equity share capital. For further details, see "*Our Management*" on page 130.

Ms. Jilu Saju Varghese

Ms. Jilu Saju Varghese, aged 42 years, is the Promoter of our Company

Permanent Account Number: AKQPV0135R
Date of Birth: May 27, 1981

She holds a bachelor's degree in Commerce from Mahatma Gandhi University, Kerala. She has joined our Company as a director in the year 2011. She holds 400 Equity Shares in our Company.

Our Company confirms that the permanent account number, aadhar number, driving license number, bank account number(s) and the passport number of the Promoters have been submitted to the Stock Exchange at the time of filing of the Prospectus.

There have been no changes in the Promoter's holding in our Company during last financial year beyond the threshold prescribed by RBI.

Interest of our Promoters in our Company

Except as stated under "*Our Management*" beginning on page 130, to the extent of their shareholding in our Company and to the extent of remuneration received by them in their capacity as Executive Directors, and to the extent of loans availed from our Company, our Promoters do not have any other interest in our Company's business. Further, our Promoters have no interest in any property acquired by our Company in the last two years from the date of this Prospectus, or proposed to be acquired by our Company, or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Other Confirmations

None of our Promoters and the relatives of the Promoters as per the Companies Act, have been identified as wilful defaulters by any financial institution or bank or a consortium thereof in accordance with the guidelines on identification of wilful defaulters prescribed by the RBI. Further, none of our Promoters have been declared as a Fugitive Economic Offender.

None of our Promoters, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Prospectus, in accordance with the SEBI Delisting Regulations or Chapter V of the erstwhile SEBI (Delisting of Equity Shares) Regulations, 2009.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. Our Promoters have not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad.

None of the members forming part of our Promoter Group have been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad.

Our Promoters' equity shareholding in our Company, as on September 30, 2023 is as set forth below:

Sr. No.	Name of Promoter	Total number of Equity Shares	Number of shares held in dematerialised Form	Total shareholding as a % of total number of Equity Shares	Equity Shares pledged or otherwise encumbered	% of Equity Shares pledged with respect to shares owned
1.	Mathew K. Cherian	12,84,52,270	12,84,52,270	57.82	NIL	NIL
2.	Laila Mathew	3,01,48,300	3,01,48,300	13.57	NIL	NIL
3.	Jilu Saju Varghese	400	400	Negligible	NIL	NIL
	Total	**15,86,00,970**	**15,86,00,970**	**71.39**	**NIL**	**NIL**

As on September 30, 2023, our Promoters do not have any preference shareholding of our Company.

RELATED PARTY TRANSACTIONS

For details of the related party transactions of our Company entered during the last three Fiscals i.e., 2023, 2022 and 2021, see "*Financial Statements"* on page 156.

SECTION V - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars
1.	Unaudited Financial Result
2.	Audited Financial Statements as at and for the year ended March 31, 2023
3.	Audited Financial Statements as at and for the year ended March 31, 2022
4.	Audited Financial Statements as at and for the year ended March 31, 2021

S G S & COMPANY
Chartered Accountants

Independent Auditor's limited review report on quarterly and year to date unaudited financial results of the company pursuant to the Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

To,
The Board of Directors
KOSAMATTAM FINANCE LIMITED

1. We have reviewed the accompanying statement of unaudited financial results of KOSAMATTAM FINANCE LIMITED (CIN: U65929KL1987PLC004729) ('the company') for the quarter ended September 30, 2023 and year to date results for the period April 2023 to September 2023 ('the statement') attached herewith, being submitted by the company pursuant to the requirements of Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the regulation').

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34, "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of Interim financial information consist of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Thrissur
Date: 13/11/2023

For SGS & COMPANY,
CHARTERED ACCOUNTANTS
Firm's Registration No. 009889S

13/11/2023
CA. SANJO.N.G., F.C.A, D.I.S.A. (ICAI)
Partner (M.No. 211952)
UDIN: 23211952BGRGDO9939

Regd.Office: Kosamattam City Centre
Floor No. 4th & 5th, T.B Road
Kottayam, Kerala - 686 001

Tel: + 91 481 2586400
Email: info@kosamattam.com
www.kosamattam.com
CIN.U65929KL1987PLC004729

Kosamattam Finance Ltd.

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED SEPTEMBER 30, 2023

(₹ In Lakhs Except Face Value of Shares and EPS)

PARTICULARS	Quarter Ended			Period Ended		
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations						
Interest Income	21,727.54	19,355.11	19,178.65	41,082.65	35,527.58	77,851.56
Fees and commission Income	87.61	98.10	84.03	185.71	175.44	370.65
Total Revenue from operations	**21,815.15**	**19,453.21**	**19,262.68**	**41,268.36**	**35,703.02**	**78,222.21**
Other Income	5.96	95.61	6.40	101.57	11.27	31.87
I. Total Income	**21,821.11**	**19,548.82**	**19,269.08**	**41,369.93**	**35,714.29**	**78,254.08**
Expenses						
Finance Costs	12,648.21	11,905.80	10,409.38	24,554.01	20,503.79	43,330.53
Impairment on financial instruments	(195.83)	274.44	175.80	78.61	714.46	2,806.07
Employee Benefits Expenses	2,757.32	2,401.76	2,577.10	5,159.08	4,923.26	10,329.80
Depreciation, amortization and impairment	723.85	720.09	691.86	1,443.94	1,362.09	2,878.94
Others expenses	1,535.25	894.09	1,071.92	2,429.34	1,803.12	4,372.60
II. Total Expenses	**17,468.80**	**16,196.18**	**14,926.06**	**33,664.98**	**29,306.72**	**63,717.94**
III. Profit/(loss) before tax (I-II)	**4,352.31**	**3,352.64**	**4,343.02**	**7,704.95**	**6,407.57**	**14,536.14**
Tax Expense						
Current Tax	1,067.49	871.69	1,191.18	1,939.18	1,707.32	4,173.41
Deferred Tax	-	-	-	-	-	(342.65)
IV. Total Tax Expense	**1,067.49**	**871.69**	**1,191.18**	**1,939.18**	**1,707.32**	**3,830.76**
V. Profit/(loss) for the period (III-IV)	**3,284.82**	**2,480.95**	**3,151.84**	**5,765.77**	**4,700.25**	**10,705.38**
Other Comprehensive Income						
A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(8.13)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	2.05
Subtotal (A)	**-**	**-**	**-**	**-**	**-**	**(6.08)**
B (i) Items that will be reclassified to profit or loss				-		
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-		-		
Subtotal (B)	-	-		-		
VI. Other Comprehensive Income (A + B)	-	**-**	**-**	**-**	**-**	**(6.08)**
VII. Total Comprehensive Income for the period (V-VI)	**3,284.82**	**2,480.95**	**3,151.84**	**5,765.77**	**4,700.25**	**10,699.30**
VIII. Earnings per equity share						
(Face value of Rs. 10/- each)						
Basic (Rs.)	1.49	1.12	1.45	2.61	2.17	4.94
Diluted (Rs.)	1.49	1.12	1.45	2.61	2.17	4.94

See accompanying notes to the financial statements

Place : Kottayam

Date : November 13, 2023

For Kosamattam Finance Ltd.

Managing Director

STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2023

(₹ In Lakhs)

Sl No.	PARTICULARS	As at	
		September 30, 2023	March 31, 2023
		Unaudited	Audited
I	**ASSETS**		
1	**Financial assets**		
	(a) Cash and cash equivalents	25,853.07	3,772.30
	(b) Bank Balance other than above	42,870.37	33,611.54
	(c) Receivables		
	i) Trade Receivables	113.73	15.76
	ii) Other Receivables	-	-
	(d) Loans	5,07,599.00	4,84,569.06
	(e) Other Financial assets	1,378.45	1,360.33
2	**Non-financial Assets**		
	(a) Current tax assets (net)	793.29	994.75
	(b) Deferred tax assets (net)	1,260.76	1,260.76
	(c) Property, Plant and Equipment	11,914.09	12,015.75
	(d) Capital work in progress	-	-
	(e) Right of use assets	3,806.89	3,909.87
	(f) Other Intangible assets	234.01	253.33
	(g) Other non-financial assets	3,333.88	2,670.68
	TOTAL ASSETS	**5,99,157.54**	**5,44,434.13**
II	**LIABILITIES AND EQUITY**		
	LIABILITIES		
1	**Financial Liabilities**		
	(a) Payables		
	(I) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	25.31	6.94
	(II) Other Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	96.16	96.16
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	65.73	610.73
	(b) Debt Securities	2,42,837.49	2,38,506.31
	(c) Borrowings (other than debt securities)	2,33,821.65	1,93,222.36
	(d) Subordinated Liabilities	32,209.94	30,026.06
	(e) Lease liabilities	4,074.21	4,163.59
	(f) Other Financial liabilities	253.02	301.13
2	**Non-financial Liabilities**		
	(a) Current tax liabilities (net)	-	-
	(b) Provisions	807.94	807.94
	(c) Deferred tax liabilities (net)	-	-
	(d) Other non-financial liabilities	168.50	291.20
3	**Equity**		
	(a) Equity share capital	22,213.95	21,687.93
	(b) Other equity	62,583.64	54,713.78
	TOTAL LIABILITIES AND EQUITY	**5,99,157.54**	**5,44,434.13**

See accompanying notes to the financial statements

Place : Kottayam

Date : November 13, 2023

For Kosamattam Finance Ltd.

Managing Director

(₹ In Lakhs)

STATEMENT OF CASH FLOWS		
PARTICULARS	**As at September 30, 2023**	**As at September 30, 2022**
	Unaudited	**Unaudited**
A) Cash flow from Operating activities		
Profit before tax	7,704.95	6,407.57
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	1,467.58	1,362.09
Interest Income	(41,082.65)	(35,527.58)
Profit on sale of Property, plant and equipment	(1.83)	(1.24)
Finance costs	24,554.01	20,503.79
Impairment on financial instruments	78.25	714.46
Bad debts written off	-	-
Provision for Gratuity	16.63	11.11
Cash inflow from interest on loans	35,710.62	30,180.52
Cash outflow towards finance costs	(23,395.12)	(21,734.89)
Operating Profit Before Working Capital Changes	**5,052.44**	**1,915.83**
Adjustments for:		
(Increase)/Decrease in receivables	(97.97)	0.02
(Increase)/Decrease in Loans	(19,077.99)	(28,288.68)
(Increase)/Decrease in Other financial asset	50.01	0.07
(Increase)/Decrease in Other non-financial asset	(663.21)	(43.06)
Increase/(Decrease) in Other financial liabilities	(48.11)	(252.37)
Increase/(Decrease) in Other non-financial liabilities	(122.70)	5.08
Increase/(Decrease) in Payables	(526.62)	(113.20)
Increase/(Decrease) in Provisions	(16.63)	(11.11)
Cash used in operations	**(15,450.78)**	**(26,787.42)**
Income tax paid (net of refunds)	(1,737.72)	(1,464.53)
Net cash from / (used in) operating activities	**(17,188.50)**	**(28,251.95)**
B) Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets	(373.50)	(453.18)
Proceeds from sale of Property, plant and equipment	2.66	2.79
(Increase) / decrease in other bank balance	(9,258.83)	(4,615.22)
Interest received on fixed deposits	1,273.71	757.23
Net cash from / (used in) investing activities	**(8,355.96)**	**(4,308.38)**
C) Cash flow from Financing activities		
Proceeds from issue of equity share capital (including share premium)	2,630.10	-
Increase / (decrease) in debt securities	4,443.19	21,027.45
Increase / (decrease) in borrowings (other than debt securities)	40,599.29	24,015.81
Cash outflow towards Lease	(1,169.10)	(1,095.01)
Increase / (decrease) in Subordinate liabilities	1,121.75	1,908.50
Net cash from / (used in) financing activities	**47,625.23**	**45,856.75**
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	**22,080.77**	**13,296.42**
Cash and cash equivalents at beginning of the period	3,772.30	7,301.97
Cash and cash equivalents at September 30, 2023/ September 30, 2022	**25,853.07**	**20,598.39**

Place : Kottayam

Date : November 13, 2023

For Kosamattam Finance Ltd.

Managing Director

Notes:-

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 08-11-2023 and 13-11-2023.

2. The Company has adopted Indian Accounting Standards ('Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules from April 01, 2019. The financial statements have been presented in accordance with the format prescribed for Non-Banking Financial Companies under the Companies (Indian Accounting Standards) Rules, 2015 in Division III of Schedule III.

3. In compliance with Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligation and Disclosure Requirements) Regulations, 2015, a "Limited Review" of standalone financial results for the quarter ended September 30, 2023 has been carried out by the Statutory Auditor of the Company.

4. Earnings Per equity Share for the quarter and the comparative period have not been annualized.

5. Other equity includes statutory reserve as per Section 45 IC of Reserve Bank of India Act 1934, Securities Premium, Capital Reserve, Revaluation Reserve, General Reserve, Retained Earnings and Other Comprehensive Income.

6. The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS – 108 dealing with Operating Segments.

7. The figures for the quarter ended September 30, 2023 and September 30, 2022 are the balancing figures between year-to-date figures and quarter ended June 30, 2023 and June 30, 2022 respectively.

8. **Disclosure pursuant to Regulation 54 of Securities and Exchange Board of India (Listing Obligations. And Disclosure Requirements) Regulations, 2015.**

   a) Nature of security created and maintained with respect to secured listed non-convertible debt securities is

   The principal amount of the Secured NCDs allotted in terms of various tranches of public issue of NCDs upto XIIIth tranche, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met.

   The principal amount of the Secured NCDs allotted in terms of XIVth and XVth tranches of public issue of NCDs , together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

   The principal amount of the Secured NCDs allotted in terms of XVIth to XXVIIIth tranches of public issue of NCDs ,together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon.

b) The Company has maintained requisite full 100% asset cover by way of pari passu charge on current assets including book debts, loans and advances, cash and bank balances (not including reserves created in accordance with law) and receivables both present and future of the Company, on its Secured, Listed Non-Convertible Debentures.

9. Information required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as **Annexure I.**

10. The security cover certificate for the period ended September 30, 2023, as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as **Annexure A.**

11. Disclosure as per the notification No.RBI/DOR/2021-22/86. DOR.STR.REC.51/21.04.048/2021-22. September 24, 2021 under Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 relating to the total amount of loans not in default/ stressed loans transferred and acquired to/ from other entities
    a) The company has not transferred through assignment in respect of loans not in default during the year ended September 30, 2023.
    b) The Company has not transferred /acquired any stressed loans during the year ended September 30, 2023.

12. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

13. Previous period /year figures have been regrouped /reclassified wherever necessary to conform to current period/year presentation

For Kosamattam Finance Limited

Mathew K Cherian
Managing Director
DIN: 01286073

Date: November 13, 2023
Place: Kottayam

Regd.Office: Kosamattam City Centre
Floor No. 4th & 5th, T.B Road
Kottayam, Kerala - 686 001

Tel: + 91 481 2586400
Email: info@kosamattam.com
www.kosamattam.com
CIN.U65929KL1987PLC004729

Kosamattam Finance Ltd.

Annexure I

Disclosure in Compliance with Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 for the period ended September 30, 2023

Sl No	Particulars	Note No.	Period ended September 30, 2023
1	Debt-equity ratio	2	6.00
2	Debt service coverage ratio		NA
3	Interest service coverage ratio		NA
4	Outstanding redeemable preference shares (quantity and value)		Nil
5	Capital redemption reserve/debenture redemption reserve		Nil
6	Net worth (Excl. Revaluation Reserve)	3	₹ 84,795.14 lakhs
7	Net profit after tax		₹ 5,765.77 lakhs
8	Earnings per share		
	Basic		2.61
	Diluted		2.61
9	Current Ratio	4	2.27
10	Long Term Debt to Working Capital		0.84
11	Bad debts to Account receivable ratio		NA
12	Current liability Ratio	5	0.48
13	Total debts to total assets	6	0.85
14	Debtors turnover		NA
15	Inventory turnover		NA
16	Operating margin (%)		NA
17	Net profit margin (%)	7	13.97%
18	Sector specific equivalent ratios, as applicable		
	(i) Stage III loan assets to Gross loan assets	8	1.51%
	(ii) Net Stage III loan assets to Gross loan assets	9	0.65%
	(iii) Capital Adequacy Ratio (CRAR)	10	18.02%

**The information furnished is based on Standalone Result*

Notes:

1. The figures/ratios which are not applicable to the company, being an NBFC, are marked as" NA".
2. Debt equity ratio = {Debt securities + Borrowings (Other than debt securities) + Subordinated liabilities}/ {Equity share capital + Other Equity}.
3. Net worth is calculated as defined in Sec 2(57) of the Companies Act 2013.
4. Current Ratio= Current Asset /Current Liability
5. Current liability Ratio= Current Liability/Total Liability
6. Total Debts to Total assets = {Debt securities + Borrowings (Other than debt securities) + Subordinated Liabilities}/ Total Assets.
7. Net Profit Margin (%) = Net Profit After Tax / Total Income.
8. Stage III loan assets to Gross loan assets = Gross NPA / Total Loan.
9. Net Stage III loan assets to Gross loan assets = Net NPA / Total Loan.
10. Capital Adequacy Ratio has been computed as per RBI Guidelines.

For Kosamattam Finance Limited

For Kosamattam Finance Ltd.

Managing Director

Date: November 13, 2023

Place: Kottayam

Annexure A

(₹ in lakhs)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		Exclusive Charge		Pari-Passu Charge			Assets not offered as Security	Elimination (amount in negative)	Total (C to H)	Related to only those items covered by this certificate				
	Description of asset for which this certificate relate	Debt for which this cerficate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari-passu debt holder (Includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items covered in column F)		Debt amount considered more than once (due to exclusive plus pari-passu charge)		Market value for Assets charged on Exclusive basis	Carrying / book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance.DSRA market value is not applicable.)	Market Value for Pari-Passu charge Assets	Carrying value / book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance.DSRA market value is not applicable.)	Total Value (=K+L+M+N)
												Relating to Column F		
		Book Value	Book Value	Yes/No	Book Value	Book Value								
ASSETS														
Property,Plant and Equipment	**Land**	53.44	-	-	-	-	8,220.57	-	8,274.01	80.70	-	-	-	**80.70**
	Building	45.41	-	-	-	-	201.09	-	246.50	57.97	-	-	-	**57.97**
	Furniture & Fixtures	-	-	-	1,129.27	1,080.92	-	-	2,210.19	-	-	-	1,129.27	**1,129.27**
	Electrical Fittings	-	-	-	605.89	-	-	-	605.89	-	-	-	605.89	**605.89**
	Plant and Machinery	-	-	-		-	274.79	-	274.79	-	-	-	-	**-**
	Vehicles	-	-	-	64.56	-	-	-	64.56	-	-	-	64.56	**64.56**
	Computer and Accessories	-	-	-	238.15	-	-	-	238.15	-	-	-	238.15	**238.15**
Capital Work-in-Progress		-	-	-	-	-	-	-	-	-	-	-	-	**-**
Right of Use Assets		-	-	-	-	-	3,806.89	-	3,806.89	-	-	-	-	**-**
Goodwill		-	-	-	-	-	-	-	-	-	-	-	-	**-**
Inatngible Assets under Development		-	-	-	-	-	-	-	-	-	-	-	-	**-**
Investments		-	-	-	-	-		-	-	-	-	-	-	**-**
Loans		-	-	-	5,07,599.00	-	-	-	5,07,599.00	-	-	-	5,07,599.00	**5,07,599.00**
Inventories		-	-	-	-	-		-	-	-	-	-	-	**-**
Trade Receivables		-	-	-	113.73	-	-	-	113.73	-	-	-	113.73	**113.73**
Cash and Cash Equivalents		-	-	-	25,853.07	-	-	-	25,853.07	-	-	-	25,853.07	**25,853.07**
Bank Balances other than Cash and Cash Equivalents		3,640.97	-	-	-	38,948.14	281.26	-	42,870.37	-	3,640.97	-	-	**3,640.97**
Others		-	-	-	-	-	7,000.39	-	7,000.39	-	-	-	-	**-**
Total	-	**3,739.82**	-	-	**5,35,603.67**	**40,029.06**	**19,784.99**	-	**5,99,157.54**	**138.67**	**3,640.97**	-	**5,35,603.67**	**5,39,383.31**

KOSAMATTAM FINANCE LTD.
REGISTERED OFFICE
KOTTAYAM

(₹ in lakhs)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		**Exclusive Charge**		**Pari-Passu Charge**			**Assets not offered as Security**	**Elimination (amount in negative)**	**Total (C to H)**	**Related to only those items covered by this certificate**				
	Description of asset for which this certificate relate	**Debt for which this cerficate being issued**	**Other Secured Debt**	**Debt for which this certificate being issued**	**Assets shared by pari-passu debt holder (Includes debt for which this certificate is issued & other debt with pari-passu charge)**	**Other assets on which there is pari-passu charge (excluding items covered in column F)**		**Debt amount considered more than once (due to exclusive plus pari-passu charge)**		**Market value for Assets charged on Exclusive basis**	**Carrying / book value for exclusive charge assets where market value is not ascertainable or applicable(For Eg. Bank Balance.DSRA market value is not applicable.)**	**Market Value for Pari-Passu charge Assets**	**Carrying value / book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance.DSRA market value is not applicable.)**	**Total Value (=K+L+M+N)**
												Relating to Column F		
		Book Value	**Book Value**	**Yes/No**	**Book Value**	**Book Value**								-
LIABILITIES														
Debt securities to which this certificate pertains	Non - Convertible Debentures	2,42,837.49	-	Yes	2,42,837.49	-	-	(2,42,837.49)	2,42,837.49	-	-	-	-	-
Other debt sharing pari-passu charge with above debt		not to be filled	-		-	-	-	-	-	-	-	-	-	-
Other Debt			-		-	-	-	-	-	-	-	-	-	-
Subordinated Debt			-		-	-	32,209.94	-	32,209.94	-	-	-	-	-
Borrowings			-		-	-		-	-	-	-	-	-	-
Bank			-		2,33,821.65	-	-	-	2,33,821.65	-	-	-	-	-
Debt Securities			-		-	-	-	-	-	-	-	-	-	-
Others			-		-	-	-	-	-	-	-	-	-	-
Trade payables			-		-	-	25.31	-	25.31	-	-	-	-	-
Lease Liabilities			-		-	-	4,074.21	-	4,074.21	-	-	-	-	-
Provisions			-		-	-	807.94	-	807.94	-	-	-	-	-
Others			-		-	-	583.41	-	583.41	-	-	-	-	-
Total		**2,42,837.49**	**-**	**-**	**4,76,659.14**	**-**	**37,700.81**	**(2,42,837.49)**	**5,14,359.95**	**-**	**-**	**-**	**-**	**-**
Cover on Book Value					100%									
Cover on Market Value														
		Exclusive Security Cover Ratio			**Pari-Passu Security Cover Ratio**									
		1.54%			100%									

KOSAMATTAM FINANCE LTD.
REGISTERED OFFICE
KOTTAYAM

Notes:

1. We confirm that the Company has complied with the covenants mentioned in the disclosure documents of the Secured listed non-convertible debentures for the period ended September 30, 2023.

2. The market value of ₹ 80.70 lakhs of the Land and ₹ 57.97 lakhs of the Building is on the basis of certified valuation done on 01 July 2021.

For Kosamattam Finance Limited

Mathew K Cherian
Managing Director
DIN: 01286073

Date: November 13, 2023
Place: Kottayam

S G S & COMPANY
Chartered Accountants

To,
The Board of Directors
KOSAMATTAM FINANCE LIMITED
CIN: U65929KL1987PLC004729
Kottayam.

STATEMENT CERTIFYING THE SECURITY COVER IN RESPECT OF LISTED SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES AS AT SEPTEMBER 30, 2023.

1. This certificate is issued in accordance with the requirements of securities and exchange Board of India (Listing obligation and disclosure requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/MIRSD/ MIRSD_CRADT/ CIR/P/2022/67 dated May 19, 2022 for certifying the value of assets.

Management's responsibility

2. The preparation of the statement is the responsibility of the management of the company including preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the statement and applying an appropriate basis of preparation; and making estimates that are reasonable in these circumstances.

3. The management is also responsible for ensuring adherence that details in the annexure A are correct.

Auditor's Responsibility

4. It is our responsibility to provide reasonable assurance that the details (i.e. Book value of asset) as referred to in "Annexure A" have been correctly extracted from the unaudited book of account and other records produced before us which we have verified on the test check basis.

5. We conducted our examination of the statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143 (10) of the Companies Act 2013. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with relevant applicable requirements of the Standard on Quality Control (SQC)1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

7. Based on the information and explanation provided to us and examination of records of the company including unaudited Books of Account and other relevant documents, we hereby certify that details (i.e, Book value of assets) as referred to in " Annexure A" are true and correct.

Restriction on use

8. This certificate is provided to the Company solely for submission to the Board of Directors, Stock Exchange(s) Debenture trustees and other interested stakeholders. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Given and issued at Thrissur on 13th day of November 2023

For SGS and Company
Chartered accountants
FRN : 009889S
13/11/2023
CA Sanjo N G, FCA, DISA (ICAI)
Partner (M NO.211952)

SGS & COMPANY
H.O.TRICHUR
Br. COCHIN
CALICUT
CHENNAI
CHARTERED ACCOUNTANTS

UDIN: 23211952BGRGDP3728

Date - 13/11/2023
Place -Thrissur

Annexure A

(₹ in lakhs)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		Exclusive Charge		Pari-Passu Charge			Assets not offered as Security	Elimination (amount in negative)	Total (C to H)	Related to only those items covered by this certificate				
	Description of asset for which this certificate relate	Debt for which this cerficate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari-passu debt holder (Includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items covered in column F)		Debt amount considered more than once (due to exclusive plus pari-passu charge)		Market value for Assets charged on Exclusive basis	Carrying / book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance.DSRA market value is not applicable.)	Market Value for Pari-Passu charge Assets	Carrying value / book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance.DSRA market value is not applicable.)	Total Value (=K+L+M+N)
		Book Value	Book Value	Yes/No	Book Value	Book Value						Relating to Column F		
ASSETS														
Property,Plant and Equipment	Land	53.44	-	-	-	-	8,220.57	-	8,274.01	80.70	-	-	-	80.70
	Building	45.41	-	-	-	-	201.09	-	246.50	57.97	-	-	-	57.97
	Furniture & Fixtures	-	-	-	1,129.27	1,080.92	-	-	2,210.19	-	-	-	1,129.27	1,129.27
	Electrical Fittings	-	-	-	605.89	-	-	-	605.89	-	-	-	605.89	605.89
	Plant and Machinery	-	-	-		-	274.79	-	274.79	-	-	-	-	-
	Vehicles	-	-	-	64.56	-	-	-	64.56	-	-	-	64.56	64.56
	Computer and Accessories	-	-	-	238.15	-	-	-	238.15	-	-	-	238.15	238.15
Capital Work-in-Progress		-	-	-	-	-	-	-	-	-	-	-	-	-
Right of Use Assets		-	-	-	-	-	3,806.89	-	3,806.89	-	-	-	-	-
Goodwill		-	-	-	-	-	-	-	-	-	-	-	-	-
Inatngible Assets under Development		-	-	-	-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-		-	-	-	-	-	-	-
Loans		-	-	-	5,07,599.00	-	-	-	5,07,599.00	-	-	-	5,07,599.00	5,07,599.00
Inventories		-	-	-	-	-		-	-	-	-	-	-	-
Trade Receivables		-	-	-	113.73	-	-	-	113.73	-	-	-	113.73	113.73
Cash and Cash Equivalents		-	-	-	25,853.07	-	-	-	25,853.07	-	-	-	25,853.07	25,853.07
Bank Balances other than Cash and Cash Equivalents		3,640.97	-	-	-	38,948.14	281.26	-	42,870.37	-	3,640.97	-	-	3,640.97
Others		-	-	-	-	-	7,000.39	-	7,000.39	-	-	-	-	-
Total	-	3,739.82	-	-	5,35,603.67	40,029.06	19,784.99	-	5,99,157.54	138.67	3,640.97	-	5,35,603.67	5,39,383.31

(₹ in lakhs)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		**Exclusive Charge**		**Pari-Passu Charge**			**Assets not offered as Security**	**Elimination (amount in negative)**	**Total (C to H)**	**Related to only those items covered by this certificate**				
	Description of asset for which this certificate relate	**Debt for which this cerficate being issued**	**Other Secured Debt**	**Debt for which this certificate being issued**	**Assets shared by pari-passu debt holder (Includes debt for which this certificate is issued & other debt with pari-passu charge)**	**Other assets on which there is pari-passu charge (excluding items covered in column F)**		**Debt amount considered more than once (due to exclusive plus pari-passu charge)**		**Market value for Assets charged on Exclusive basis**	**Carrying / book value for exclusive charge assets where market value is not ascertainable or applicable(For Eg. Bank Balance.DSRA market value is not applicable.)**	**Market Value for Pari-Passu charge Assets**	**Carrying value / book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance.DSRA market value is not applicable.)**	**Total Value (=K+L+M+N)**
												Relating to Column F		
		Book Value	**Book Value**	**Yes/No**	**Book Value**	**Book Value**								-
LIABILITIES														
Debt securities to which this certificate pertains	Non - Convertible Debentures	2,42,837.49	-	Yes	2,42,837.49	-	-	(2,42,837.49)	2,42,837.49	-	-	-	-	-
Other debt sharing pari-passu charge with above debt		not to be filled	-		-	-	-	-	-	-	-	-	-	-
Other Debt			-		-	-	-	-	-	-	-	-	-	-
Subordinated Debt			-		-	-	32,209.94	-	32,209.94	-	-	-	-	-
Borrowings			-		-	-		-	-	-	-	-	-	-
Bank			-		2,33,821.65	-	-	-	2,33,821.65	-	-	-	-	-
Debt Securities			-		-	-	-	-	-	-	-	-	-	-
Others			-		-	-	-	-	-	-	-	-	-	-
Trade payables			-		-	-	25.31	-	25.31	-	-	-	-	-
Lease Liabilities			-		-	-	4,074.21	-	4,074.21	-	-	-	-	-
Provisions			-		-	-	807.94	-	807.94	-	-	-	-	-
Others			-		-	-	583.41	-	583.41	-	-	-	-	-
Total		**2,42,837.49**	**-**	**-**	**4,76,659.14**	**-**	**37,700.81**	**(2,42,837.49)**	**5,14,359.95**	**-**	**-**	**-**	**-**	**-**
Cover on Book Value					100%									
Cover on Market Value														
		Exclusive Security Cover Ratio			**Pari-Passu Security Cover Ratio**									
		1.54%			100%									

KOSAMATTAM FINANCE LTD.
REGISTERED OFFICE
KOTTAYAM

SGS & COMPANY
H.O. TRICHUR
Br. COCHIN
CALICUT
CHENNAI
CHARTERED ACCOUNTANTS

Notes:

1. We confirm that the Company has complied with the covenants mentioned in the disclosure documents of the Secured listed non-convertible debentures for the period ended September 30, 2023.

2. The market value of ₹ 80.70 lakhs of the Land and ₹ 57.97 lakhs of the Building is on the basis of certified valuation done on 01 July 2021.

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Br. COCHIN
CALICUT
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For Kosamattam Finance Limited

Mathew K Cherian
Managing Director
DIN: 01286073

Date: November 13, 2023
Place: Kottayam

November 13, 2023

To,

Bombay Stock Exchange
Limited,Phiroze Jeejeebhoy
Tower,
Dalal Street, Fort Mumbai – 400 001

Dear Sir,

Sub.: Disclosure required under Regulation 52(7) of Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015 for the period ended June 30, 2023.

Ref : Regulation 52(7) and 52(7A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 52(7) and Regulation 52 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 and in compliance with SEBI operational Circular SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 we are furnishing herewith Utilization of issue proceeds of non-convertible securities and Statement of deviation/variation in use of Issue proceeds for the quarter ended September 30,2023.

Kindly take the same on record.

For Kosamattam Finance Limited

Mathew K. Cherian
Managing Director
DIN:01286073

Annexure-1

UTILISATION CERTIFICATE

As required by Regulation 52(7) and 52(7A) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015we hereby certify the following:

1. The proceeds of Non-Convertible Debentures issued by the Company till September 30, 2023 have been fully utilized for the purpose for which these proceeds were raised.

2. There is no deviation in the use of proceeds of Non-Convertible Debentures as the same has been utilized as per the objects of the issue.

3. Statement of utilization of NCD XXVIII which has been allotted on 28.09. 2023 is as follows:

Name of the Issuer	ISIN	Mode of Fund Raising (Public issues/ Private placement)	Type of instrument	Date of raising funds	Amount Raised	Funds utilized*	Any deviation (Yes/ No)	If 8 is Yes, then specify the purpose of for which the funds were utilized	Remarks, if any
1	2	3	4	5	6	7	8	9	10
Kosamattam Finance Limited	INE403Q07DO6	Public issue	Secured, Non Convertible Debentures	September 28, 2023	315799000	315799000	No	NA	Nil
Kosamattam Finance Limited	INE403Q07DT5	Public issue	Secured, Non Convertible Debentures	September 28, 2023	124238000	124238000	No	NA	Nil
Kosamattam Finance Limited	INE403Q07DP3	Public issue	Secured, Non Convertible Debentures	September 28, 2023	96626000	96626000	No	NA	Nil
Kosamattam Finance Limited	INE403Q07DU3	Public issue	Secured, Non Convertible Debentures	September 28, 2023	128457000	128457000	No	NA	Nil
Kosamattam Finance Limited	INE403Q07DQ1	Public issue	Secured, Non Convertible Debentures	September 28, 2023	242504000	242504000	No	NA	Nil
Kosamattam Finance Limited	INE403Q07DV1	Public issue	Secured, Non Convertible Debentures	September 28, 2023	883284000	883284000	No	NA	Nil
Kosamattam Finance Limited	INE403Q07DS7	Public issue	Secured, Non Convertible Debentures	September 28, 2023	142937000	142937000	No	NA	Nil
Kosamattam Finance Limited	INE403Q07DR9	Public issue	Secured, Non Convertible Debentures convertible debentures	September 28, 2023	66155000	66155000	No	NA	Nil

*Company has made allotment of Secured NCDs (ISINs INE403Q07DO6, INE403Q07DT5, INE403Q07DP3, INE403Q07DU3, INE403Q07DQ1, INE403Q07DV1, INE403Q07DS7 and INE403Q07DR9) on 28.09.2023 and Company has got ₹ 1,98,33,58,000 from the respective banks as against allotment amount of ₹ 2,00,00,00,000 as on 30.09.2023. Therefore, Company had utilised ₹ 1,98,33,58,000 as on 30.09.2023. The Company has got remaining amount of ₹23,35,66,000 to it's current account on 03.10.2023.

B. Statement of deviation/ variation in use of Issue proceeds:

Particulars	Remarks
Name of listed entity	KOSAMATTAM FINANCE LIMITED
Mode of fund raising	Public issue
Type of instrument	Non-convertible Debentures
Date of raising funds	28.09.2023
Amount raised	200,00,00,000
Report filed for quarter ended	September 30,2023
Is there a deviation/ variation in use of funds raised?	No
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	Na
If Yes, details of the approval so require?	Na
Date of approval	Na
Explanation for the deviation/ variation	Na
Comments of the audit committee after review	Na
Comments of the auditors, if any	Na

Objects for which funds have been raised and where there has been a deviation/ variation, in the following table:

Original Object	Modified Object, if any	Original allocation	Modified allocation, if any	Funds Utilised	Amount of Deviation/ Variation for the half year according to applicable object (INR crores and in %)	Remarks, if any
Not Applicable						

Deviation could mean:

a) Deviation in the objects or purposes for which the funds have been raised
b) Deviation in the amount of funds actually utilized as against what was originally disclosed.

For Kosamattam Finance Limited

Mathew K. Cherian
Managing Director
DIN:01286073

₹ in Lakhs

Disclosure of related party transactions under Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period 01.04.2023 to 30.09.2023

Sl. No.											Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.							
	Details of the party (listed entity /subsidiary) entering into the transaction		Details of the counterparty			Type of related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments				
	Name	PAN	Name	PAN	Relationship of the Counterparty with the listed entity or its subsidiary.				Opening Balance	Closing Balance	Nature of indebtedness (loan/issuance of debt/ any other etc.	Cost	Tenure	Nature(loans/advances/ inter-corporate deposit/ investment	Interest Rate(%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds(end-usage)
								Half year Ended Sept 30, 2023	Half year Ended Sept 30, 2023									
1	Kosamattam Finance Limited	AACCK4277A	Mathew K. Cherian	ABUPC1286H	Managing Director	Remuneration and Commission	NA	195.00	-	-								
2	Kosamattam Finance Limited	AACCK4277A	Laila Mathew	AEDPM1526Q	Whole Time Director	Remuneration and Commission	NA	183.00	-	-								
3	Kosamattam Finance Limited	AACCK4277A	Sreenath P.	DNSPS4260L	Company Secretary	Remuneration	NA	6.21	-	-								
4	Kosamattam Finance Limited	AACCK4277A	Annamma Varghese C.	AGMPA8219M	Chief Financial Officer	Remuneration	NA	4.80	-	-								
5	Kosamattam Finance Limited	AACCK4277A	Sebastian Kurian	ASJPK4181D	Independent Director	Sitting Fees	NA	0.70	-	-								
6	Kosamattam Finance Limited	AACCK4277A	C. Thomas John		Independent Director	Sitting Fees	NA	-	-	-								
7	Kosamattam Finance Limited	AACCK4277A	Paul Jose Maliakal		Independent Director	Sitting Fees	NA	-	-	-								
8	Kosamattam Finance Limited	AACCK4277A	Milu Mathew	ABMPH2003D	Relative to KMP	Related Party Appointment to the office or place of profit.	NA	2.61	-	-								
9	Kosamattam Finance Limited	AACCK4277A	Saju Varghese John	AUIPS4471P	Relative to KMP	Remuneration	NA	1.80	-	-								
10	Kosamattam Finance Limited	AACCK4277A	George Thomas	ABZPT5449E	Relative to KMP	Remuneration	NA	3.81	-	-								
11	Kosamattam Finance Limited	AACCK4277A	Sreenath P.	DNSPS4260L	Company Secretary	Interest on Listed NCD	NA	0.01	-	-								
12	Kosamattam Finance Limited	AACCK4277A	George Thomas	ABZPT5449E	Relative to KMP	Interest on Listed NCD	NA	4.61	-	-								
13	Kosamattam Finance Limited	AACCK4277A	Milu Mathew	ABMPH2003D	Relative to KMP	Interest on Listed NCD	NA	1.61	-	-								
14	Kosamattam Finance Limited	AACCK4277A	Bala Mathew	CJJPM9776K	Relative to KMP	Interest on Listed NCD	NA	0.45	-	-								
15	Kosamattam Finance Limited	AACCK4277A	Saju Varghese	AUIPS4471P	Relative to KMP	Interest on Listed NCD	NA	0.43	-	-								
16	Kosamattam Finance Limited	AACCK4277A	Tom George Kavalam	ATUPK3601L	Relative to KMP	Interest on Listed NCD	NA	1.19	-	-								
17	Kosamattam Finance Limited	AACCK4277A	Sreekanth P.	DCYPS7649J	Relative to KMP	Interest on Listed NCD	NA	0.53	-	-								
18	Kosamattam Finance Limited	AACCK4277A	Gija Joy	BNUPJ6240B	Relative to KMP	Interest on Listed NCD	NA	0.22	-	-								
19	Kosamattam Finance Limited	AACCK4277A	Annamma Varghese C.	AGMPA8219M	Chief Financial Officer	Interest on Listed NCD	NA	0.00	-	-								
20	Kosamattam Finance Limited	AACCK4277A	Sreekanth P.	DCYPS7649J	Relative to KMP	Maturity of Non- Convertible debentures	NA	0.40	-	-								
21	Kosamattam Finance Limited	AACCK4277A	Annamma Varghese C.	AGMPA8219M	Chief Financial Officer	Purchase of Non- Convertible debentures	NA	1.05	-	-								
22	Kosamattam Finance Limited	AACCK4277A	George Thomas	ABZPT5449E	Relative to KMP	Purchase of Non- Convertible debentures	NA	10.00	-	-								
23	Kosamattam Finance Limited	AACCK4277A	Mathew K. Cherian	ABUPC1286H	Managing Director	Rent to Managing Director	NA	65.06	-	-								
24	Kosamattam Finance Limited	AACCK4277A	Mathew K. Cherian	ABUPC1286H	Managing Director	Rent Deposit Given	NA	-	60.77	60.77								
25	Kosamattam Finance Limited	AACCK4277A	Milu Mathew	ABMPH2003D	Relative to KMP	Repayment of loan	12,50,00,000.00	-	700.00	700.00				Loan	12%	36 Months	Secured	investing in family business
26	Kosamattam Finance Limited	AACCK4277A	Milu Mathew	ABMPH2003D	Relative to KMP	Interest Received on loan	NA	42.35	-	-								
27	Kosamattam Finance Limited	AACCK4277A	Kosamattam Security System	AAMFK1757C	Group entity	Received Services & Purchse of Fixed Assets	NA	73.92	19.98	58.86								
28	Kosamattam Finance Limited	AACCK4277A	Kosamattam Security System	AAMFK1757C	Group entity	Advance towards purchase of security system and acquiring services including AMC	NA	112.80	-	-	Advance	0	Nil					

For Kosamattam Finance Limited

Mathew K. Cherian
Managing Director
DIN: 01286073

INDEPENDENT AUDITORS' REPORT

To The Members of,
Kosamattam Finance Limited

CIN: U65929KL1987PLC004729

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Kosamattam Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, Statement of Cash flows for the year then ended, and notes to the Financial Statements including a summary of significant accounting policies and other explanatory information ("Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current financial year ended 31.3.2023. These matters were addressed in the context of our audit of the Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Financial Statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Financial Statements.

Key Audit Matters	**Audit Procedures adopted**
1. Interest Income on Gold Loans: Interest on Gold Loan is based on the various gold loan schemes launched by the Company. The calculation of interest on gold loans is as per the applicable schemes, which specifies interest and penal interest for delayed payments. Due to huge number of schemes and involvement of complex calculation, we have considered this as Key Audit Matter. (Reference to Note 23, read with Statement of Accounting Polices Note 3.1 to the Financial Statements)	We assessed the Company's process on interest income computation. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: Since the entire interest computation is system driven, we • Evaluated the design of internal controls relating to interest income computation. • Selected a sample of continuing and new gold loan schemes and tested the operating effectiveness of the internal control, relating to interest income computation. We carried out a combination of procedures involving inquiry and observation, inspection of evidence in respect of operation of these controls. • Performed analytical procedures and test of detail procedures for testing the accuracy of the revenue recorded. • Tested the relevant information technology systems' access and change management controls relating to interest income computation and related information used in interest computation. • Obtained the list of modifications made in the interest scheme master during the year and test checked the same on sample basis.
2. Allowances for expected credit losses ('ECL'): As at 31 March 2023, significant judgement is used in classifying loan assets and applying appropriate measurement principles. ECL on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes of the financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: Qualitative and quantitative factors used in	We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ('ECL Model') that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost. Additionally, we have confirmed that adjustments to the output of the ECL Model are consistent with the documented rationale and basis for such adjustments and that the amount

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CHARTERED ACCOUNTANTS

staging the loan assets measured at amortised cost; • Basis used for estimating probabilities of default ('PD'), loss given default ('LGD') and exposure at default ('EAD') at product level with past trends; • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and • Adjustments to model driven ECL results to address emerging trends. Hence, we have considered the estimation of ECL as a Key Audit Matter. (Reference to Note 7 and Note 27, read with Statement of Accounting Policies Note 3.6 to the Financial Statements)	of adjustments has been approved by the Audit Committee of the Board of Directors. Our audit procedures related to the allowance for ECL included the following, among others: • Assessed the accounting policy for impairment of financial assets and its compliance with Ind AS 109. • Obtained an understanding of the Company's Expected Credit Loss (ECL) calculation and the underlying assumptions. • Tested the key controls over the assessment and identification of significant increase in credit risk and staging of assets. • Sample testing of the accuracy and appropriateness of information used in the estimation of Probability of Default (PD) and Loss Given Default (LGD). • Tested the arithmetical accuracy of the computation of PD and LGD and also performed analytical procedures to verify the reasonableness of the computation. • Assessed the disclosure made in relation to Ind AS 109 for ECL allowance. Further, we also assessed whether the disclosure of key judgements and assumptions are adequate.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Financial Statements and our Auditors' Report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of the Financial Statements that give a true and fair view of the financial position,

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financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standard (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis for accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these Financial Statements.

As part of an audit in accordance with standards on auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial Statements in place and operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 2016, issued by the Reserve Bank of India, in exercise of the powers conferred by sub-section (1A) of Section 45MA of the Reserve Bank of India Act, 1934, we give in the "Annexure 1", an additional Audit Report addressed to the Board of Directors containing our statements on the matters specified therein.

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

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

d. In our opinion, the aforesaid Financial Statements comply with the Ind AS prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e. On the basis of the written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to explanations given to us:

    i. The company has disclosed the impact of pending litigations on its financial position in its Financial Statements. Refer Note 37 to the Financial Statements.

    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company.

    iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

    (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trial (edit log) facility applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

3. As required by the Companies (Auditor's Report) Order, 2020 (the "Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure 3" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For S G S & Company
Chartered Accountants
Firm registration No: 009889S

27/5/2023

CA Sanjo NG , FCA, DISA (ICAI)
Partner
Membership No: 211952
UDIN: 23211952BGRFYN5377

Place: Thrissur
Date: 27th May, 2023

ANNEXURE 1 TO THE AUDITOR'S REPORT

To the Board of Directors of,

Kosamattam Finance Limited

CIN: U65929KL1987PLC004729

We have audited the Balance Sheet of Kosamattam Finance Limited for the year ended on March 31, 2023, the Statement of Profit and Loss (Including Other Comprehensive Income), the statement of changes in equity and the Statement of Cash Flows for the year then ended annexed thereto. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016, and according to the information and explanations given to us, we provide herewith, a statement on the matters specified in paragraphs 3 and 4 of the aforesaid directions;

i. The company is engaged in the business of Non-Banking Financial Institution and it has obtained the certificate of registration as provided in section 45-IA of the RBI Act, 1934.

ii. The Company is entitled to continue to hold the Certificate of Registration in terms of the Asset/Income pattern as on March 31, 2023.

iii. The company is meeting the requirements of net owned funds as laid down in Master Directions Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016.

iv. The Board of Directors of the Company has passed a resolution for non-acceptance of public deposit.

v. The Company has not accepted any public deposit during the period under review.

vi. According to the information and explanation given to us, the Company has complied with the prudential norms on Income Recognition, Indian Accounting Standards, Asset Classification, Provisioning for bad and doubtful debts as specified in the direction issued by the Reserve Bank of India in terms of the Master Direction – Non-Banking Financial Company –Systemically Important Non-Deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016.

vii. The capital adequacy ratio as disclosed in the return submitted to RBI in terms of Master Direction – Non-Banking Financial Company – Systemically Important Non- deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016, has been correctly arrived at and such ratio is in compliance with the minimum CRAR as prescribed by the Reserve Bank of India.

viii. The Company has furnished to RBI the annual statement of Capital Fund, risk assets/Exposures and risk assets ratio within the stipulated period

ix. The Company has not been classified as NBFC-MFI for the year ended March 31, 2023.

SGS & COMPANY
H.O TRICHUR
Br COCHIN
CALICUT
CHENNAI
CHARTERED ACCOUNTANTS

The report has been issued pursuant to the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016 and is issued to the Board of Directors of the Company as required by Paragraph 2 of such directions and should not be used for any other purpose.

For S G S & Company
Chartered Accountants
Firm registration No: 009889S

SGS & COMPANY
H.O. TRICHUR
Br. COCHIN
CALICUT
CHENNAI
CHARTERED ACCOUNTANTS

27/5/2023

CA Sanjo N G, FCA, DISA (ICAI)
Partner
Membership No :211952
UDIN: 23211952BGRFYN5377

Place: Thrissur
Date: 27th May, 2023

Annexure 2 to the Independent Auditor's Report of even date on the Financial Statements of Kosamattam Finance Limited (CIN: U65929KL1987PLC004729) for the year ended 31 March 2023.

(Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal financial controls with reference to the Financial Statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act 2013 ("the Act")

We have audited the internal financial controls with reference to the Financial Statements of Kosamattam Finance Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of the internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Financial Statements issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the" Guidance Note") issued by The Institute of Chartered Accountants of India and the standards on auditing prescribed under section 143(10) of the Companies act 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the Financial Statements, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Financial Statements.

SGS & COMPANY CHARTERED ACCOUNTANTS
H.O. TRICHUR
Br. COCHIN
CALICUT
CHENNAI

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of the Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and the dispositions of the assets of the Company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of the Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to be best of our information and according to the explanations given to us, the Company has, broadly, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2023, based on the internal control with reference to Financial Statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S G S & Company
Chartered Accountants
Firm registration No: 009889S

H.O. TRICHUR
Br. COCHIN
CALICUT
CHENNAI

27/5/2023

CA Sanjo N G, FCA, DISA (ICAI)
Partner
Membership No :211952
UDIN: 23211952BGRFYN5377

Place: Thrissur
Date : 27th May, 2023

Annexure "3" to the independent Auditor's Report*

(Referred to in paragraph 3 under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Kosamattam Finance Private Limited (CIN: U65929KL1987PLC004729))

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and as per the information and explanation provided to us, we give a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

i. In respect of the Company's property, plant and equipment and intangible assets:

a) (A) The company has maintained proper records showing full particulars, including quantitative details and situations of property, plant and equipment and relevant details of right-of use assets.

(B) The company has maintained proper records showing full particulars of intangible assets.

b) The Property, plant and equipment were physically verified during the year by the management, in accordance with a regular programme of verification, which in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals; no material discrepancies were noticed on such verification.

c) Based on the examination of the documents provided to us, we report that, the title deeds of all the immovable properties (other than immovable properties where the company is the lessee and the lease agreements are duly executed in favour of the Company), disclosed in the financial statements included in property, plant and equipment are held in the name of the company as at the balance sheet date.

d) The company has not revalued its property, plant and equipment (including Right of Use assets) or intangible assets or both during the year.

e) No proceedings have been initiated during the year or are pending against the company as at 31-03-2023 for holding any benami property under the benami transactions (Prohibition) Act, 1988 (as amended in 2016) and Rules made there under.

ii.

a) The company is a service company, primarily rendering financial services. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) (a) of the order is not applicable.

b) Based on the information and explanation given to us, the company has been sanctioned working capital limits in excess of Rs.5 crores in aggregate, from banks and financial institutions on the basis of security of current asset during the year; the periodic statements filed by the company with such banks and financial institutions are in agreement with the books of account of the company.

iii.

a) Since the Company's principal business is to give loans, the provisions of clause 3(iii) (a) of the order are not applicable to it.

b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinions that the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the company's interest.

c) The Company, being a Non-Banking Financial Company ("NBFC"), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayment of Principal and payment of interest by its borrowers as stipulated. In cases where repayment of principal or payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting.

d) See note c above.

e) The company being an NBFC whose principal business is to give loans is exempt from clause 3(iii) (e) of the Order.

f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying the terms or period of repayment during the year.

iv. In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the company has complied with the provision of sections 185 and 186 of the Companies Act, 2013 with respect to loans and advances granted, guarantees and securities provided and investments made by the company during the year.

v. The company has not accepted any deposits from the public or amounts which are deemed to be deposits during the year which attract the directives issued by the Reserve Bank of India. Being a Non- Banking Finance Company, registered with Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under regarding acceptance of deposits are not applicable. Therefore, the reporting requirement under clause (v) of paragraph 3 of the order is not applicable.

vi. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the act for any of the services rendered by the company.

vii.

a) as per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Services Tax, Duty of customs, Cess and any other material statutory dues, as applicable to the Company, to the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed statutory dues payables in respect of Provident Fund, Employee's State Insurance, Income Tax, Goods and Services Tax, Duty of customs, Cess and any other material statutory dues were outstanding as at March 31,2023, for a period of more than six months from the date they become payable.

SGS & COMPANY CHARTERED ACCOUNTANTS

b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which not been deposited on account of any dispute except the amounts disclosed in Note No.37 Contingent Liabilities forming part of the Financial Statements.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).

ix.

a) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, the company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) As represented, the Company has not been declared as a wilful defaulter by any bank or financial institutions or any other government authority.

c) In our opinion and according to the information and explanations given to us, the company has utilized money obtained by way of term loans during the year for the purposes for which they were obtained, except for temporary deployment of surplus funds.

d) According to the information and explanations given to us, the procedures performed by us, on an overall examination of the financial statements of the company and further considering the Asset Liability Management mechanism of the Company, we report that no funds raised on a short term basis have been used for long term purposes by the company.

e) The company does not hold any investment in any subsidiary, associates or joint ventures (as defined under the Companies Act, 2013) during the year ended 31 March 2023.Accordingly, clause 3(ix)(e) is not applicable.

f) The company does not hold any investment in any subsidiary, associates or joint ventures (as defined under the Companies Act, 2013) during the year ended 31 March 2023.Accordingly, clause 3 (ix) (f) is not applicable.

x.

a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the company has not raised monies by way of initial public offer/further public offer except for the public offer of debt instruments.

According to the information and explanations provided to us and the records of the Company examined by us, the monies raised by way of public offer of debt instruments during the year were applied for the purposes for which those were raised.

b) According to the information and explanations given to us, the Company has not made any preferential allotment/private placement of shares or convertible debentures (fully/partially/optionally convertible) during the year under review and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi.

a) To the best of our knowledge and according to the information and explanations given to us, instances of fraud on the company has been noticed, amounting to Rs 41.23 lakhs as per the FMR reports to RBI on various dates, in 12 branches during the current year. No fraud by the Company has been noticed or reported during the year, nor have we been informed of any such instance by Management.

SGS & COMPANY CHARTERED ACCOUNTANTS
H.O. TRICHUR
Br. COCHIN
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b) No report under sub-section (12) of section 143 of the Companies Act has been filed in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year by the Statutory Auditors and up to the date of this report.

c) As represented to us by the Management, there were no whistle blower complaints received by the company during the year.

xii. The company is not a Nidhi Company and hence reporting under clause (xii) of the order is not applicable.

xiii. In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv.

a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered, during the course of our audit, the reports of the Internal Auditors for the period under audit in accordance with the guidance provided in SA 610 "Using the work of Internal Auditor"

xv. In our opinion, during the year Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi.

a) In our opinion and according to the information and explanations given to us, the company is required to obtain the registration under section 45-IA of the Reserve Bank of India Act, 1924 and the necessary registration has been duly obtained.

b) In our opinion, the company has conducted Non –Banking Financial activities with valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c) In our opinion, according to the information and explanations given to us, the company is not a Core Investment Company and hence clause xvi(c) of the order is not applicable to the Company.

d) As per the information and explanations given to us, there are no Core Investment Companies as defined in the regulations made by the Reserve Bank of India as part of its group and hence the reporting requirements under clause 3(xvi)(d) of the Order are not applicable.

xvii. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of Statutory Auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx.

a) There are no unspent amounts towards Corporate Social Responsibility (CSR) other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b) According to the information and explanations given to us, there are no unspent amounts on ongoing projects which require to be transferred to a special account in compliance with 135(6) of the Companies Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For S G S & Company
Chartered Accountants
Firm registration No: 009889S

27/5/2023

CA Sanjo N G, FCA, DISA (ICAI)
Partner
Membership No :211952
UDIN: 23211952BGRFYN5377

Place: Thrissur
Date: 27th May, 2023

H.O TRICHUR
Br COCHIN
CALICUT
CHENNAI

BALANCE SHEET

AS AT MARCH 31, 2023

Currency: ₹ in Lakhs

Particulars	Note No.	As at March 31,	
		2023	2022
I. ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	5.1	3,772.30	7,301.97
(b) Bank Balance other than (a) above	5.2	33,611.54	26,838.69
(c) Receivables			
(I) Trade receivables	6.1	15.76	14.08
(II) Other receivables	6.2	-	69.50
(d) Loans	7	4,84,569.06	4,00,725.00
(e) Other financial assets	8	1,360.33	1,338.45
(2) Non-financial assets			
(a) Current tax assets (net)	9	994.75	1,562.56
(b) Deferred tax assets (net)	31.1	1,260.76	916.06
(c) Property, plant and equipment	10	12,015.75	12,168.48
(d) Capital Work in Progress	10.1	-	36.49
(e) Right of use assets	11	3,909.87	3,720.70
(f) Other intangible assets	12	253.33	234.07
(g) Other non-financial assets	13	2,670.68	1,963.07
Total Assets		**5,44,434.13**	**4,56,889.12**
II. LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables			
(I) Trade payables	14.1		
(i) total outstanding dues of micro-enterprises and small enterprises		-	113.61
(ii) total outstanding dues of creditors other than micro-enterprises and small enterprises		6.94	127.09
(II) Other payables	14.2		
(i) total outstanding dues of micro enterprises and small enterprises		96.16	1.77
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		610.73	142.90
(b) Debt securities	15	2,38,506.31	2,23,564.73
(c) Borrowings (other than debt securities)	16	1,93,222.36	1,31,944.31
(d) Subordinated liabilities	17	30,026.06	30,014.98
(e) Lease liabilities	11.1	4,163.59	3,911.13
(f) Other financial liabilities	18	301.13	400.98
(2) Non-financial liabilities			
(a) Provisions	19	807.94	726.95
(b) Other non-financial liabilities	20	291.20	238.25
(3) Equity			
(a) Equity share capital	21	21,687.93	21,687.93
(b) Other equity	22	54,713.78	44,014.49
Total Liabilities and Equity		**5,44,434.13**	**4,56,889.12**

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

As per our report of even date attached

Laila Mathew

Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Laila Mathew
Whole-time Director
DIN: 01286176

For SGS & Company
Chartered Accountants
Firm Reg No. 009889S

Annamma Varghese C
Chief Financial Officer

Sreenath Palakkattillam
Company Secretary

CA Sanjo N.G, F.C.A., D.I.S.A. (ICAI)
Partner
Membership No. 211952
UDIN: 23211952BGRFYN5377

Place: Kottayam
Date: May 27, 2023

REGISTERED OFFICE KOTTAYAM

H.O TRICHUR
Br. COCHIN
CALICUT
CHENNAI

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

Currency: ₹ in Lakhs

Particulars	Note No.	Year ended March 31,	
		2023	2022
Revenue from operations			
(a) Interest income	23	77,851.56	62,126.39
(b) Fees and commission income	24	370.65	338.26
(I) Total Revenue from operations		**78,222.21**	**62,464.65**
(II) Other Income, net	25	31.87	14.08
(III) Total Income (I + II)		**78,254.08**	**62,478.73**
Expenses			
(a) Finance costs	26	43,330.53	36,915.29
(b) Impairment on financial instruments	27	2,806.07	569.59
(c) Employee benefits expenses	28	10,329.80	8,358.88
(d) Depreciation, amortization and impairment	29	2,878.94	2,723.27
(e) Other expenses	30	4,372.60	3,186.47
(IV) Total Expenses		**63,717.94**	**51,753.50**
(V) Profit/(loss) before tax (III- IV)		**14,536.14**	**10,725.23**
Tax Expense:	31		
(a) Current tax		4,173.41	2,762.33
(b) Deferred tax		(342.65)	(36.76)
(c) Income Tax relating to earlier years		-	-
VI) Total Tax Expenses		**3,830.76**	**2,725.57**
(VII) Profit/ (loss) for the period (V-VI)		**10,705.38**	**7,999.66**
Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		(8.13)	(143.78)
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.05	36.19
Subtotal (A)		**(6.08)**	**(107.59)**
B) (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
(VIII) Other Comprehensive Income (A + B)		**(6.08)**	**(107.59)**
(IX) Total Comprehensive Income for the period (VII+VIII)		**10,699.30**	**7,892.07**
(X) Earnings per equity share (for continuing operations)	32		
(Face value of ₹10/- each)			
Basic (₹)		4.94	3.83
Diluted (₹)		4.94	3.83

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

As per our report of even date attached

Laila Mathew

Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Laila Mathew
Whole-time Director
DIN: 01286176

For SGS & Company
Chartered Accountants
Firm Reg No. 009889S

Annamma.

Sreenath P

Annamma Varghese C
Chief Financial Officer

Sreenath Palakkattillam
Company Secretary

CA Sanjo N.G, F.C.A., D.I.S.A. (ICAI)
Partner
Membership No. 211952
UDIN: 23211952BGRFYN5377

Place: Kottayam
Date: May 27, 2023

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A) Cash flow from operating activities		
Profit before tax	14,536.14	10,725.23
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	2,937.50	2,792.37
Interest Income	(77,851.56)	(62,126.39)
Profit on sale of Property, plant, and equipment	(3.34)	(0.78)
Finance costs	43,330.53	36,915.29
Impairment on financial instruments	2,781.27	466.73
Bad debts written off	-	0.67
Provision for Gratuity	126.13	61.33
Cash inflow from interest on loans	67,851.00	58,619.14
Cash outflow towards finance costs	(44,732.42)	(30,646.62)
Operating Profit Before Working Capital Changes	**8,975.25**	**16,806.97**
Adjustments for:		
(Increase)/Decrease in other receivables	67.82	(53.88)
(Increase)/Decrease in Loans	(78,331.97)	(51,386.10)
(Increase)/Decrease in Other financial assets	88.78	23.18
(Increase)/Decrease in Other non-financial asset	(707.61)	(496.44)
Increase/(Decrease) in Other financial liabilities	(99.86)	242.16
Increase/(Decrease) in Other non-financial liabilities	52.94	81.59
Increase/(Decrease) in Payables	328.46	20.97
Increase/(Decrease) in Provisions	(53.27)	90.78
Cash used in operations	**(69,679.46)**	**(34,670.77)**
Income tax paid (net of refunds)	(3,605.61)	(3,229.16)
Net cash from / (used in) operating activities	**(73,285.07)**	**(37,899.93)**
B) Cash flow from investing activities		
Purchase of Property, plant, and equipment and intangible assets	(1,258.78)	(974.25)
Proceeds from sale of property, plant, and equipment's	355.57	1.48
(Increase) / decrease in other bank balance	(6,772.85)	(9,353.04)
Interest received on fixed deposits	1,596.55	1,425.23
Net cash from / (used in) investing activities	**(6,079.51)**	**(8,900.58)**
C) Cash flow from financing activities		
Proceeds from issue of equity share capital (including share premium)	-	5,751.50
Increase / (decrease) in debt securities	17,529.60	(10,765.88)
Increase / (decrease) in borrowings (other than debt securities)	61,278.06	46,683.29
Cash outflow towards Lease	(2,252.66)	(2,087.37)
Increase / (decrease) in Subordinate liabilities	(720.09)	(1,837.92)
Net cash from / (used in) financing activities	**75,834.91**	**37,743.62**
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(3,529.67)**	**(9,056.89)**
Cash and cash equivalents at beginning of the period	7,301.97	16,358.86
Cash and cash equivalents at March 31, 2023/ March 31, 2022 (Refer note 5.1)	**3,772.30**	**7,301.97**

The above Statement of cash flow has been prepared under the indirect method set out in Ind-AS 7 - Statement of Cash Flow.

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

As per our report of even date attached

Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Laila Mathew
Whole-time Director
DIN: 01286176

For SGS & Company
Chartered Accountants
Firm Reg No. 009889S

Annamma Varghese C
Chief Financial Officer

Sreenath Palakkattillam
Company Secretary

CA Sanjo N.G, F.C.A., D.I.S.A. (ICAI)
Partner
Membership No. 211952
UDIN: 23211952BGRFYN5377

Place: Kottayam
Date: May 27, 2023

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

A. Equity Share Capital

Equity shares of ₹10/- each issued, subscribed and fully paid

(1) Current Reporting Period

Currency: ₹ in Lakhs

Balance as at April 01, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2023
21,687.93	-	21,687.93	-	21,687.93

(2) Previous Reporting Period

Currency: ₹ in Lakhs

Balance as at April 01, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2022
20,250.05	-	20,250.05	1,437.88	21,687.93

B. Other Equity

(1) Current Reporting Period

Currency: ₹ in Lakhs

	Reserves and Surplus								
Particulars	Capital Reserve	Securities Premium	Reserve Fund U/S 45-IC (1) of RBI Act, 1934*	Impairment Reserve	General Reserve	Retained Earnings	Revaluation Surplus	Other items of Other Comprehensive Income (Re measurement of defined benefit plans))	Total
Balance as at April 01, 2022	**9.07**	**7,068.66**	**8,279.52**	**4,088.74**	**11,660.97**	**12,992.36**	**2.86**	**(87.69)**	**44,014.49**
Changes in accounting policy or prior period errors	-								-
Restated balance at the beginning of the current reporting period	9.07	7,068.66	8,279.52	4,088.74	11,660.97	12,992.36	2.86	(87.69)	44,014.49
Total Comprehensive Income for the current year	-							(6.08)	(6.08)
Dividends	-	-	-	-	-	-	-	-	-
Transfer to/(from) Retained earnings			2,141.07	(4,088.74)	-	1,948.08	(0.41)		
Shares issued on rights issue basis	-	-	-	-	-	-	-	-	-
Profit for the year (net of taxes)	-					10,705.38			10,705.38
Balance as at March 31, 2023	**9.07**	**7,068.66**	**10,420.59**	-	**11,660.97**	**25,645.81**	**2.45**	**(93.77)**	**54,713.78**

(2) Previous Reporting Period

Currency: ₹ in Lakhs

Particulars	Reserves and Surplus								
	Capital Reserve	Securities Premium	Reserve Fund U/S 45-IC (1) of RBI Act, 1934*	Impairment Reserve	General Reserve	Retained Earnings	Revaluation Surplus	Other items of Other Comprehensive Income (Re measurement of defined benefit plans))	Total
Balance as at April 01, 2021	**9.07**	**2,755.03**	**6,679.58**	**3,403.13**	**11,660.97**	**7,278.25**	**2.86**	**19.91**	**31,808.80**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	9.07	2,755.03	6,679.58	3,403.13	11,660.97	7,278.25	2.86	19.91	31,808.80
Total Comprehensive Income for the previous year	-	-	-	-	-	-	-	(107.60)	(107.60)
Dividends	-	-	-	-	-	-	-	-	-
Transfer to/(from) Retained earnings	-	-	1,599.94	685.61	-	(2,285.55)	-	-	-
Shares issued on rights issue basis	-	4,313.63	-	-	-	-	-	-	4,313.63
Profit for the year (net of taxes)	-	-	-	-	-	7,999.66	-	-	7,999.66
Balance as at March 31, 2022	**9.07**	**7,068.66**	**8,279.52**	**4,088.74**	**11,660.97**	**12,992.36**	**2.86**	**(87.69)**	**44,014.49**

*As required by section 45-IC of the RBI Act 1934, the Company maintains a reserve fund and transfers there in a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared. The Company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date, RBI has not specified any purpose for the appropriation of Reserve fund maintained under section 45-IC of RBI Act, 1934.

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Laila Mathew

Laila Mathew
Whole-time Director
DIN: 01286176

Annamma Varghese C
Chief Financial Officer

Sreenath Palakkattillam
Company Secretary

Place: Kottayam
Date: May 27, 2023

As per our report of even date attached

For SGS & Company
Chartered Accountants
Firm Reg No. 009889S

CA Sanjo N.G, F.C.A., D.I.S.A. (ICAI)
Partner
Membership No. 211952
UDIN:23211952BGRFYN5377

1 Corporate Information

Kosamattam Finance Limited is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its debt securities are listed on the Bombay Stock Exchange. The Company had been primarily incorporated as a Private Limited Company and converted into a Public Limited Company on November 22, 2013.

The Company is a Non-Banking Finance Company ('NBFC'), which provides a wide range of fund-based and fee-based services including gold loans, money exchange facilities, etc. The Company is a Systemically Important Non-Deposit Taking Non-Banking Financial Company Registered under Sec 45IA of RBI Act. The Company currently operates through 986 branches spread across the country.

The registration details are as follows:

RBI	**B-16.00117**
Corporate Identity Number (CIN)	**U65929KL1987PLC004729**

The financial statements of the Company for the year ended March 31, 2023, were approved for issue in accordance with the resolution of the Board of Directors on May 27, 2023.

2 Basis of preparation and presentation

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements may require further adjustments, if any, necessitated by the guidelines/clarifications/directions issued in future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

i) Fair value through other comprehensive income (FVOCI) instruments,
ii) Other financial assets held for trading,
iii) Financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.3 Presentation of Financial Statements

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when there is an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event and the parties intend to settle on a net basis

2.4 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest lakhs, except when otherwise indicated.

2.5 New Accounting Standards those are issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

- Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements

3 Significant accounting policies

3.1 Recognition of interest income

The Company recognizes interest income by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

For purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

For other credit-impaired financial assets, the Company applies an effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

The effective interest rate on a financial asset is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset .While estimating future cash receipts, factors like expected behaviour and life cycle of the financial asset, probable fluctuation in collateral value etc. are considered which has an impact on the EIR.

While calculating the effective interest rate, the Company includes all fees and charges paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

3.2 Recognition of revenue from the sale of goods or services

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to the customer, excluding amounts collected on behalf of third parties.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from a contract with the customer for rendering services is recognized at a point in time when the performance obligation is satisfied.

3.3 Financial instruments

A. Financial Assets

3.3.1 Initial recognition and measurement

All financial assets are recognized initially at fair value when the parties become parties to the contractual provisions of the financial asset. In the case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

3.3.2 Subsequent measurement

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

a. Financial assets measured at amortized cost

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is measured at FVTPL.

B. Financial liabilities

3.3.3 Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, non-convertible debentures, loans, and borrowings including bank overdrafts.

3.3.4 Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.4 Derecognition of financial assets and liabilities

3.4.1 Financial Asset

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

3.4.2 Financial Liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability with the difference charged to profit or loss.

3.5 Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Company and/or its counterparties

3.6 Impairment of financial assets

In accordance with Ind AS 109, the Company uses the 'Expected Credit Loss model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

Further, in accordance with RBI circular no. RBI/2019-20/170 dated March 13, 2020, the impairment allowances as per ECL shall be compared with the required provisioning under IRACP. If the impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP the difference is appropriated from net profit after tax to 'Impairment Reserve'.

3.6.1 Overview of the Expected Credit Loss (ECL) model

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

- At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.
- At an amount equal to 12-month expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses mean expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses mean the portion of Lifetime ECL that represents the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial asset's credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses.

Based on the above process, the Company categorizes its loans into three stages as described below:

For non-impaired financial assets

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial asset. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. Interest revenue is calculated on the gross carrying amount of the asset.
- Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognizes lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision. Interest revenue is calculated on the gross carrying amount of the asset.

For impaired financial assets:

Financial assets are classified as stage 3 when there is objective evidence of impairment at the reporting date.

The Company recognizes lifetime ECL for impaired financial assets and interest revenue is calculated on the net carrying amount of the asset.

3.6.2 Estimation of Expected Credit Loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral.

Forward-looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. Periodically, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation, etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as Land, buildings, securities, etc. However, the fair value of collateral affects the calculation of ECL. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral is valued based on data provided by third parties or management judgments. In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes of such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet. Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

3.7 Determination of fair value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

3.9 Bank Balances other than cash and cash equivalents

Bank balances other than cash and cash equivalents include earmarked balances with banks and balances which are held as margin money or security against borrowings, guarantees, and other commitments.

3.10 Other receivables

Other receivables mean receivables emanating from items that are classified as 'others' under 'Revenue from Operations'.

3.11 Property, plant, and equipment

Property, plant, and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment if any. Cost of an item of property, plant, and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant, and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress. Subsequent expenditure related to the asset is added to its carrying amount or recognized as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.11.1 Depreciation

Depreciation on property, plant, and equipment is calculated using written down value method (WDV) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:

Particulars	*Useful Life*
Building	*60 Years*
Building - Compound Wall and Well	*5 Years*
Furniture and Fixtures	*10 Years*
Electrical Fittings	*10 Years*
Computer	*3 Years*
Vehicles	*8 Years*
Plant and Machinery	*22/15 Years*

The residual values, useful lives, and methods of depreciation of property, plant, and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates.

Property, plant, and equipment are derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income/expense in the statement of profit and loss in the year the asset is derecognized. The date of disposal of an item of property, plant, and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

Right of Use of Assets

Right of use assets are depreciated from the commencement date on written down value basis over the shorter of lease term and useful life of the underlying asset.

3.12 Intangible assets

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.
Subsequent expenditure related to the asset is added to its carrying amount or recognized as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortized on a straight-line basis over a period of 10 years unless it has a shorter useful life.

Gains or losses from the derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit or Loss when the asset is derecognized.

3.13 Impairment of non–financial assets: Property, Plant and Equipment and Intangible Assets

The Company assesses, at each reporting date, whether there is any indication that any property, plant and equipment, and intangible assets or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. A recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.
An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

3.14 Finance costs

Finance costs represent interest expense recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.
The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortized cost of financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. Any subsequent changes in the estimation of the future cash flows are recognized in interest income with the corresponding adjustment to the carrying amount of the assets

3.15 Employee Benefits Expenses

3.15.1 Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include benefits such as salaries, wages, short-term compensated absence, etc. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

3.15.2 Post-Employment Benefits

A. Defined contribution schemes

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund at the prescribed rates and are charged to Statement of Profit and Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.

B. Defined Benefit schemes

Gratuity

The Company provides for gratuity covering eligible employees under which a lump sum payment is paid to vested employees at retirement, death, incapacitation, or termination of employment, of an amount reckoned on the respective employee's salary and his tenure of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under a defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases, and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods

3.16 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.17 Taxes

Income tax expense for the year comprises of current tax and deferred tax.

3.17.1 Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss i.e., either in other comprehensive income or in equity.

Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.17.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the financial statements for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss ie., either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

3.17.3 Goods and services tax /value-added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the goods and services tax/value-added taxes paid, except:
i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
ii. When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.18 Other income and expenses

All other income and expenses are recognized in the period they occur.

3.19 Contingent Liabilities and Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are neither recognized nor disclosed in the financial statements.

3.20 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.
The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduce the earnings per share or increases loss per share are included.

3.21 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on the historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

3.22 Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue-generating, investing and financing activities of the Company are segregated.

3.23 Leases

The Company has adopted Ind AS 116-Leases effective from 1st April 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application.

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
(i) The contract involves the use of an identified asset
(ii) The Company has substantially all of the economic benefits from the use of the asset through the period of the lease and
(iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term Leases) and leases of low-value assets. For these short-term and leases of low-value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

4 Significant accounting judgments, estimates, and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty, and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

4.1 Going Concern

The financial statements of the Company are prepared on a going concern basis. Management is of the view that it is considered appropriate to prepare these financial statements on a going concern basis as the Company expects to generate sufficient cash flows from operating activities and unused lines of credit to meet its obligations
in the foreseeable future.

4.2 Business Model Assessment

Classification and measurement of financial assets depend on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed, and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4.3 Effective Interest Rate (EIR) method

The Company's EIR methodology recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgment regarding the expected behaviour and life-cycle of the instruments, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

4.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.5 Contingent liabilities and provisions other than impairment on a loan portfolio

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation and arbitration in the ordinary course of business. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter, and historical evidence from similar incidents. Significant judgment is required to conclude these estimates.

4.6 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

4.7 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.8 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets, etc.

Note 5: Cash and Cash Equivalents and Bank Balances

Note 5.1: Cash and cash equivalents

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2023	2022
Cash on hand	1,559.94	1,758.61
Balances with Banks	2,212.36	5,543.36
Cheques, drafts on hand	-	-
Fixed deposits with bank (original maturity within a period of three months)	-	-
Total	**3,772.30**	**7,301.97**

Note 5.2: Bank balance other than cash and cash equivalents

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2023	2022
Fixed deposits with bank (maturing after a period of three months) (Refer Note 5.2.1)	33,352.78	26,675.74
Balance in other escrow accounts	-	-
Unclaimed Auction Surplus	223.24	103.90
Unclaimed interest and redemption proceeds of Non-Convertible debentures- Private Issue	35.52	59.05
Total	**33,611.54**	**26,838.69**

Note 5.2.1: Fixed Deposits with Banks to the extent held as security against the borrowings, guarantees, etc.

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2023	2022
Security for borrowings	32,452.83	26,073.90
Security for guarantees	28.19	27.38

Note 6: Receivables

Note 6.1: Trade Receivables

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
a) Trade Receivables Considered good - secured	-	-
b) Trade Receivables Considered good – unsecured	15.76	14.08
c) Trade Receivables which have a significant increase in credit risk	-	-
d) Trade Receivables -credit impaired	4.07	-
Total	**19.83**	**14.08**
Less: Allowance for impairment loss	4.07	-
Total Net Receivable	**15.76**	**14.08**

Trade Receivables ageing schedule

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023					
	Outstanding for following periods from due date of payment					
	Less than six months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed Trade Receivable						
Considered Good	15.76	-	-	-	-	**15.76**
Considered doubtful	0.40	2.36	-	-	1.31	**4.07**
Disputed Trade Receivable						
Considered Good	-	-	-	-	-	-
Considered doubtful	-	-	-	-	-	-
Gross carrying Amount	**16.16**	**2.36**	-	-	**1.31**	**19.83**
Less : ECL - simplified approach	**0.40**	**2.36**	-	-	**1.31**	**4.07**
Net carrying amount	**15.76**	-	-	-	-	**15.76**

Trade Receivables ageing schedule

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022					
	Outstanding for following periods from due date of payment					
	Less than six months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed Trade Receivable						
Considered Good	9.33	2.74	0.67	1.32	0.02	**14.08**
Considered doubtful	-	-	-	-	-	-
Disputed Trade Receivable						
Considered Good	-	-	-	-	-	-
Considered doubtful	-	-	-	-	-	-
Gross carrying Amount	**9.33**	**2.74**	**0.67**	**1.32**	**0.02**	**14.08**
Less : ECL - simplified approach	-	-	-	-	-	-
Gross carrying Amount	**9.33**	**2.74**	**0.67**	**1.32**	**0.02**	**14.08**

Reconciliation of impairment loss allowance on Trade receivables:

Currency: ₹ in Lakhs

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2021	-
Add: Addition during the year	-
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2022	-
Add: Addition during the year	4.07
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2023	**4.07**

Note 6.2: Other Receivables

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2023	2022
a) Other Receivables Considered good - secured	-	-
b) Other Receivables Considered good - unsecured	-	-
Receivables from Power Generation - Wind Mill	20.73	22.05
Receivables Others	-	47.45
c) Other Receivables which have significant increase in Credit Risk	-	-
d) Other Receivables - credit impaired	-	-
Total	**20.73**	**69.50**
Less: Allowance for impairment loss on other receivables considered good - unsecured	**20.73**	-
Total Net Other Receivable	-	**69.50**

As at March 31, 2023

Currency: ₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment					
	Less than six months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Estimated total gross carrying amount	-	-	-	-	20.73	**20.73**
Less : ECL - simplified approach	-	-	-	-	20.73	**20.73**
Net carrying amount	-	-	-	-	-	-

As at March 31, 2022

Currency: ₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment					
	Less than six months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Estimated total gross carrying amount	-	-	-	-	69.50	**69.50**
Less : ECL - simplified approach	-	-	-	-	-	-
Net carrying amount	-	-	-	-	**69.50**	**69.50**

Reconciliation of impairment loss allowance on Other receivables:

Currency: ₹ in Lakhs

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2021	-
Add: Addition during the year	-
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2022	-
Add: Addition during the year	20.73
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2023	**20.73**

Notes:

(i) These receivables are non-interest bearing and short-term in nature

(ii) Impairment provision has been made for doubtful debts.

(iii) None of the trade and other receivables is due from directors or other officers of the company either severally or jointly with any other person. Nor are due from firms or private companies respectively in which any director is a partner, a director, or a member.

(iv) **Simplified approach for trade and other receivables**

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade and other receivables. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward looking estimates.

Note 7: Loans

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023					
	Amortized Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A) i) Gold Loan	4,84,502.31	-	-	-	-	4,84,502.31
ii) Business Loans	9.92	-	-	-	-	9.92
iii) Micro Finance Loans	83.34	-	-	-	-	83.34
iv) Mortgaged Loan	6,192.36	-	-	-	-	6,192.36
v) Rental Loan	13.50	-	-	-	-	13.50
vi) Other Loans	165.15					165.15
Total (A) - Gross	**4,90,966.58**	-	-	-	-	**4,90,966.58**
Less: Impairment loss allowance	6,397.52	-	-	-	-	6,397.52
Total (A) - Net	**4,84,569.06**	-	-	-	-	**4,84,569.06**
(B) I) Secured by tangible assets						
i) Gold Loan	4,84,502.31	-	-	-	-	4,84,502.31
ii) Mortgaged Loan	6,192.36	-	-	-	-	6,192.36
Total (I) - Gross	**4,90,694.67**	-	-	-	-	**4,90,694.67**
Less: Impairment loss allowance	6,125.76	-	-	-	-	6,125.76
Total (I) - Net	**4,84,568.91**	-	-	-	-	**4,84,568.91**
II) Unsecured						
i) Business Loans	9.92	-	-	-	-	9.92
ii) Micro Finance Loans	83.34	-	-	-	-	83.34
iii) Rental Loan	13.50	-	-	-	-	13.50
iv) Other Loans	165.15	-	-	-	-	165.15
Total (II) - Gross	**271.91**	-	-	-	-	**271.91**
Less: Impairment loss allowance	271.76	-	-	-	-	271.76
Total (II) - Net	**0.15**	-	-	-	-	**0.15**
Total (B) (I+II) - Net	**4,84,569.06**	-	-	-	-	**4,84,569.06**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	4,90,966.58	-	-	-	-	4,90,966.58
Total (C) (I) - Gross	**4,90,966.58**	-	-	-	-	**4,90,966.58**
Less: Impairment loss allowance	6,397.52	-	-	-	-	6,397.52
Total (C) (I)- Net	**4,84,569.06**	-	-	-	-	**4,84,569.06**
(II) Loans outside India	-	-	-	-	-	-
Total (C) (I) - Gross	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-
Total (C) (I) and (C) (II)	**4,84,569.06**	-	-	-	-	**4,84,569.06**

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022					
	Amortized Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A)						
i) Gold Loan	3,96,680.71	-	-	-	-	3,96,680.71
ii) Business Loans	507.35	-	-	-	-	507.35
iii)Kisan Credit	528.56					528.56
iii) Micro Finance Loans	116.33	-	-	-	-	116.33
iv) Mortgaged Loan	6,344.64	-	-	-	-	6,344.64
v) Rental Loan	16.13	-	-	-	-	16.13
vi) Other Loans	147.52	-	-	-	-	147.52
Total (A) - Gross	**4,04,341.24**	-	-	-	-	**4,04,341.24**
Less: Impairment loss allowance	3,616.24	-	-	-	-	3,616.24
Total (A) - Net	**4,00,725.00**	-	-	-	-	**4,00,725.00**
(B) I) Secured by tangible assets						
i) Gold Loan	3,96,680.71	-	-	-	-	3,96,680.71
ii) Mortgaged Loan	6,344.64	-	-	-	-	6,344.64
Total (I) - Gross	**4,03,025.35**	-	-	-	-	**4,03,025.35**
Less: Impairment loss allowance	3,218.54	-	-	-	-	3,218.54
Total (I) - Net	**3,99,806.81**	-	-	-	-	**3,99,806.81**
II) Unsecured						
i) Business Loans	507.35	-	-	-	-	507.35
ii)Kisan Credit	528.56					528.56
iii) Micro Finance Loans	116.33	-	-	-	-	116.33
iv) Rental Loan	16.13	-	-	-	-	16.13
v) Other Loans	147.52	-	-	-	-	147.52
Total (II) - Gross	**1,315.89**	-	-	-	-	**1,315.89**
Less: Impairment loss allowance	397.70	-	-	-	-	397.70
Total (II) - Net	**918.19**	-	-	-	-	**918.19**
Total (B) (I+II) - Net	**4,00,725.00**	-	-	-	-	**4,00,725.00**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	4,04,341.24	-	-	-	-	4,04,341.24
Total (C) (I) - Gross	**4,04,341.24**	-	-	-	-	**4,04,341.24**
Less: Impairment loss allowance	3,616.24	-	-	-	-	3,616.24
Total (C) (I)- Net	4,00,725.00	-	-	-	-	4,00,725.00
(II) Loans outside India	-	-	-	-	-	-
Total (C) (II) - Gross	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-
Total (C) (I) and (C) (II)	**4,00,725.00**	-	-	-	-	**4,00,725.00**

Note: (i) Please refer Note 38: Related Party Disclosures for details of loans given to Related Parties
(ii) There are no loans measured at FVOCI or FVTPL or designated at FVTPL.

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 41.

Currency: ₹ in Lakhs

Particulars	As at March 31,							
	2023				2022			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade								
Performing								
High grade	4,64,525.44	-	-	4,64,525.44	3,77,388.05	-	-	3,77,388.05
Standard grade	-	5,158.17	-	5,158.17	-	5,667.36	-	5,667.36
Sub-standard grade	-	7,121.44	-	7,121.44	-	2,305.95	-	2,305.95
Past due but not impaired	-	6,406.68	-	6,406.68	-	9,329.77	-	9,329.77
Non- performing	-	-	-	-	-	-	-	-
Individually impaired	-	-	7,754.85	7,754.85	-	-	9,650.11	9,650.11
Total	**4,64,525.44**	**18,686.29**	**7,754.85**	**4,90,966.58**	**3,77,388.05**	**17,303.08**	**9,650.11**	**4,04,341.24**
EIR impact of Service charges received	-	-	-	-	-	-	-	-
Gross carrying amount closing balance net of EIR impact of service charge received	**4,64,525.44**	**18,686.29**	**7,754.85**	**4,90,966.58**	**3,77,388.05**	**17,303.08**	**9,650.11**	**4,04,341.24**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

Currency: ₹ in Lakhs

Particulars	Year ended March 31,							
	2023				2022			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Gross carrying amount opening balance	3,77,388.05	17,303.08	9,650.11	4,04,341.24	3,11,238.13	31,688.29	8,049.47	3,50,975.89
New assets originated or purchased	14,34,875.58	-	485.55	14,35,361.13	9,56,108.13	-	1,140.12	9,57,248.25
Assets derecognised or repaid(excluding write offs and includes interest accruals adjusted)	(13,27,316.60)	(17,259.17)	(4,160.02)	(13,48,735.79)	(8,70,912.53)	(30,226.03)	(2,743.67)	(9,03,882.23)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(20,421.59)	20,421.59	-	-	(19,045.01)	19,045.01	-	-
Transfers to Stage 3	-	(1,779.21)	1,779.21	-	-	(3,204.19)	3,204.19	-
Amounts written off	-	-	-	-	(0.67)	-	-	(0.67)
Gross carrying amount closing balance	**4,64,525.44**	**18,686.29**	**7,754.85**	**4,90,966.58**	**3,77,388.05**	**17,303.08**	**9,650.11**	**4,04,341.24**
EIR impact of Service charges received	-	-	-	-	-	-	-	-
Gross carrying amount closing balance net of EIR impact of service charge received	**4,64,525.44**	**18,686.29**	**7,754.85**	**4,90,966.58**	**3,77,388.05**	**17,303.08**	**9,650.11**	**4,04,341.24**

Currency: ₹ in Lakhs

Reconciliation of ECL balance is given below:

Particulars	Year ended March 31,							
	2023				2022			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
ECL allowance - opening balance	**1,323.19**	**317.63**	**1,975.42**	**3,616.24**	**1,085.59**	**397.19**	**1,666.73**	**3,149.51**
New assets originated or purchased	4,961.97	32.32	3,592.66	8,586.95	3,341.11	459.47	3,314.14	7,114.72
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(4,554.41)	(421.84)	(1,193.75)	(6,170.00)	(2,998.19)	(924.05)	(1,706.57)	(5,628.81)
Transfers to Stage 1	(52.32)	-	(158.65)	(210.97)	(53.66)	71.92	(1,589.62)	(1,571.36)
Transfers to Stage 2	(67.64)	406.87	-	339.23	(48.90)	349.17	-	300.27
Transfers to Stage 3	(21.15)	43.02	214.20	236.07	(2.76)	(36.07)	290.74	251.91
Impact on year-end ECL of exposures transferred between stages during the year	**266.45**	**60.37**	**2,454.46**	**2,781.28**	**237.60**	**(79.56)**	**308.69**	**466.73**
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**1,589.64**	**378.00**	**4,429.88**	**6,397.52**	**1,323.19**	**317.63**	**1,975.42**	**3,616.24**

Note 8: Other financial assets

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2023	2022
Security deposits	1,360.33	1,338.45
Total	**1,360.33**	**1,338.45**

Note 9: Current tax assets (net)

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2023	2022
Income tax refundable *Provision for the year ₹4,188.73 lakhs (31 March 2023 ₹2,762.33 lakhs)*	994.75	1,562.56
Total	**994.75**	**1,562.56**

Note 10. Property, Plant and Equipment

Currency: ₹ in Lakhs

Particulars	Land	Building	Furniture & Fixtures	Electrical Fittings	Plant and Machinery	Vehicles	Computer and Accessories	Total	Capital-work-in progress (refer note 10.1)
Gross block- at cost									
Deemed cost as at April 01, 2021	8,507.60	683.18	8,560.32	1,760.53	576.00	393.65	1,811.62	22,292.90	-
Additions	-	-	607.47	169.38	4.50	9.13	128.30	918.78	36.49
Disposals	-	-	4.12	1.58	-	-	13.55	19.25	-
As at March 31, 2022	8,507.60	683.18	9,163.67	1,928.33	580.50	402.78	1,926.37	23,192.43	36.49
Additions	-	-	826.05	255.77	-	7.65	141.34	1,230.81	-
Disposals	243.87	222.36	627.02	-	-	-	37.37	1,130.62	36.49
As at March 31, 2023	8,263.73	460.82	9,362.70	2,184.10	580.50	410.43	2,030.34	23,292.62	-
Accumulated Depreciation	-	-	-	-	-	-	-	-	-
As at April 01, 2021	-	274.98	6,541.81	1,227.51	195.29	285.52	1,489.51	10,014.62	-
Charge for the year	-	28.84	568.77	150.93	48.53	32.84	197.96	1,027.87	-
Disposals	-	-	4.12	1.55	-	-	12.87	18.54	-
As at March 31, 2022	-	303.82	7,106.46	1,376.89	243.82	318.36	1,674.60	11,023.95	-
Charge for the year	-	20.94	577.65	168.45	43.10	26.53	161.05	997.72	-
Disposals	-	116.38	593.01	-	-	-	35.41	744.80	-
As at March 31, 2023	-	208.38	7,091.10	1,545.34	286.92	344.89	1,800.24	11,276.87	-
Net Block	-	-	-	-	-	-	-	-	-
As at March 31, 2022	**8,507.60**	**379.36**	**2,057.21**	**551.44**	**336.68**	**84.42**	**251.77**	**12,168.48**	**36.49**
As at March 31, 2023	**8,263.73**	**252.44**	**2,271.60**	**638.76**	**293.58**	**65.54**	**230.10**	**12,015.75**	-

Note:

(i) All title deeds of immovable properties are held in the name of the Company

(ii) No revaluation of any class of asset was carried out during the year.

(iii) The Company does not have any proceedings pending or initiated against the company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988

(iv) Charge by Income tax Department - ₹ 10,80,91,696/- first charge on WDV of Furniture and Fixtures by Income Tax Department as per 281 order

(v) Charge for Debt Securities - The principal amount of the Secured NCDs allotted in terms of various tranches of public issue of NCDs Upto XIIIth tranche, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable is secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

The principal amount of the Secured NCDs allotted in terms of XIVth and XVth tranches of public issue of NCDs ,together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable is secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

The principal amount of the Secured NCDs allotted in terms of XVIth to XXVIth tranches of public issue of NCDs ,together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in is secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon.

(vi) Charge for Borrowings - Paripassu floating charge on movable assets.

Note 10.1: Capital work in progress

CWIP ageing schedule

Currency: ₹ in Lakhs

CWIP	As at March 31, 2023				
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Currency: ₹ in Lakhs

CWIP	As at March 31, 2022				
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	36.49	-	-	-	36.49
Projects temporarily suspended	-	-	-	-	-
Total	**36.49**	-	-	-	**36.49**

Note:

(i) The Company does not have any Capital-work-in progress whose completion is overdue

(ii) The Company does not have any projects where activity has been suspended

Leases

Note 11 : Right of use assets

Currency: ₹ in Lakhs

Particulars	Premises
Gross block	
Deemed cost as at April 01, 2021	**6,031.16**
Additions	1,871.29
Disposals	1,071.83
Net carrying amount as at March 31, 2022	**6,830.62**
Additions	2,337.35
Disposals	1,632.12
Net carrying amount as at March 31, 2023	**7,535.85**
Accumulated Depreciation	
As at April 01, 2021	**2,381.03**
Charge for the year	1,718.42
Disposals	989.53
Net carrying amount as at March 31, 2022	**3,109.92**
Charge for the year	1,861.00
Disposals	1,344.94
Net carrying amount as at March 31, 2023	**3,625.98**
Net Block	
Net carrying amount as at March 31, 2022	**3,720.70**
Net carrying amount as at March 31, 2023	**3,909.87**

*No revaluation of right of use assets was carried out during the year.

Note 11.1: Lease Liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	4,163.59	3,911.13
Total	**4,163.59**	**3,911.13**

11.1(a) Maturity analysis of lease liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 year	1,591.17	1,453.66
1 to 2 years	1,152.42	1,003.78
2 to 3 years	668.75	620.30
3 to 4 years	328.80	400.94
4 to 5 years	164.24	232.94
Above 5 year	258.21	199.51
Total	**4,163.59**	**3,911.13**

11.2 Amounts recognised in the Statement of Profit and Loss

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	1,861.00	1,718.42
Interest expense (included in finance costs)	454.96	431.51
11.3 Gains or losses arising from sale and leaseback transactions	-	-
11.4 The total cash outflow for leases during the year	2,143.31	2,001.38

11.5 Lease Disclosures

In the statement of profit and loss, operating lease expenses which were recognised as other expenses are now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. For the year ended March 31, 2023 this resulted in reversal of rental expenses of ₹ 2,143.31 Lakh and a charge of ₹ 1,861.00 Lakh towards depreciation of right-of-use asset and interest charge of ₹ 454.96 Lakh on lease liability

Particulars	For lease entered in the year ended March 31, 2023	For lease entered in the year ended March 31, 2022
The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet is:	10.39%	9.88%

The Company has not availed the option for charging off of rental related to short-term leases and leases of low-value assets. All leases have been considered for the determination of lease liability and Right of use assets.
The Company's leases mainly comprise of premises used for branch operations.

Note 12: Other Intangible Assets

Currency: ₹ in Lakhs

Particulars	Licenses & Franchise	Brands/ Trademarks	Computer Software	Total
Gross block- at cost				
Deemed cost as at April 01, 2021	**122.61**	**2.16**	**300.65**	**425.42**
Additions	-	-	19.01	19.01
Disposals	-	0.26	-	0.26
Net carrying amount as at March 31, 2022	**122.61**	**1.90**	**319.66**	**444.17**
Additions	-	-	64.46	64.46
Disposals	-	-	-	-
Net carrying amount as at March 31, 2023	**122.61**	**1.90**	**384.12**	**508.63**
Accumulated Depreciation	-	-	-	-
As at April 01, 2021	**43.71**	**1.33**	**119.24**	**164.28**
Charge for the year	15.56	0.19	30.33	46.08
Disposals	-	0.26	-	0.26
Net carrying amount as at March 31, 2022	**59.27**	**1.26**	**149.57**	**210.10**

Charge for the year	12.25	0.18	32.77	45.20
Disposals	-	-	-	-
Net carrying amount as at March 31, 2023	**71.52**	**1.44**	**182.34**	**255.30**
Net Block	-	-	-	-
Net carrying amount as at March 31, 2022	**63.34**	**0.64**	**170.09**	**234.07**
Net carrying amount as at March 31, 2023	**51.09**	**0.46**	**201.78**	**253.33**

Note :

(i) The Company does not have any intangible assets under development

(ii) The Company has not revalued its intangible assets during the year

Note 13: Other Non-Financial Assets

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	2022
Security Deposits with government authorities	252.27	250.57
Balances with government authorities	344.29	272.52
Prepaid expenses	1,724.02	1,075.46
Advance Account and Other Deposits	332.37	348.83
Stock of stamp	3.98	3.02
Other non-financial assets	13.75	12.67
Total	**2,670.68**	**1,963.07**

Note 14: Payables

Note 14.1 Trade Payables

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	2022
Trade Payables		
(i) total outstanding dues of micro-enterprises and small enterprises	-	113.61
(ii) total outstanding dues of creditors other than micro-enterprises and small enterprises	6.94	127.09
Total	**6.94**	**240.70**

Based on the information available with the Company, none of the suppliers to whom the company owes payment have confirmed their registration under "The Micro Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2023, together with interest paid/payable are required to be furnished.

Trade Payables ageing schedule

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023				
	Outstanding for following periods from the due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	3.56	-	-	3.38	**6.94**
(ii) Disputed dues -MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-
Total	**3.56**	-	-	**3.38**	**6.94**

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022				
	Outstanding for following periods from the due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	113.61	-	-	-	**113.61**
(ii) Others	102.81	0.07	0.83	23.38	**127.09**
(iii) Disputed dues -MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-
Total	**216.42**	**0.07**	**0.83**	**23.38**	**240.70**

Note 14.2: Other Payables

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	96.16	1.77
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	610.73	142.90
Total	**706.89**	**144.67**

Note:

The Company does not have any transactions with any companies struck off under section 248 of the Companies Act, 2013

Note 15: Debt Securities

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023			
	Amortized Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* (Refer note 15.1)	-	-	-	-
Secured Non-Convertible Debentures -Listed** (Refer note 15.2)	2,38,506.31	-	-	2,38,506.31
Total (A)	**2,38,506.31**	-	-	**2,38,506.31**
Debt securities in India	2,38,506.31	-	-	2,38,506.31
Debt securities outside India	-	-	-	-
Total (B)	**2,38,506.31**	-	-	**2,38,506.31**

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022			
	Amortized Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* (Refer note 15.1)	-	-	-	-
Secured Non-Convertible Debentures -Listed** (Refer note 15.2)	2,23,564.73	-	-	2,23,564.73
Total (A)	**2,23,564.73**	-	-	**2,23,564.73**
Debt securities in India	2,23,564.73	-	-	2,23,564.73
Debt securities outside India	-	-	-	-
Total (B)	**2,23,564.73**	-	-	**2,23,564.73**

Nature of security

The principal amount of the Secured NCDs allotted in terms of various tranches of public issue of NCDs Upto XIIIth tranche, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

The principal amount of the Secured NCDs allotted in terms of XIVth and XVth tranches of public issue of NCDs ,together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

The principal amount of the Secured NCDs allotted in terms of XVIth to XXVIth tranches of public issue of NCDs ,together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon.

The company has reported an outstanding amount of ₹25.55 Lakhs as unpaid (unclaimed) matured debentures and unpaid (unclaimed) interest for the reporting financial year.

*Excludes unclaimed matured debentures which is shown as a part of other financial liabilities in Note 18

**Includes EIR impact of transaction cost

Note 15.1: Secured Redeemable Non-Convertible Debentures-Unlisted

Currency: ₹ in Lakhs

Sl. No	Date of Allotment	Maturity Date	As at March 31,		Redemption Period	Interest Rate %
			2023	2022		
KSB II	Feb 2011 - Jun 2011	Feb 2015 - Jun 2015	-	2.00	48 Months	12.00%
KSB III	Oct 2011 - Mar 2012	Oct 2015- Mar 2016	0.50	15.63	48 Months	12.00%
KSB IV	Mar 2012- Feb 2013	Feb 2016- May 2018	30.12	34.12	36- 66 Months	12%- 12.80%
KSB V	Mar 2013- Jun 2013	Mar 2016- Jun 2016	1.50	3.90	48 Months	12.00%
Sub Total			**32.12**	**55.65**		
Less: Unclaimed Matured Non-Convertible Debenture and Interest thereon shown as a part of Other Financial Liabilities			32.12	55.65		
Total			-	-		

Note 15.2: Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹2,18,995.55 Lakhs (March 31, 2022: ₹2,01,120.22 Lakhs).

Currency: ₹ in Lakhs

NCD	Series	Date of Allotment	Maturity Date	As at March 31,		Redemption Period	Interest Rate %
				2023	2022		
NCD 16	KFLPS03	06/05/2019	05/05/2022	-	5,904.42	36 Months	10.00%
NCD 16	KFLPS04	06/05/2019	05/05/2022	-	5,486.26	36 Months	10.52%
NCD 10	KFLJS07	09/05/2017	07/05/2022	-	2,218.20	60 Months	10.00%
NCD 12	KFLLS06	08/01/2018	07/05/2022	-	2,671.28	52 Months	9.81%
NCD 22	KFLVS01	29/04/2021	03/06/2022	-	4,651.38	400 Days	8.00%
NCD 6	KFLFS07	15/02/2016	14/06/2022	-	2,321.49	76 Months	11.50%
NCD 6	KFLFS08	15/02/2016	14/06/2022	-	3,410.29	76 Months	11.57%
NCD 17	KFLQS03	21/08/2019	20/08/2022	-	9,219.49	36 Months	10.00%
NCD 17	KFLQS04	21/08/2019	20/08/2022	-	6,027.84	36 Months	10.52%
NCD 13	KFLMS06	23/04/2018	22/08/2022	-	2,295.85	52 Months	9.81%
NCD 11	KFLKS07	29/08/2017	26/08/2022	-	3,611.75	60 Months	10.00%
NCD 14	KFLNS05	24/09/2018	23/09/2022	-	5,050.48	48 Months	10.67%
NCD 7	KFLGS07	09/06/2016	08/12/2022	-	1,235.37	78 Months	11.15%
NCD 7	KFLGS08	09/06/2016	08/12/2022	-	3,968.49	78 Months	11.25%
NCD 18	KFLRS03	10/12/2019	09/12/2022	-	7,684.29	36 Months	10.00%
NCD 18	KFLRS04	10/12/2019	09/12/2022	-	6,264.70	36 Months	10.52%
NCD 15	KFLOS05	31/01/2019	30/01/2023	-	2,620.52	48 Months	10.67%
NCD 20	KFLTS02	14/10/2020	13/04/2023	-	2,960.56	30 Months	9.50%
NCD 20	KFLTS03	14/10/2020	13/04/2023	-	4,213.55	30 Months	9.34%
NCD 13	KFLMS07	23/04/2018	21/04/2023	-	4,902.47	60 Months	10.00%
NCD 22	KFLVS02	29/04/2021	28/04/2023	-	1,259.68	24 Months	8.50%
NCD 16	KFLPS05	06/05/2019	05/05/2023	3,174.88	2,868.78	48 Months	10.67%
NCD 23	KFLWS01	30/09/2021	29/05/2023	6,155.88	5,684.10	20 Months	8.30%
NCD 21	KFLUS02	23/01/2021	22/07/2023	1,260.07	1,260.07	30 Months	9.25%
NCD 21	KFLUS03	23/01/2021	22/07/2023	4,206.64	3,847.30	30 Months	9.34%
NCD 17	KFLQS05	21/08/2019	19/08/2023	4,922.46	4,447.87	48 Months	10.67%
NCD 19	KFLSS03	29/05/2020	28/08/2023	10,367.79	10,367.79	39 Months	10.00%
NCD 19	KFLSS04	29/05/2020	28/08/2023	4,852.61	4,389.91	39 Months	10.54%

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NCD 25	KFLYS01	11/08/2022	15/09/2023	2,750.31	-	400 Days	7.00%
NCD 14	KFLNS06	24/09/2018	22/09/2023	201.56	201.56	60 Months	10.25%
NCD 23	KFLWS02	30/09/2021	29/09/2023	2,421.67	2,421.67	24 Months	8.50%
NCD 24	KFLXS01	18/04/2022	17/10/2023	9,997.26	-	18 Months	8.04%
NCD 18	KFLRS05	10/12/2019	09/12/2023	4,166.29	3,764.60	48 Months	10.67%
NCD 20	KFLTS04	14/10/2020	12/01/2024	9,708.93	9708.93	39 Months	10.00%
NCD 15	KFLOS06	31/01/2019	30/01/2024	439.63	439.63	60 Months	10.00%
NCD 9	KFLIS08	01/02/2017	31/01/2024	3,423.29	3,100.53	84 Months	10.41%
NCD 20	KFLTS05	14/10/2020	12/04/2024	1,170.51	1,065.36	42 Months	9.87%
NCD 21	KFLUS04	23/01/2021	22/04/2024	14,897.62	14,897.62	39 Months	10.00%
NCD 22	KFLVS03	29/04/2021	28/04/2024	717.97	717.97	36 Months	9.25%
NCD 22	KFLVS04	29/04/2021	28/04/2024	2,887.47	2,641.54	36 Months	9.31%
NCD 16	KFLPS06	06/05/2019	04/05/2024	383.84	383.84	60 Months	10.00%
NCD 19	KFLSS05	29/05/2020	28/05/2024	4,201.40	3,796.33	48 Months	10.67%
NCD 26	KFLZS01	16/01/2023	15/07/2024	3,274.13	-	18 Months	8.00%
NCD 17	KFLQS06	21/08/2019	20/08/2024	642.34	642.34	60 Months	10.00%
NCD 23	KFLWS03	30/09/2021	29/09/2024	503.67	503.67	36 Months	9.00%
NCD 23	KFLWS04	30/09/2021	29/09/2024	4,159.79	3,798.89	36 Months	9.50%
NCD 22	KFLVS05	29/04/2021	28/10/2024	10,321.87	10,321.87	42 Months	10.00%
NCD 20	KFLTS06	14/10/2020	13/12/2024	2,589.75	2,349.62	50 Months	10.22%
NCD 11	KFLKS08	29/08/2017	27/12/2024	2,266.23	2,061.89	88 Months	9.91%
NCD 26	KFLZS02	16/01/2023	15/01/2025	982.31	-	24 Months	8.25%
NCD 21	KFLUS05	23/01/2021	22/01/2025	4,593.72	4,150.83	48 Months	10.67%
NCD 23	KFLWS05	30/09/2021	29/03/2025	13,583.84	13,583.84	42 Months	10.00%
NCD 24	KFLXS02	18/04/2022	17/04/2025	2,851.70	-	36 Months	8.75%
NCD 24	KFLXS03	18/04/2022	17/04/2025	4,494.00	-	36 Months	9.00%
NCD 22	KFLVS06	29/04/2021	28/04/2025	5,676.21	5,128.95	48 Months	10.67%
NCD 18	KFLRS06	10/12/2019	09/06/2025	707.59	639.14	66 Months	10.71%
NCD 26	KFLZS03	16/01/2023	15/07/2025	1,119.17	-	30 Months	8.49%
NCD 25	KFLYS02	11/08/2022	10/08/2025	1,454.72	-	36 Months	8.50%
NCD 25	KFLYS03	11/08/2022	10/08/2025	6,220.64	-	36 Months	9.00%
NCD 13	KFLMS08	23/04/2018	22/08/2025	2,649.30	2,410.43	88 Months	9.91%
NCD 24	KFLXS04	18/04/2022	17/10/2025	2,610.70	-	42 Months	9.25%
NCD 19	KFLSS06	29/05/2020	28/11/2025	1,118.20	1,010.02	66 Months	10.71%
NCD 23	KFLWS06	30/09/2021	29/11/2025	3,077.26	2,791.92	50 Months	10.22%
NCD 26	KFLZS04	16/01/2023	15/01/2026	3,373.91	-	36 Months	9.00%
NCD 25	KFLYS04	11/08/2022	10/02/2026	952.84	-	42 Months	9.00%
NCD 26	KFLZS05	16/01/2023	15/04/2026	4,294.51	-	39 Months	9.25%
NCD 24	KFLXS05	18/04/2022	17/04/2026	2,255.16	-	48 Months	9.50%
NCD 21	KFLUS06	23/01/2021	22/07/2026	1,475.68	1,332.92	66 Months	10.71%
NCD 25	KFLYS05	11/08/2022	10/08/2026	11,474.34	-	48 Months	9.50%
NCD 24	KFLXS06	18/04/2022	17/10/2026	2,806.58	-	54 Months	9.43%
NCD 18	KFLRS07	10/12/2019	09/12/2026	1,029.30	1,029.30	84 Months	10.25%
NCD 18	KFLRS08	10/12/2019	09/12/2026	3,244.12	2,938.25	84 Months	10.41%
NCD 26	KFLZS06	16/01/2023	15/01/2027	10,356.59	-	48 Months	9.50%
NCD 25	KFLYS06	11/08/2022	10/02/2027	2,839.26	-	54 Months	9.43%
NCD 24	KFLXS07	18/04/2022	17/04/2027	11,832.45	-	60 Months	10.00%
NCD 26	KFLZS07	16/01/2023	15/07/2027	2,207.36	-	54 Months	9.43%
NCD 25	KFLYS07	11/08/2022	10/08/2027	276.81	-	60 Months	9.25%
NCD 23	KFLWS07	30/09/2021	29/09/2027	31.22	31.22	72 Months	9.00%
NCD 20	KFLTS07	14/10/2020	13/10/2027	1,330.15	1,330.15	84 Months	10.25%
NCD 20	KFLTS08	14/10/2020	13/10/2027	2,310.03	2,092.23	84 Months	10.41%
NCD 23	KFLWS08	30/09/2021	29/09/2028	1,983.38	1,796.37	84 Months	10.41%
NCD 24	KFLXS08	18/04/2022	17/08/2029	3,092.24	-	88 Months	9.91%
NCD 25	KFLYS08	11/08/2022	10/12/2029	2,571.63	-	88 Months	9.91%
NCD 26	KFLZS08	16/01/2023	15/05/2030	1,979.94	-	88 Months	9.91%
Sub Total				**2,38,922.72**	**2,23,927.62**		
Less: EIR impact of transaction cost				(416.41)	(362.89)		
Total				**23,85,06.31**	**2,23,564.73**		

Note 16: Borrowings (other than debt securities)

Currency: ₹ in Lakhs

Particulars	As at March 31,					
	2023			2022		
	Amortised Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Amortised Cost	At Fair value through profit or loss	Designated at fair value through profit or loss
(I) Term loan						
(i) from banks	94,664.28	-	-	57,588.54		-
(ii) from other parties	15,796.16	-	-	7,025.89		-
(II) Loans repayable on demand						
(i) from banks						
Working Capital Demand Loan from Banks	55,469.33	-	-	42,579.31		-
Cash Credit/Overdraft facilitates from banks	27,292.59	-	-	24,750.57		-
(ii) from other parties						
Total (A)(I+II)	**1,93,222.36**	-	-	**1,31,944.31**		-
(I) Secured	1,93,222.36	-	-	1,31,944.31		-
(II) Unsecured	-	-	-	-		-
Total (B)	**1,93,222.36**	-	-	**1,31,944.31**		-
(I) Borrowings in India	1,93,222.36	-	-	1,31,944.31		-
(II) Borrowings outside India	-	-	-	-		-
Total (C)(I+II)	**1,93,222.36**	-	-	**1,31,944.31**		-

Note:

(i) Our Term Loans, Cash Credits, and Working Capital demand Loans are secured by paripassu floating charge on movable assets, current assets, book debts, loans & advances, including cash and bank balances, and the existing Secured Creditors. The loans are also guaranteed by the personal guarantee of Mr. Mathew K Cherian - Managing Director of the Company, Mrs. Laila Mathew - Whole Time Director of the Company, Mrs. Jilu Saju Varghese - Director of the Company, Mrs. Milu Mathew, and Mrs. Bala Mathew – Relative of the director as per the terms mutually agreed with the respective lender bank. In addition to the properties of the Company, the properties of the Directors of the Company -Mr. Mathew K Cherian, Mrs. Laila Mathew, and Mrs. Jilu Saju Varghese, Properties of relatives of Directors of the Company - Mrs. Milu Mathew and Mrs. Bala Mathew and the properties of Kosamattam Builders – A partnership firm where Mrs. Jilu Saju Varghese and Mrs. Milu Mathew are partners have also been provided to State Bank of India, South Indian Bank, Karur Vysya Bank and Dhanlaxmi Bank as collateral security, on the basis of agreement created with the respective banks.

(ii) The Quarterly Statements of current assets filed by the Company with banks/financial institutions are in agreement with books of accounts of the Company

(iii) Term loans were fully used for the purpose for which the same were obtained. The Company has not defaulted in payment of principal and interest during the year and as at balance sheet date

Terms of repayment -Term Loan

Currency: ₹ in Lakhs

Tenure (from the date of Balance Sheet)	Rate of Interest	As at March 31,	
		2023	2022
Less than 1 year	9.50% - 13%	64,824.55	28,255.52
1 to 2 years	9.50% - 13%	30,949.54	22,653.27
2 to 3 years	9.50% - 13%	13,426.21	9,763.14
3 to 4 years	9.50% - 13%	1,007.50	3,382.50
4 to 5 years	9.50% - 13%	-	560.00
Above 5 year	9.50% - 13%	-	-
Total		**1,10,207.80**	**64,614.43**

Note 17: Subordinated Liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023			
	Amortized Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
Others				
Unsecured				
Perpetual Debt Instrument (Refer note 17.1)	467.63	-	-	467.63
Subordinated Debt- Listed** (Refer note 17.2)	27,649.93	-	-	27,649.93
Subordinated Debt- Listed** (Refer note 17.3)	1,908.50	-	-	1,908.50
Total (A)	**30,026.06**	**-**	**-**	**30,026.06**
Subordinated Liabilities in India	30,026.06	-	-	30,026.06
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**30,026.06**	**-**	**-**	**30,026.06**

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022			
	Amortized Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
Others				
Unsecured				
Perpetual Debt Instrument (Refer note 17.1)	675.16	-	-	675.16
Subordinated Debt- Listed** (Refer note 17.2)	29,339.82	-	-	29,339.82
Total (A)	**30,014.98**	**-**	**-**	**30,014.98**
Subordinated Liabilities in India	30,014.98	-	-	30,014.98
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**30,014.98**	**-**	**-**	**30,014.98**

**Includes EIR impact of transaction cost

Note 17.1: Perpetual Debt Instrument

The principal amount outstanding of the privately placed Perpetual Debt Instrument as on March 31, 2023 is ₹415.00 Lakhs (March 31, 2022: ₹565.00 Lakhs)

Currency: ₹ in Lakhs

Issue No	Date of Allotment	As at March 31,		Interest Rates %
		2023	2022	
1	Oct 2011- Oct 2012	-	24.18	13.94%- 14.86%
2	Oct 2012- Mar 2013	-	173.23	13.94%- 14.86%
3	Jul 2013- Mar 2014	467.63	477.75	13.00%- 14.86%
Total		**467.63**	**675.16**	

Note 17.2: Subordinated Debt - Public & Listed

The principal amount of outstanding Unsecured Redeemable Non- Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued through Public Issue stood at ₹ 21,348.14 Lakhs (March 31, 2022: ₹23,826.73 Lakhs).

Currency: ₹ in Lakhs

NCD	Series	Date of Allotment	Maturity Date	As at March 31,		Redemption Period	Interest Rate %
				2023	2022		
NCD 8	KFLHS07	29/09/2016	28/03/2023	-	1059.54	78 Months	11.00%
NCD 8	KFLHS08	29/09/2016	28/03/2023	-	2552.5	78 Months	11.25%
NCD 10	KFLJS08	09/05/2017	08/07/2024	2,210.40	2,006.53	86 Months	10.16%
NCD 12	KFLLS07	08/01/2018	07/05/2025	1,864.91	1,864.91	88 Months	10.00%
NCD 12	KFLLS08	08/01/2018	07/05/2025	1,860.63	1,692.87	88 Months	9.91%

NCD 14	KFLNS07	24/09/2018	23/09/2025	726.82	726.82	84 Months	10.25%
NCD 14	KFLNS08	24/09/2018	23/09/2025	3,310.80	2,998.64	84 Months	10.41%
NCD 15	KFLOS07	31/01/2019	30/01/2026	499.37	499.37	84 Months	10.25%
NCD 15	KFLOS08	31/01/2019	30/01/2026	2,237.21	2,026.27	84 Months	10.41%
NCD 16	KFLPS07	06/05/2019	05/05/2026	412.78	412.78	84 Months	10.25%
NCD 16	KFLPS08	06/05/2019	05/05/2026	1,918.72	1,737.81	84 Months	10.41%
NCD 17	KFLQS07	21/08/2019	20/08/2026	532.89	532.89	84 Months	10.25%
NCD 17	KFLQS08	21/08/2019	20/08/2026	2745.30	2,486.46	84 Months	10.41%
NCD 22	KFLVS07	29/04/2021	28/10/2026	1,132.18	1,132.18	66 Months	10.25%
NCD 19	KFLSS07	29/05/2020	28/05/2027	930.53	930.53	84 Months	10.25%
NCD 19	KFLSS08	29/05/2020	28/05/2027	2378.50	2,154.25	84 Months	10.41%
NCD 21	KFLUS07	23/01/2021	22/01/2028	1,204.37	1,204.37	84 Months	10.25%
NCD 21	KFLUS08	23/01/2021	22/01/2028	1,977.55	1791.1	84 Months	10.41%
NCD 22	KFLVS08	29/04/2021	28/04/2028	1,757.95	1592.2	84 Months	10.41%
Sub Total				**27,700.91**	**29,402.02**		
Less: EIR impact of transaction cost				**(50.98)**	**(62.20)**		
Total				**27,649.93**	**29,339.82**		

Note 17.3: Subordinate Debt -Unlisted

The principal amount of outstanding Unsecured Redeemable Non- Convertible Unlisted Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued through Private Placements stood at ₹ 1,908.5 Lakhs (March 31, 2022: Nil).

Currency: ₹ in Lakhs

Sl. No	Date of Allotment	Maturity Date	As at March 31, 2023	2022	Redemption Period	Interest Rate %
1	30/04/2022	30/05/2027	790.25	-	61 Months	10.00%
2	21/09/2022	20/10/2027	1,118.25	-	61 Months	10.00%
Total			**1,908.50**	**-**		

Note 18: Other Financial Liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	2022
Auction surplus refundable	223.24	103.90
Unclaimed Matured Non-Convertible Debentures and interest thereon	32.12	55.65
Unclaimed Matured Subordinate debt and interest thereon	3.40	3.40
Perpetual Debt Instrument Payable	42.37	238.03
Total	**301.13**	**400.98**

Note 19: Provisions

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	2022
Provision for Employee Benefits – Gratuity (Refer Note 34)	485.01	404.02
Provisions for other assets (Refer Note 19.1)	322.93	322.93
Total	**807.94**	**726.95**

19.1 The movement in Provisions for other assets during 2022-23 and 2021-22 are as follows

Currency: ₹ in Lakhs

Particulars	Amount
As at April 01, 2021	**220.75**
Additions	102.18
Reversed	-
As at March 31, 2022	**322.93**
Additions	-
Reversed	-
As at March 31, 2023	**322.93**

Note 20: Other Non-financial liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	291.20	238.25
Total	**291.20**	**238.25**

Note : Mainly includes government dues, taxes payable, gst payable and salary deductions payable

Note 21: Share Capital

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized		
50,00,00,000 (March 31, 2022: 50,00,00,000) Equity shares of ₹10/- each	50,000.00	50,000.00
5,00,000 (March 31, 2022: 5,00,000) Preference shares of ₹1000/- each	5,000.00	5,000.00
Issued, subscribed, and fully paid up		
21,68,79,302 (March 31, 2022: 21,68,79,302) Equity shares of ₹ 10/- each fully paid up	21,687.93	21,687.93
Total Equity	**21,687.93**	**21,687.93**

21.1 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. Upon a show of hands, every member entitled to vote and present in person shall have one vote, and upon a poll, every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

21.2 Details of Equity shareholders holding more than 5% Equity shares in the company

Particulars	As at March 31, 2023		2022	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
Mathew K Cherian	12,84,52,270	59.23%	12,84,52,270	59.23%
Laila Mathew	3,01,48,300	13.90%	3,01,48,300	13.90%
Kosamattam Ventures Private Limited	3,60,00,200	16.60%	3,60,00,200	16.60%

21.3 Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the year

Currency: ₹ in Lakhs

Particulars	In Numbers	Amount
As at April 01, 2021	**20,25,00,547**	20,250.05
Add: Shares issued on rights issue basis (April 30,2021)	10,80,625	108.06
Add: Shares issued on rights issue basis (September 17, 2021)	1,02,98,130	1,029.82
Add: Share issued pursuant to conversion of CCPS (November)	30,00,000	300.00
As at March 31, 2022	**21,68,79,302**	**21,687.93**
No allotments during the year		
As at March 31, 2023	**21,68,79,302**	**21,687.93**

*** Right Issue**

21.4 The Company has not allotted any share pursuant to contracts without payment being received in cash or as bonus shares nor has it bought back any shares during the preceding period of 5 financial years.

21.5 Shareholding of promoters

Shares held by promoters as on March 31, 2023:

Promoter name	No.of Shares	% of total shares	% Change during the year
Mathew K Cherian	12,84,52,270	59.23%	0.00%
Laila Mathew	3,01,48,300	13.90%	0.00%
Jilu Saju Varghese	400	Negligible	0.00%

Note 22: Other Equity

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2023	2022
Statutory Reserve		
Balance at the beginning of the year	8,279.52	6,679.58
Add: Transfer from Retained Earnings	2,141.07	1,599.94
Balance at the end of the year	**10,420.59**	**8,279.52**
Capital Reserve		
Balance at the beginning of the year	9.07	9.07
Balance at the end of the year	**9.07**	**9.07**
Revaluation Reserve		
Balance at the beginning of the year	2.86	2.86
Less: Loss on Sale of Building	(0.41)	
Balance at the end of the year	**2.45**	**2.86**
Securities Premium		
Balance at the beginning of the year	7,068.66	2,755.03
Add: Shares issued on rights issue basis	-	4,313.63
Balance at the end of the year	**7,068.66**	**7,068.66**
Impairment Reserve		
Balance at the beginning of the year	4,088.74	3,403.13
Add: Amount transferred from Retained Earnings	(4,088.74)	685.61
Balance at the end of the year	**-**	**4,088.74**
General Reserve		
Balance at the beginning of the year	11,660.97	11,660.97
Balance at the end of the year	**11,660.97**	**11,660.97**
Retained Earnings		
Balance at the beginning of the year	12,992.36	7,278.25
Add: Profit for the year (net of taxes)	10,705.38	7,999.66
Transfer from Revaluation Reserve	0.41	-
Transfer from Impairment Reserve	4,088.74	-
Less: Appropriation: -		
Transfer to Statutory Reserve	2,141.07	1,599.94
Transfer to Impairment Reserve	-	685.61
Total appropriations	2,141.07	**2,285.55**
Balance at the end of the year	**25,645.81**	**12,992.36**
Other Comprehensive Income		
Balance at the beginning of the year	(87.69)	19.91
Add: Addition during the year	(6.08)	(107.60)
Balance at the end of the year	**(93.77)**	**(87.69)**
Total	**54,713.78**	**44,014.49**

Note 22.1: Nature and purpose of reserve

Statutory reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount of ₹ 2,141.07 Lakhs (March 31, 2022 ₹ 1,599.94 Lakhs) representing 20% of Profit for the period is transferred to the fund for the year.

This reserve fund can be utilized only for limited purposes as specified by RBI from time to time and every such utilization shall be reported to the RBI within specified period of time from the date of such utilization.

Capital Reserve

Represents reserve created on account of merger/amalgamation as well as the mandatory transfer of a certain percentage of profits before declaring or paying any dividends, in accordance with the provisions of Section 205 (2A) of the Companies Act, 1956.

Revaluation Reserve

Revaluation Reserve records the upward revaluation of assets /liabilities of the Company to their current fair market value, representing unrealized gains/losses.

Securities Premium

This Reserve represents the premium on the issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Impairment Reserve

In accordance with RBI circular no. RBI/2019-20/170 dated March 13, 2020, the company provided impairment allowances as required by Ind AS. Simultaneously, the company determined asset classification and computed impairment provisions based on the applicable prudential norms of Income Recognition, Asset Classification, and Provisioning (IRACP). A comparison between the provisions required under IRACP and the impairment allowances made under Ind AS 109 has been disclosed in Note No. 46.

Furthermore, in accordance with RBI regulations, the company consistently allocated the difference between the impairment allowance calculated under Ind AS 109 and the provisioning required under IRACP for Credit Losses from the net profit after tax to the 'Impairment Reserve.' This practice has been followed by the company from the fiscal year 2019-20 until the fiscal year 2022-23.

During the current year, the Expected Credit Loss (ECL) model was updated, resulting in the Impairment Allowance determined under the provisions of Ind AS 109 exceeding the Impairment Allowance under IRACP.

Given that the ECL Provision surpasses the IRACP requirement, the need to maintain an Impairment Reserve is no longer applicable. Consequently, the balance of the Impairment Reserve has been reversed out and transferred to Retained Earnings.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Other Comprehensive Income

Remeasurement of defined benefit plans

It represents the gain/(loss) on re-measurement of Defined Benefit Obligation and Plan assets

Note 23: Interest Income Currency: ₹ in Lakhs

Particulars	Year ended March 31,					
	2023			2022		
	On Financial assets measured at fair value through OCI	On Financial assets measured at amortized cost	Interest income on financial assets classified at fair value through profit or loss	On Financial assets measured at fair value through OCI	On Financial assets measured at amortized cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans						
Gold loans	-	75,761.96	-	-	60,216.73	-
Other loans	-	382.40	-	-	382.32	-
Interest on deposits with banks	-	1,596.55	-	-	1,425.23	-
Interest on fair value of deposit	-	110.65	-	-	102.11	-
Total	**-**	**77,851.56**	**-**	**-**	**62,126.39**	**-**

Note 24: Fees and commission Income

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Commissions	14.86	15.80
Demat Services	16.39	13.85
Insurance Services	2.01	4.90
Money Transfer Services	19.43	21.67
Ancillary Charges on Loan	313.36	278.87
Others	4.60	3.17
Total	**370.65**	**338.26**

Note 25: Other Income

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net gain / (loss) on derecognition of property, plant and equipment	3.34	0.78
Net gain on foreign currency transaction and translation	19.65	13.30
Interest on Income-tax refund	8.88	-
Total	**31.87**	**14.08**

Note 26: Finance Cost

Currency: ₹ in Lakhs

Particulars	Year ended March 31,			
	2023		2022	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortized cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortized cost
Interest on debt securities	-	23,771.29	-	23,880.19
Interest on borrowings (other than debt securities)	-	14,957.90	-	8,561.07
Interest on subordinated liabilities	-	3,302.48	-	3,538.55
Interest on lease liability	-	454.96	-	431.51
Bank charges	-	843.90	-	480.10
Dividend on CCPS	-	-	-	23.87
Total	-	**43,330.53**	-	**36,915.29**

Note 27: Impairment on financial instruments

Currency: ₹ in Lakhs

Particulars	Year ended March 31,			
	2023		2022	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortized cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortized cost
Loan Assets	-	2,781.27	-	466.73
Bad Debts Written Off	-	-	-	0.67
Other Assets	-	24.80	-	102.19
Total	-	**2,806.07**	-	**569.59**

Note 28: Employee Benefits Expenses

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and Wages	9,501.55	7,709.22
Contribution to Provident and Other Funds	556.06	433.94
Provision for Gratuity(Refer Note 34)	126.13	61.33
Staff Welfare Expense	146.06	154.39
Total	**10,329.80**	**8,358.88**

Note 29: Depreciation, amortization and impairment

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment	997.72	1,027.87
Depreciation on Right of use assets	1,861.00	1,718.42
Amortization of intangible assets	45.19	46.08
Less: Depreciation adjusted against Windmill Income	(49.90)	(61.43)
Less: Depreciation adjusted against Estate Income	(8.67)	(7.67)
Add: Impairment of property, plant and equipment	33.60	-
Total	**2,878.94**	**2,723.27**

Note 30: Other Expenses

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Advertisement and publicity	949.20	543.92
Annual Maintenance Charges	217.83	189.00
Auditors' fees and expenses (Refer note 30.1)	44.72	31.85
CSR Expenses (Refer note 30.2)	197.05	172.73
Donation	20.08	10.67
Electricity & Water Charges	252.50	175.13
GST	446.80	301.68
Insurance	26.99	31.80
Office Expenses	179.64	164.36
Printing and Stationery	266.83	214.36
Legal & Professional Charges	574.41	273.43
Rates and Taxes	34.96	25.29
Rating Fee	114.17	107.90
Repairs & Maintenance	199.16	211.38
Remuneration to Non-executive Directors	5.55	4.30
Security Charges	151.01	153.01
Communication Costs	165.40	185.35
Travelling Expenses	258.07	211.71
Trustee Remuneration	31.61	24.28
Vehicle Expenses	40.57	28.66
Windmill (income) / expenses (Refer note 30.3)	15.74	25.73
Estate (Income) / Expenses(Refer note 30.4)	180.31	99.93
Total	**4,372.60**	**3,186.47**

Note 30.1: Auditor's fees and expenses

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
For Statutory Audit	23.60	19.47
For Taxation Matters	4.13	2.60
For Other Services	11.83	7.78
For Reimbursement of Expenses	5.16	2.00
Total	**44.72**	**31.85**

Note 30.2: Expenditure on Corporate Social Responsibility

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Gross amount required to be spent by the Company during the year	197.05	172.34
b) Amount spent during the period	197.05	172.73
c) Shortfall (Excess) at the end of the year	-	(0.39)
d) Total of previous years shortfalls	-	-
e) Reason for shortfall	-	-
f) Nature of CSR activities	Refer Note 30.2(a)	
g) Details of related party transactions	-	-
h) Provision made during the year	-	-
Total	**197.05**	**172.73**

The Company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII of the Companies Act, 2013.

Note 30.2(a)
Promoting health care including preventive health care, Training to promote rural sports, Setting up of homes for women, Eradicating hunger, Promoting education, Empowering women

Nature of CSR activities during the year

Currency: ₹ in Lakhs

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Eradicating hunger and poverty	-	3.28
Setting up Houses	1.00	0.25
Promoting Education	4.05	0.79
Women Empowerment	128.00	168.41
Employment Enhancement	64.00	-
Total	**197. 5**	**172.73**

** No payments have been made via cash*

Note 30.3: Windmill Income / (Expenses), net

Currency: ₹ in Lakhs

Particulars	**Year ended March 31,**	
	2023	**2022**
Income from Windmill	45.59	47.72
Depreciation - Windmill	(49.90)	(61.43)
AMC Charges	(11.43)	(12.02)
Total	**(15.74)**	**(25.73)**

Note 30.4: Estate Income / (Expenses), net

Currency: ₹ in Lakhs

Particulars	**Year ended March 31,**	
	2023	**2022**
Income from Estate	37.42	108.94
Depreciation - Estate	(8.67)	(7.67)
Estate Expense	(209.06)	(201.20)
Total	**(180.31)**	**(99.93)**

Note 31: Tax Expenses

Currency: ₹ in Lakhs

Particulars	**Year ended March 31,**	
	2023	**2022**
Current tax	4,173.41	2,762.33
Adjustment in respect of income tax of current year	4,188.73	
Adjustment in respect of income tax of earlier year	(15.32)	-
Deferred tax relating to origination and reversal of temporary differences	(342.65)	(36.76)
Income tax expense reported in statement of profit and loss	**3,830.76**	**2,725.57**
Income tax recognized in other comprehensive income (OCI)	-	-
Deferred tax related to items recognized in OCI during the period:	-	-
- Actuarial (gain)/loss moved from Profit and Loss	-	-
- Re measurement of defined benefit plans	2.05	36.19
Income tax charged to OCI	**2.05**	**36.19**

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate.

SGS & COMPANY CHARTERED ACCOUNTANTS

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2023 and year ended March 31, 2022 is, as follows:

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax	14,536.14	10,725.23
Applicable tax rate	25.168%	25.168%
Computed tax for the year	**3,658.45**	**2,699.33**
Rate Difference	-	-
Tax paid for earlier periods	(15.32)	-
DTA not recognised earlier	74.35	(51.56)
Long Term Capital Gains	5.19	
Dividend on CCPS	-	6.01
Exempt income	45.83	25.83
Donation and CSR	54.65	46.16
Others	7.61	(0.20)
Income tax expense reported in the Statement of Profit and Loss	**3,830.76**	**2,725.57**
Effective Income Tax Rate	**26.35%**	**25.41%**

As per amendment u/s 115BAA of Income Tax Act 1961, existing Domestic Companies are provided with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The Company, vide the provisions of this section, has irreversibly opted for the new tax rate of 25.168% inclusive of surcharge @ 10% and cess @ 4%.

Note 31.1: Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income-tax expense:

Currency: ₹ in Lakhs

Deferred Tax Assets/(Liabilities)	As at March 31, 2023	As at March 31, 2022
Depreciation and Amortisation	713.69	715.49
Provision against loans	774.14	294.22
Fair value gain/(loss) on security deposits	50.87	51.20
Right of use assets / (liability	63.86	47.93
Provision for retirement benefits	122.07	101.68
Provision Others	81.28	81.28
Amortisation of processing fees expenses as per EIR	(545.15)	(375.74)
Deferred Tax Assets (net)	**1,260.76**	**916.06**

Reconciliation of deferred tax assets/(liabilities)

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	916.06	843.13
Tax income/(expense) during the year recognized in Statement of Profit and Loss	342.65	36.76
MAT utilized for tax payment	-	-
Tax income/(expense) during the year recognized in OCI	2.05	36.19
Closing balance	**1,260.76**	**916.06**

Notes 31.2 Turnover for Goods & Services Tax

Currency: ₹ in Lakhs

Particulars	Andhra Pradesh	Delhi	Gujarat	Karnataka	Kerala	Maharashtra	Puducherry	Tamil Nadu	Telangana	Uttar Pradesh	Total
Interest Income	6,371.49	1,041.60	-	12,123.57	14,101.81	418.13	289.39	37,737.65	1,152.52	0.03	**73,236.19**
Auction Proceeds of Gold *	1,700.25	282.36	-	2,462.45	985.76	197.38	48.76	5,993.31	380.77	-	**12,051.04**
Commissions	1.51	0.20	0.01	3.70	4.68	0.17	0.19	4.25	0.15	-	**14.86**
Demat Services	-	-	-	0.11	16.13	-	-	0.14	0.01	-	**16.39**
Insurance Services	-	-	-	-	2.01	-	-	-	-	-	**2.01**
Money Transfer Services	-	-	-	-	19.43	-	-	-	-	-	**19.43**
PAN Card Services**	-	-	-	0.88	3.52	-	-	0.26	-	-	**4.66**
Ticket Booking Services**	-	-	-	-	48.99	-	-	-	-	-	**48.99**
Ancillary Charges on Loan	26.43	2.23	0.04	54.83	76.43	2.31	1.06	146.96	3.08	-	**313.37**
Interest on Bank Deposit	-	-	-	-	1,596.55	-	-	-	-	-	**1,596.55**
Foreign Exchange Services***	-	-	-	-	6.59	-	-	-	-	-	**6.59**
Income from Power Generation**	-	-	-	-	45.59	-	-	-	-	-	**45.59**
Agriculture Income**	-	-	-	-	37.41	-	-	-	-	-	**37.41**
Sale / Transfer of Fixed Assets	0.13	-	0.02	0.44	44.30	-	0.05	2.46	-	-	**47.40**
Total	**8,099.81**	**1,326.39**	**0.07**	**14,645.98**	**16,989.20**	**617.99**	**339.45**	**43,885.03**	**1,536.53**	**0.03**	**87,440.48**

Note:

*Auction proceeds of Gold has been netted off with the outstanding value of such loan and shown as Interest Income in the Profit and Loss A/c

**Costs related to the particular income has been netted off in the Profit and Loss A/c

***Taxable value is taken as 1% of the gross amount of Indian Rupees provided/received (transactions with authorized dealers are excluded as it is exempted) while foreign exchange gain has been shown in the Profit and Loss A/c

Note 32: Earnings per share

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net profit attributable to ordinary equity holders	10,705.38	7,999.66
Weighted average number of equity shares for basic earnings per share	21,68,79,302	20,88,58,528
Earnings per share:		
Basic earnings per share (₹)	**4.94**	**3.83**

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net profit attributable to ordinary equity holders	10,705.38	7,999.66
Add: Dividend on CCPS	-	23.87
Adjusted profit for diluted earnings per share	**10,705.38**	**8,023.53**
Weighted average number of equity shares for basic earnings per share	21,68,79,302	20,88,58,528
Effect of dilution:	-	-
Weighted average number of equity shares for diluted earnings per share	21,68,79,302	20,88,58,528
Earnings per share:		
Diluted earnings per share (₹)	**4.94**	**3.83**

Note 33: Assets pledged as security

The carrying amounts of assets pledged as security for debt securities as well as secured borrowings are as below

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
Cash and cash equivalents	3,772.30	7,301.97
Bank Balance other than above	33,352.78	26,675.74
Receivables	15.76	83.58
Loans	4,84,569.06	4,00,725.00
Other Financial assets	-	543.07
Non-financial Assets	-	-
Other non-financial assets	1,180.53	913.53
Total	**5,22,890.43**	**4,36,242.89**

Above assets have been provided as security on first pari-passu floating charge basis for secured debt securities as well as for secured borrowings.

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Land	5,538.35	5,347.16
Building	238.50	156.13
Vehicle *	65.54	84.42
Furniture & Fixtures *	2,271.60	2,057.21
Electrical Fittings *	638.76	551.45
Computer and Accessories *	230.10	251.77
Total	**8,982.85**	**8,448.14**

Land and Building as above have been provided as collateral Security to the South Indian bank Ltd and Karur Vysya Bank. for the limit provided as Cash credit to the company and to Vistra ITCL (India) Limited for the Public issue of Non-Convertible Debentures by the Company.

Furniture & Fixtures include an amount of ₹1,080.92 Lakhs, with respect to which the Income Tax Department has first charge u/s 281 of the Income Tax Act, 1961.

*These assets (Excluding Furniture & Fixtures amounts to ₹1,080.92 Lakhs) have been provided as security on first pari-passu floating charge basis for secured debt securities as well as for secured bank borrowings.

Note 34: Retirement Benefit Plan

Defined Contribution Plan

The Company makes contributions to Provident Fund which are defined contribution plan for qualifying employees. The Company recognized ₹ 418.07 Lakhs (March 31, 2022: ₹ 317.71 Lakhs) for Provident Fund contributions in the statement of profit and loss.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service. Gratuity liability is unfunded.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Net liability/(assets) recognized in the Balance Sheet Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2023	2022
Present value of obligations	485.01	404.02
Fair value of plan assets	-	-
Defined Benefit obligation/(asset)	**485.01**	**404.02**

Net benefit expense recognized in the statement of profit and loss Currency: ₹ in Lakhs

Particulars	Year ended March 31,	
	2023	2022
Current service cost	98.65	45.99
Past service cost	-	
Net Interest on net defined benefit liability/ (asset)	27.47	15.35
Net benefit expense	**126.12**	**61.34**

Details of changes in the present value of defined benefit obligations as follows: Currency: ₹ in Lakhs

Particulars	Year ended March 31,	
	2023	2022
Present value of defined benefit obligation at the beginning of the year	404.02	210.31
Current service cost	98.65	45.98
Past Service Cost	-	-
Interest cost on benefit obligations	27.48	15.35
Re-measurements:	-	
a. Actuarial loss/(gain) arising from changes in demographic assumptions	-	27.22
b. Actuarial loss/ (gain) arising from changes in financial assumptions	3.79	8.82
c. Actuarial gain/(loss) arising due to plan experience	4.34	107.74
Benefits paid	(53.27)	(11.40)
Present value of defined benefit obligation at the end of the year	**485.01**	**404.02**

Remeasurement gain/ (loss) in other comprehensive income (OCI) Currency: ₹ in Lakhs

Particulars	Year ended March 31,	
	2023	2022
Re-measurements on defined benefit obligation		
Actuarial loss/(gain) arising from changes in demographic assumptions	-	27.22
Actuarial gain/(loss) arising from changes in financial assumptions	3.79	8.82
Actuarial gain/(loss) arising due to plan experience	4.34	107.74
Re-measurements on plan assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	-	-
Actuarial gain /(loss) (through OCI)	**8.13**	**143.78**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31,	
	2023	2022
Salary Growth Rate	5.00%	5.00%
Discount Rate	7.20%	7.28%
Mortality	Indian Lives Mortality (2012-14) Ultimate Table	Indian Lives Mortality (2012-14) Ultimate Table
Attrition Rate	Modified q(x) values as per above Mortality Table	
Withdrawal Rate	Modified version of above Table	
Estimated term of liability in years	**12.90**	**12.83**

A quantitative sensitivity analysis for significant assumptions as at March 31, 2023, and March 31, 2022, are as shown below:

Currency: ₹ in Lakhs

Assumptions	Sensitivity Level	As at March 31,	
		2023	2022
Discount Rate	Increase by 1%	440.92	365.71
Discount Rate	Decrease by 1%	536.82	448.38
Salary Increase	Increase by 1%	537.50	449.01
Salary Increase	Decrease by 1%	439.67	365.25
Employee Turnover	Increase by 1%	492.76	411.15
Employee Turnover	Decrease by 1%	475.31	395.09

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis. The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

The principal assumptions used in determining retirement benefit obligations for the Company's plans are shown below:

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments, mortality, withdrawals, and other relevant factors.

Note 35: Maturity analysis of assets and liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31,					
	2023			2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,772.30	-	**3,772.30**	7,301.97	-	**7,301.97**
Bank Balance other than above	27,430.24	6,181.30	**33,611.54**	19,310.59	7,528.10	**26,838.69**
Trade receivables	15.76	-	**15.76**	14.08	-	**14.08**
Other receivables	-	-	-	69.50	-	**69.50**
Loans	4,82,476.72	8,489.86	**4,90,966.58**	4,03,387.65	953.59	**4,04,341.24**
- Adjustment on account of EIR/ECL	(6,397.52)	-	**(6,397.52)**	(3,616.24)	-	**(3,616.24)**
Other financial assets	-	1,360.33	**1,360.33**	543.07	795.38	**1,338.45**
Non-financial Assets	-	-	-	-	-	-
Current tax assets (net)	994.75	-	**994.75**	-	1,562.56	**1,562.56**
Deferred tax assets (net)	-	1,260.76	**1,260.76**	-	916.06	**916.06**
Property, plant, and equipment	-	12,015.75	**12,015.75**	-	12,168.48	**12,168.48**
Capital Work in Progress	-	-	-	-	36.49	**36.49**
Right of use assets	-	3,909.87	**3,909.87**	-	3,720.70	**3,720.70**
Other intangible assets	-	253.33	**253.33**	-	234.07	**234.07**
Other non-financial assets	1,180.53	1,490.15	**2,670.68**	913.53	1,049.54	**1,963.07**
Total Assets	**5,09,472.78**	**34,961.35**	**5,44,434.13**	**4,27,924.15**	**28,964.97**	**4,56,889.12**

Currency: ₹ in Lakhs

Particulars	As at March 31,					
	2023			2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Payables	713.83	-	**713.83**	385.37	-	**385.37**
Debt Securities	68,049.26	1,70,873.46	**2,38,922.72**	74,642.09	1,49,285.53	**2,23,927.62**
- Adjustment on account of EIR	(19.92)	(396.49)	**(416.41)**	(120.96)	(241.93)	**(362.89)**
Borrowings (other than debt securities)	1,47,839.12	45,383.24	**1,93,222.36**	95,585.40	36,358.91	**1,31,944.31**
Subordinated Liabilities	467.63	29,609.41	**30,077.04**	3,872.19	26,204.99	**30,077.18**
- Adjustment on account of EIR	-	(50.98)	**(50.98)**	(8.01)	(54.19)	**(62.20)**
Lease Liabilities	1,591.17	2,572.42	**4,163.59**	1,453.65	2,457.48	**3,911.13**
Other Financial liabilities	301.13	-	**301.13**	400.98	-	**400.98**
Non-financial Liabilities	-	-	**-**	-	-	**-**
Provisions	356.06	451.88	**807.94**	125.58	601.37	**726.95**
Other non-financial liabilities	291.20	-	**291.20**	238.25	-	**238.25**
Total Liabilities	**2,19,589.48**	**2,48,442.94**	**4,68,032.42**	**1,76,574.54**	**2,14,612.16**	**3,91,186.70**
Net	**2,89,883.30**	**(2,13,481.59)**	**76,401.71**	**2,51,349.62**	**(1,85,647.19)**	**65,702.42**

Note 36: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement

Currency: ₹ in Lakhs

Particulars	As at March 31,			
	2022	Cash Flows	Others	2023
Debt Securities	2,23,564.73	17,529.60	(2,588.02)	2,38,506.31
Borrowings other than debt securities	1,31,944.31	61,278.05	-	1,93,222.36
Subordinated Liabilities	30,014.98	(720.09)	731.17	30,026.06
Lease Liabilities	3,911.13	2,143.31	(1,890.85)	4,163.59
Total liabilities from financing activities	**3,89,435.15**	**80,230.87**	**(3,747.70)**	**4,65,918.32**

Currency: ₹ in Lakhs

Particulars	As at March 31,			
	2021	Cash Flows	Others	2022
Debt Securities	2,28,322.99	(10,765.88)	6,007.62	2,23,564.73
Borrowings other than debt securities	85,261.02	46,683.28	-	1,31,944.30
Subordinated Liabilities	31,987.38	(1,837.92)	(134.48)	30,014.98
Lease Liabilities	3,777.99	2,001.38	(1,868.23)	3,911.14
Total liabilities from financing activities	**3,49,349.38**	**36,080.86**	**4,004.91**	**3,89,435.15**

Note 37: Contingent liabilities and commitments

Contingent Liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2023	2022
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt		
(i) Income Tax Demands	1,337.62	1,698.84
(ii) Service Tax Demands	-	-
(iii) Sales Tax Demands	83.36	83.36
Total	**1,420.98**	**1,782.20**

Note 38: Related Party Disclosures

Names of Related parties

	(A) Subsidiaries	
1	NIL	
	(B) Key Managerial Personnel	Designation
1	Mathew K Cherian (Promoter)	Chairman cum Managing Director
2	Laila Mathew (Promoter)	Whole time Director
3	Jilu Saju Varghese d/o Mathew K Cherian (Promoter)	Non - Executive Director
4	C. Thomas John	Independent Director
5	Paul Jose Maliakal	Independent Director
6	Kavil Viswambharan Raveendravilasam	Independent Director (Ceased to be the independent Director on September 17, 2021 due to demise)
7	Sebastian Kurian	Independent Director (w.e.f December 14, 2021)
8	Annamma Varghese C	Chief Financial Officer
9	Sreenath Palakkattillam	Company Secretary
	(C) Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives	
1	Kosamattam Builders Private Limited	
2	Kosamattam Ventures Private Limited (Promoter Group)	
3	Kosamattam Builders	
4	Kosamattam Security Systems	
5	Kosamattam Traders LLP	
6	Velampadikkal Enterprises LLP	
7	Kosamattam Nidhi Limited	
	(D) Relatives of Key Managerial Personnel (The parties with whom transactions were entered)	
1	Milu Mathew D/o Mathew K Cherian	
2	Bala Mathew D/o Mathew K Cherian	
3	Saju Varghese John H/o Jilu Saju Varghese	
4	George Thomas Son-in-law of Mathew K Cherian and Laila Mathew	
5	Tom George Kavalam Son-in-law of Mathew K Cherian and Laila Mathew	
6	Krishnan P F/o Sreenath Palakkattillam	
7	Sreekanth P B/o Sreenath Palakkattillam	
8	Gija Joy D/o Annamma Varghese	

Related Party transactions during the year:

The Company has not granted any loan/advance to promoters, directors, KMPs nor related parties either severally or jointly with any other person which is repayable on demand or without specifying any terms or period of payment

Currency: ₹ in Lakhs

Particulars	Related Party										Total	
	Key Management Personnel (KMP)				Relatives of Key Management Personnel				Others			
	Director		Other KMP		Director		Other KMP		Entities over which Key Management Personnel and their relatives are able to exercise significant influence			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Related Party Transactions during the period												
Interest paid on NCD - Listed	-	**0.07**	**0.10**	**0.17**	**15.82**	**13.85**	**1.80**	**2.00**	-	-	**17.72**	**16.09**
Mathew K Cherian	-	0.07	-	-	-	-	-	-	-	-	-	0.07
Sreenath Palakkattillam	-	-	0.10	0.17	-	-	-	-	-	-	0.10	0.17
Milu Mathew	-	-	-	-	3.31	4.36	-	-	-	-	3.31	4.36
Bala Mathew	-	-	-	-	0.81	-	-	-	-	-	0.81	-
Saju Varghese	-	-	-	-	0.77	0.78	-	-	-	-	0.77	0.78
George Thomas	-	-	-	-	8.77	7.73	-	-	-	-	8.77	7.73
Tom George Kavalam	-	-	-	-	2.16	0.98	-	-	-	-	2.16	0.98
Sreekanth P	-	-	-	-	-	-	1.49	1.77	-	-	1.49	1.77
Gija Joy	-	-	-	-	-	-	0.31	0.23	-	-	0.31	0.23
Interest paid on subordinated debt	-	-	-	-	-	**3.61**	-	-	-	-	-	**3.61**
George Thomas	-	-	-	-	-	2.41	-	-	-	-	-	2.41
Milu Mathew d/o Mathew K Cherian	-	-	-	-	-	1.20	-	-	-	-	-	1.20
Directors Remuneration	**1,016.00**	**811.00**	-	-	-	-	-	-	-	-	**1,016.00**	**811.00**
Mathew K Cherian	520.00	417.50	-	-	-	-	-	-	-	-	520.00	417.50
Laila Mathew	496.00	393.50	-	-	-	-	-	-	-	-	496.00	393.50
Salaries and Allowances	**5.55**	**4.30**	**22.13**	**21.73**	**16.02**	**15.18**	-	-	-	-	**43.70**	**41.21**
C. Thomas John	2.90	2.70	-	-	-	-	-	-	-	-	2.90	2.70
Paul Jose Maliakal	1.55	1.20	-	-	-	-	-	-	-	-	1.55	1.20
Sebastian Kurian	1.10	0.35	-	-	-	-	-	-	-	-	1.10	0.35
Kavil Viswambharan Raveendravilasam	-	0.05	-	-	-	-	-	-	-	-	-	0.05
Annamma Varghese C	-	-	9.46	8.88	-	-	-	-	-	-	9.46	8.88
Sreenath Palakkattillam	-	-	12.67	12.85	-	-	-	-	-	-	12.67	12.85

Milu Mathew	-	-	-	-	5.01	4.67	-	-	-	-	**5.01**	**4.67**
Saju Varghese	-	-	-	-	3.60	3.50	-	-	-	-	**3.60**	**3.50**
George Thomas	-	-	-	-	7.41	7.01	-	-	-	-	**7.41**	**7.01**
Loans Given	-	-	-	-	-	**1,250.00**	-	-	-	-	-	**1,250.00**
Milu Mathew	-	-	-	-	-	1,250.00	-	-	-	-	-	**1,250.00**
Loans Repaid	-	-	-	-	**192.66**	**357.34**	-	-	-	-	**192.66**	**357.34**
Milu Mathew	-	-	-	-	192.66	357.34	-	-	-	-	**192.66**	**357.34**
Subordinated debts repaid	-	-	-	-	-	**15.00**	-	-	-	-	-	**15.00**
Milu Mathew	-	-	-	-	-	5.00	-	-	-	-	-	**5.00**
George Thomas	-	-	-	-	-	10.00	-	-	-	-	-	**10.00**
Purchase of Equity Shares of the Company	-	**300.00**	-	-	-	-	-	-	-	-	-	**300.00**
Mathew K Cherian	-	300.00	-	-	-	-	-	-	-	-	-	**300.00**
Purchase of Listed NCD of the Company	-	-	-	-	**43.30**	**18.50**	**1.75**	**2.76**	-	-	**45.05**	**21.26**
Milu Mathew	-	-	-	-	-	-	-	-	-	-	-	-
Bala Mathew	-	-	-	-	9.00	-	-	-	-	-	**9.00**	-
Saju Varghese	-	-	-	-	10.00	-	-	-	-	-	**10.00**	-
George Thomas	-	-	-	-	13.30	18.50	-	-	-	-	**13.30**	**18.50**
Tom George Kavalam	-	-	-	-	11.00	-	-	-	-	-	**11.00**	-
Sreekanth P	-	-	-	-	-	-	-	2.76	-	-	-	**2.76**
Gija Joy	-	-	-	-	-	-	1.75	-	-	-	**1.75**	-
Redemption of Listed NCD of the Company	-	**0.65**	**0.80**	**1.05**	**11.00**	**10.00**	**4.09**	-	-	-	**15.89**	**11.70**
Mathew K Cherian	-	0.65	-	-	-	-	-	-	-	-	-	**0.65**
Sreenath Palakkatillam	-	-	0.80	1.05	-	-	-	-	-	-	**0.80**	**1.05**
Sreekanth P	-	-	-	-	-	-	4.09	-	-	-	**4.09**	-
Saju Varghese	-	-	-	-	-	10.00	-	-	-	-	-	**10.00**
George Thomas	-	-	-	-	11.00	-	-	-	-	-	**11.00**	-
Interest received on Loan	-	-	-	-	**98.26**	**136.90**	-	-	-	-	**98.26**	**136.90**
Milu Mathew	-	-	-	-	98.26	136.90	-	-	-	-	**98.26**	**136.90**
Rent paid	**129.70**	**135.75**	-	-	-	-	-	-	-	-	**129.70**	**135.75**
Mathew K Cherian	129.70	135.75	-	-	-	-	-	-	-	-	**129.70**	**135.75**
Rent deposit repaid by directors and relatives	**18.15**	-	-	-	-	-	-	-	-	-	**18.15**	-
Mathew K Cherian	18.15	-	-	-	-	-	-	-	-	-	**18.15**	-
Rent deposit given	**0.50**	**2.15**	-	-	-	-	-	-	-	-	**0.50**	**2.15**
Mathew K Cherian	0.50	2.15	-	-	-	-	-	-	-	-	**0.50**	**2.15**

Purchase of Fixed Assets	-	-	-	-	-	-	-	-	152.65	81.11	152.65	81.11
Kosamattam Security Systems	-	-	-	-	-	-	-	-	152.65	81.11	152.65	81.11
Rendering of Service	-	-	-	-	-	-	-	-	195.71	176.60	195.71	176.60
Kosamattam Security Systems	-	-	-	-	-	-	-	-	195.71	176.60	195.71	176.60
Loan &Advances	-	-	-	-	-	-	-	-	-	600.00	-	600.00
Kosamattam Builders	-	-	-	-	-	-	-	-	-	600.00	-	600.00
Loans repaid	-	-	-	-	-	-	-	-	-	600.00	-	600.00
Kosamattam Builders	-	-	-	-	-	-	-	-	-	600.00	-	600.00
Interest received on Loan	-	-	-	-	-	-	-	-	-	55.23	-	55.23
Kosamattam Builders	-	-	-	-	-	-	-	-	-	55.23	-	55.23
Balance outstanding as at the year-end : Asset/(Liability)												
Investments in Equity Shares	(15,860.10)	(15,860.10)	-	-	(12.54)	(12.54)	-	-	(3,602.00)	(3,602.00)	(19,474.64)	(19,474.64)
Mathew K Cherian	(12,845.23)	(12,845.23)	-	-	-	-	-	-	-	-	(12,845.23)	(12,845.23)
Laila Mathew	(3,014.83)	(3,014.83)	-	-	-	-	-	-	-	-	(3,014.83)	(3,014.83)
Jilu Saju varghese	(0.04)	(0.04)	-	-	-	-	-	-	-	-	(0.04)	(0.04)
Milu Mathew	-	-	-	-	(0.01)	(0.01)	-	-	-	-	(0.01)	(0.01)
George Thomas	-	-	-	-	(3.14)	(3.14)	-	-	-	-	(3.14)	(3.14)
Saju varghese	-	-	-	-	(9.38)	(9.38)	-	-	-	-	(9.38)	(9.38)
Bala Mathew	-	-	-	-	(0.01)	(0.01)	-	-	-	-	(0.01)	(0.01)
Kosamattam Ventures Private Limited	-	-	-	-	-	-	-	-	(3,602.00)	(3,602.00)	(3,602.00)	(3,602.00)
NCD - Listed	-	-	(0.20)	(1.00)	(129.80)	(97.50)	(12.45)	(14.79)	-	-	(142.45)	(113.29)
Sreenath Palakkattillam	-	-	(0.20)	(1.00)	-	-	-	-	-	-	(0.20)	(1.00)
Milu Mathew	-	-	-	-	(23.00)	(23.00)	-	-	-	-	(23.00)	(23.00)
Bala Mathew	-	-	-	-	(9.00)	-	-	-	-	-	(9.00)	-
Saju Varghese	-	-	-	-	(10.00)	-	-	-	-	-	(10.00)	-
George Thomas	-	-	-	-	(66.80)	(64.50)	-	-	-	-	(66.80)	(64.50)
Tom George Kavalam	-	-	-	-	(21.00)	(10.00)	-	-	-	-	(21.00)	(10.00)
Sreekanth P	-	-	-	-	-	-	(8.05)	(12.14)	-	-	(8.05)	(12.14)
Gija Joy	-	-	-	-	-	-	(4.40)	(2.65)	-	-	(4.40)	(2.65)
Rent Deposit	60.77	78.41	-	-	-	-	-	-	-	-	60.77	78.41
Mathew K Cherian	60.77	78.41	-	-	-	-	-	-	-	-	60.77	78.41
Loans	-	-	-	-	700.00	892.66	-	-	-	-	700.00	892.66
Milu Mathew	-	-	-	-	700.00	892.66	-	-	-	-	700.00	892.66
Advance for purchase of Goods & Services	-	-	-	-	-	-	-	-	19.98	18.05	19.98	18.05
Kosamattam Security Systems	-	-	-	-	-	-	-	-	19.98	18.05	19.98	18.05
Amount receivable/(payable) to Related Parties - Net	(15,799.33)	(15,781.69)	(0.20)	(1.00)	557.66	782.62	(12.45)	(14.79)	(3,582.02)	(3,583.95)	(18,836.34)	(18,598.81)

Maximum Balance Outstanding during the year												
Investments in Equity Shares	**(15,860.10)**	**(15,860.10)**	**-**	**-**	**(12.54)**	**(12.54)**	**-**	**-**	**(3,602.00)**	**(3,602.00)**	**(19,474.64)**	**(19,474.64)**
Mathew K Cherian	(12,845.23)	(12,845.23)	-	-	-	-	-	-	-	-	**(12,845.23)**	**(12,845.23)**
Laila Mathew	(3,014.83)	(3,014.83)	-	-	-	-	-	-	-	-	**(3,014.83)**	**(3,014.83)**
Jilu Saju varghese	(0.04)	(0.04)	-	-	-	-	-	-	-	-	**(0.04)**	**(0.04)**
Milu Mathew	-	-	-	-	(0.01)	(0.01)	-	-	-	-	**(0.01)**	**(0.01)**
George Thomas	-	-	-	-	(3.14)	(3.14)	-	-	-	-	**(3.14)**	**(3.14)**
Saju varghese	-	-	-	-	(9.38)	(9.38)	-	-	-	-	**(9.38)**	**(9.38)**
Bala Mathew	-	-	-	-	(0.01)	(0.01)	-	-	-	-	**(0.01)**	**(0.01)**
Kosamattam Ventures Private Limited	-	-	-	-	-	-	-	-	(3,602.00)	(3,602.00)	**(3,602.00)**	**(3,602.00)**
NCD - Listed	**-**	**-**	**(1.00)**	**(2.05)**	**(135.80)**	**(97.50)**	**(13.96)**	**(14.79)**	**-**	**-**	**(150.76)**	**(114.34)**
Sreenath Palakkattillam	-	-	(1.00)	(2.05)	-	-	-	-	-	-	**(1.00)**	**(2.05)**
Milu Mathew	-	-	-	-	(23.00)	(23.00)	-	-	-	-	**(23.00)**	**(23.00)**
Bala Mathew	-	-	-	-	(9.00)	-	-	-	-	-	**(9.00)**	**-**
Saju Varghese	-	-	-	-	(10.00)	-	-	-	-	-	**(10.00)**	**-**
George Thomas	-	-	-	-	(72.80)	(64.50)	-	-	-	-	**(72.80)**	**(64.50)**
Tom George Kavalam	-	-	-	-	(21.00)	(10.00)	-	-	-	-	**(21.00)**	**(10.00)**
Sreekanth P	-	-	-	-	-	-	(9.56)	(12.14)	-	-	**(9.56)**	**(12.14)**
Gija Joy	-	-	-	-	-	-	(4.40)	(2.65)	-	-	**(4.40)**	**(2.65)**
Rent Deposit	**78.91**	**78.41**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**78.91**	**78.41**
Mathew K Cherian	78.91	78.41	-	-	-	-	-	-	-	-	**78.91**	**78.41**
Loans	**-**	**-**	**-**	**-**	**892.66**	**1,250.00**	**-**	**-**	**-**	**-**	**892.66**	**1,250.00**
Milu Mathew	-	-	-	-	892.66	1,250.00	-	-	-	-	**892.66**	**1,250.00**
Advance for purchase of Goods & Services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**134.92**	**229.26**	**134.92**	**229.26**
Kosamattam Security Systems	-	-	-	-	-	-	-	-	134.92	229.26	**134.92**	**229.26**
Total	**(15,781.19)**	**(15,781.69)**	**(1.00)**	**(2.05)**	**744.32**	**1,139.96**	**(13.96)**	**(14.79)**	**(3,467.08)**	**(3,372.74)**	**(18,518.91)**	**(18,031.31)**

Note 39: Capital Management

Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and requirements of the financial covenants. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Currency: ₹ in Lakhs

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	89,502.12	5,05,495.55	17.71%	18.65%	-5.06%	-
Tier I CRAR	73,576.15	5,05,495.55	14.56%	14.45%	0.73%	-
Tier II CRAR	15,925.97	5,05,495.55	3.15%	4.20%	-24.99%	-
Liquidity Ratio	19,368.05	8,037.04	240.98%	-	*NA	-

Note: **Variance not applicable since liquidity ratio applicability is only there from current period.*

Regulatory capital consists of Tier1 capital which comprises share capital, share premium, and retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is Tier 2 capital instruments.

Note 40: Fair Value Measurement

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are initially measured at fair value and subsequently carried at amortized cost in the financial statements.

Currency: ₹ in Lakhs

Particulars	Level	Carrying Value		Fair Value	
		As at March 31,			
		2023	2022	2023	2022
Financial assets					
Cash and cash equivalents	1	3,772.30	7,301.97	3,772.30	7,301.97
Bank Balance other than Above	1	33,611.54	26,838.69	33,611.54	26,838.69
Receivable	3	15.76	83.58	15.76	83.58
Loans	3	4,84,569.06	4,00,725.00	4,84,569.06	4,00,725.00
Other Financial assets	3	1,360.33	1,338.45	1,360.33	1,338.45
Financial assets		**5,23,328.99**	**4,36,287.69**	**5,23,328.99**	**4,36,287.69**
Financial Liabilities					
Payable	3	713.83	385.37	713.83	385.37
Debt securities	2	2,38,506.31	2,23,564.73	2,38,506.31	2,23,564.73
Borrowings (other than debt securities)	2	1,93,222.36	1,31,944.31	1,93,222.36	1,31,944.31
Subordinated liabilities	2	30,026.06	30,014.98	30,026.06	30,014.98
Other financial liabilities	3	301.13	400.98	301.13	400.98
Financial Liabilities		**4,62,769.69**	**3,86,310.37**	**4,62,769.69**	**3,86,310.37**

Valuation techniques

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include cash and cash equivalents, trade receivables, balances other than cash and cash equivalents, and trade payables without a specific maturity.

Such amounts have been classified as Level 2/Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default, and loss has given default estimates. Since comparable data is not available, credit risk is derived using historical experience, management view, and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using an Effective interest rate model that incorporates interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating the probability of defaults and loss given defaults.

Financial liability at amortized cost

The fair values of financial liability held to maturity are estimated using an effective interest rate model based on contractual cash flows using actual yields.

Note 41: Risk Management

The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the company's operations. The Company's principal financial assets include loans, cash and cash equivalents and other receivables that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company's Risk Management Committee of the Board of directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee for review. The committee's suggestions for improving the Risk Management Practices are implemented by the Risk Management department.

Risk Management department shall be responsible for the following:

a) Identifying the various risks associated with the activities of the Company and assessing their impact on the business.

b) Measuring the risks and suggesting measures to effectively mitigate the risks. However, the primary responsibility for managing the various risks on a day to day basis will be with the heads of the respective business units of the Company.

The Company is generally exposed to credit risk, liquidity risk and market risk

I) Credit Risk

Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses.

The Company addresses credit risk through following processes;

a) Credit risk on Gold loan is considerably reduced as collateral is in the form of Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the Credit risk is normally low.

b) Sanctioning powers for Gold Loans is delegated to various authorities at branches/controlling offices. Sanctioning powers is used only for granting loans for legally permitted purposes. The maximum Loan to Value stipulated by the Reserve Bank of India does not exceed under any circumstances.

c) Gold ornaments brought for pledge is the primary responsibility of Branch Manager. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. The branch manager conducts proper due diligence to ascertain the ownership of the gold jewellery based on the questions posed and the answers provided by customers.

d) Auctions are conducted as per the Auction Policy of the Company and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

Impairment Assessment

The Company is mainly engaged in the business of providing gold loans. The tenure of the loans generally is up to 9 months. The Company also provides other secured and unsecured loans. The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies.

Definition of default and cure

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2, as appropriate.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage 1
Standard grade	1-30 DPD	Stage 2
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61- 90 DPD	Stage 2
Individually impaired	91 DPD or More	Stage 3

Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD. PD is calculated using the Incremental 91 DPD approach considering fresh slippage using historical information.

Particulars	As at March 31,					
	2023			2022		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
i) Gold Loan	2.31%	13.92%	100.00%	1.92%	13.71%	100.00%
ii) Business Loans	10.00%	30.00%	100.00%	11.10%	15.27%	100.00%
iii) Kisan Credit	10.00%	30.00%	100.00%	10.00%	30.00%	100.00%
iv) Micro Finance Loans	10.00%	30.00%	100.00%	100.00%	100.00%	100.00%
v) Mortgaged Loan	10.00%	30.00%	100.00%	100.00%	100.00%	100.00%
vi) Rental Loan	10.00%	30.00%	100.00%	100.00%	100.00%	100.00%
vii) Other Loans	10.00%	30.00%	100.00%	100.00%	100.00%	100.00%

Based on review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2023 and March 31, 2022.

Loss Given Default (LGD)

LGD is the estimated loss that the Company might bear if the borrower defaults. The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value, and expected proceeds from the sale of an asset.

Particulars	As at March 31,					
	2023			2022		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
i) Gold Loan	14.53%	14.53%	14.53%	13.39%	13.39%	13.39%
ii) Business Loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
iii) Kisan Credit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
iv) Micro Finance Loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
v) Mortgaged Loan	38.62%	38.62%	38.62%	21.72%	21.72%	21.72%
vi) Rental Loan	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
vii) Other Loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Collateral and other credit enhancements

The amount and type of collateral required to depend on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also show the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

The main types of collateral are as follows: -

Management provides gold loans against the security of gold. The gold is pledged with the company and based on the company policy of loan to value ratio, the loan is provided.

Fair value of collateral and credit enhancements held

Currency: ₹ in Lakhs

As at March 31, 2023	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory, and other working capital items	Surplus collateral	Total collateral	Net exposure	Associated ECLs
Financial assets										
Cash and cash equivalents	3,772.30	3,772.30	-	-	-	-	-	3,772.30	-	-
Bank Balance other than Cash and cash equivalents	33,611.54	33,611.54	-	-	-	-	-	33,611.54	-	-
Loans (Gross):	-	-	-	-	-	-	-	-	-	-
i) Gold Loan	4,84,502.31	-	-	-	4,84,502.31	-	2,35,675.06	7,20,177.37	-	2,634.17
ii) Business Loan	9.92	-	-	-	-	-	-	-	9.92	9.92
iii) Kisan Credit	-	-	-	-	-	-	-	-	-	-
iv) Micro Finance Loans	83.34	-	-	-	-	-	-	-	83.34	83.34
v) Mortgage Loan	6,192.36	-	6,192.36	-	-	-	7,794.56	13,986.91	-	3,491.59
vi) Rental Loan	13.50	-	-	-	-	-	-	-	13.50	13.34
vii) Other Loans	165.15	-	-	-	-	-	-	-	165.15	165.15
Trade receivables	15.76	-	-	-	-	-	-	-	15.76	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Other financial assets	1,360.33	-	-	-	-	-	-	-	1,360.33	-
Total financial assets at amortised cost	**5,29,726.51**	**37,383.84**	**6,192.36**	**-**	**4,84,502.31**	**-**	**2,43,469.62**	**7,71,548.12**	**1,648.00**	**6,397.51**
Financial assets at FVTPL*	-	-	-	-	-	-	-	-	-	-
Total financial instruments at fair value through profit or loss*	-	-	-	-	-	-	-	-	-	-
Equity instrument at fair value through OCI	-	-	-	-	-	-	-	-	-	-
Total equity instrument at fair value through OCI	-	-	-	-	-	-	-	-	-	-
	5,29,726.51	**37,383.84**	**6,192.36**	**-**	**4,84,502.31**	**-**	**2,43,469.62**	**7,71,548.12**	**1,648.00**	**6,397.51**
Other commitments	-	-	-	-	-	-	-	-	-	-
	5,29,726.51	**37,383.84**	**6,192.36**	**-**	**4,84,502.31**	**-**	**2,43,469.62**	**7,71,548.12**	**1,648.00**	**6,397.51**

*** Including Equity Instruments**

SGS & Company, Chartered Accountants

Fair value of collateral and credit enhancements held

Currency: ₹ in Lakhs

As at March 31, 2022	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory, and other working capital items	Surplus collateral	Total collateral	Net exposure	Associated ECLs
Financial assets										
Cash and cash equivalents	7,301.97	7,301.97	-	-	-	-	-	7,301.97	-	-
Bank Balance other than Cash and cash equivalents	26,838.69	26,838.69	-	-	-	-	-	26,838.69	-	-
Loans (Gross):	-	-	-	-	-	-	-	-	-	-
i) Gold Loan	3,96,680.71	-	-	-	3,96,680.71	-	1,23,005.09	5,19,685.81	-	1,840.49
ii) Business Loan	507.35	-	-	-	-	-	-	-	507.35	64.86
iii) Kisan Credit	528.56									52.86
iv) Micro Finance Loans	116.33	-	-	-	-	-	-	-	116.33	116.33
v) Mortgage Loan	6,344.64	-	6,344.64	-	-	-	7,642.27	13,986.91	-	1,378.06
vi) Rental Loan	16.13	-	-	-	-	-	-	-	16.13	16.13
vii) Other Loans	147.52	-	-	-	-	-	-	-	147.52	147.52
Trade receivables	14.08	-	-	-	-	-	-	-	14.08	-
Other receivables	69.50	-	-	-	-	-	-	-	69.50	-
Other financial assets	1,338.45	-	-	-	-	-	-	-	1,338.45	-
Total financial assets at amortised cost	**4,39,903.93**	**34,140.66**	**6,344.64**	**-**	**3,96,680.71**	**-**	**1,30,647.36**	**5,67,813.38**	**2,209.36**	**3,616.25**
Financial assets at FVTPL*	-	-	-	-	-	-	-	-	-	-
Total financial instruments at fair value through profit or loss*	-	-	-	-	-	-	-	-	-	-
Equity instrument at fair value through OCI	-	-	-	-	-	-	-	-	-	-
Total equity instrument at fair value through OCI	-	-	-	-	-	-	-	-	-	-
	4,39,903.93	**34,140.66**	**6,344.64**	**-**	**3,96,680.71**	**-**	**1,30,647.36**	**5,67,813.38**	**2,209.36**	**3,616.25**
Other commitments	-	-	-	-	-	-	-	-	-	-
	4,39,903.93	**34,140.66**	**6,344.64**	**-**	**3,96,680.71**	**-**	**1,30,647.36**	**5,67,813.38**	**2,209.36**	**3,616.25**

*** Including Equity Instruments**

II) Liquidity risk

Asset Liability Management (ALM)

The table below shows the maturity pattern of the assets and liabilities. In the case of loans, the contracted tenure of the gold loan is a maximum of 9 months. However, on account of a high incidence of prepayment before contracted maturity, the below maturity profile has been prepared by the management on the basis of the historical pattern of repayments. In the case of loans other than gold loans, the maturity profile is based on contracted maturity.

Maturity pattern of assets and liabilities as on March 31, 2023:

Currency: ₹ in Lakhs

Particulars	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	3,688.67	-	-	-	83.63	-	-	-	-	3,772.30
Bank Balance other than Cash and cash equivalents	3,003.31	2,452.82	1,861.82	4,986.85	15,125.44	6,181.19	0.10	0.01	-	33,611.54
Loans	36,734.40	56,170.87	53,690.19	1,93,682.69	1,42,198.57	735.00	1,363.98	6,390.88	(6,397.52)	4,84,569.06
Total	**43,426.38**	**58,623.69**	**55,552.01**	**1,98,669.54**	**1,57,407.64**	**6,916.19**	**1,364.08**	**6,390.89**	**(6,397.52)**	**5,21,952.90**
Financial Liabilities										
Debt Securities	-	9,330.76	-	30,983.11	27,735.40	1,03,482.70	57,763.56	9,627.19	(416.41)	2,38,506.31
Borrowings (other than Debt Securities)	14,602.12	9,641.98	42,545.19	36,097.21	44,952.62	44,375.75	1,007.49	-	-	1,93,222.36
Subordinated Liabilities	52.62	-	-	130.00	285.00	12,710.14	15,141.32	1,757.96	(50.98)	30,026.06
Total	**14,654.74**	**18,972.74**	**42,545.19**	**67,210.32**	**72,973.02**	**1,60,568.59**	**73,912.37**	**11,385.15**	**(467.39)**	**4,61,754.73**

***represents adjustments on account of EIR/ECL**

Maturity pattern of assets and liabilities as on March 31, 2022:

Currency: ₹ in Lakhs

Particulars	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	7,301.97	-	-	-	-	-	-	-	-	7,301.97
Bank Balance other than Cash and cash equivalents	1,073.24	2,290.10	1,708.68	4,044.46	10,194.11	6,601.94	926.14	0.02	-	26,838.69
Loans	38,845.51	29,795.75	60,265.11	1,38,402.93	1,36,078.35	953.59	-	-	(3,616.24)	4,00,725.00
Total	**47,220.72**	**32,085.85**	**61,973.79**	**1,42,447.39**	**1,46,272.46**	**7,555.53**	**926.14**	**0.02**	**(3,616.24)**	**4,34,865.66**
Financial Liabilities										
Debt Securities	-	16,280.16	10,383.17	26,205.40	21,773.36	1,26,754.61	17,280.94	5,249.98	(362.89)	2,23,564.73
Borrowings (other than Debt Securities)	14,554.97	8,432.07	30,799.89	25,349.15	16,449.32	32,416.41	3,942.50	-	-	1,31,944.31
Subordinated Liabilities	110.15	-	-	-	3,762.04	2,421.53	16,111.01	7,672.45	(62.20)	30,014.98
Total	**14,665.12**	**24,712.23**	**41,183.06**	**51,554.55**	**41,984.72**	**1,61,592.55**	**37,334.45**	**12,922.43**	**(425.09)**	**3,85,524.02**

***represents adjustments on account of EIR/ECL**

III) Market risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factors. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Company is exposed to two types of market risk as follows:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. The majority of our borrowings are at fixed rates. However, borrowings at floating rates give rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation, and other factors. In order to manage interest rate risk, the company seeks to optimize the borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize the stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and the Asset Liability Management Committee supervises an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenures.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Currency: ₹ in Lakhs

Impact on Profit before taxes	As at March 31,	
	2023	2022
On Floating Rate Borrowings		
0.5 % increase in interest rates	720.15	433.04
0.5 % decrease in interest rates	(720.15)	(433.04)

Price risk

The Company's exposure to price risk is not material.

Note 42: Segment reporting

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the management to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by Ind AS 108 on "Operating Segment".

Note 43: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The company has during the year raised through public issue ₹ 93,637.93 Lakhs of Secured Redeemable Non-Convertible Debentures. As at March 31, 2023, the company has utilized the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

Note 44: Disclosure required as per Reserve Bank of India Notification No. DNBS.CC.PD.NO. 265/03.10.01/2011-12 dated March 21, 2012

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2023	2022
Gold Loans granted against collateral of gold jewellery (principal portion)	4,84,502.31	3,96,680.71
Total assets of the Company	5,44,434.13	4,56,889.12
Percentage of Gold Loans to Total Assets	88.99%	86.82%

Note 45: Disclosures required as per Reserve Bank of India Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Currency: ₹in Lakhs

Sl No.	Particulars	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
1	**Liabilities:**				
	Loans and advances* availed by the non-banking financial company inclusive of interest accrued thereon but not paid: -	As at March 31, 2023		2022	
	(a) Debentures				
	: Secured	2,38,922.72	-	2,23,927.62	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits)	-	-	-	-
	: Perpetual Debt Instrument	467.63	-	675.16	-
	(b) Deferred credits	-	-	-	-
	(c) Term Loans	1,10,460.44	-	64,614.43	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Other Loans (specify nature)	-	-	-	-
	Loan from Directors/ Relatives of Directors	-	-	-	-
	Subordinated Debt	29,609.41	-	29,402.02	-
	Borrowings from Banks/FI	82,761.92	-	67,329.88	-
	Overdraft against Deposit with Banks	-	-	-	-

2. Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid:

Currency: ₹in Lakhs

Sl No.	Particulars	As at March 31, 2023	2022
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-

3. Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :-

Currency: ₹in Lakhs

Sl No.	Assets	As at March 31, 2023	2022
	(a) Secured	4,90,694.67	4,03,025.35
	(b) Unsecured	271.91	1,315.89

4. Breakup of Investments:

Currency: ₹ in Lakhs

SL No	Assets	As at March 31, 2023	2022
	Current Investments:		
	1. Quoted:		
	(i) Shares (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (specify)	-	-
	2. Unquoted:		
	(i) Shares (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-

(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (specify)	-	-
Long Term Investments		
1. Quoted:		
(i) Shares (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (specify)	-	-
2. Unquoted:		
(i) Shares (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (specify)	-	-

5. Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities: -

Currency: ₹ in Lakhs

Sl No.	Assets	As at March 31,	
		2023	2022
	(i) Lease assets including lease rentals under sundry debtors: -		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-

6. Borrower Group-wise Classification of Assets Financed* as in Sl No. (3) and (4) above:-

Currency: ₹ in Lakhs

Category	As at March 31, 2023		
	Amount (Net of provisioning)		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	548.66	-	548.66
2. Other than related parties	4,84,020.25	0.15	4,84,020.40
Total	4,84,568.91	0.15	4,84,569.06

Currency: ₹ in Lakhs

Category	As at March 31, 2022		
	Amount (Net of provisioning)		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	698.77	-	698.77
2. Other than related parties	3,99,108.04	918.19	4,00,026.23
Total	3,99,806.81	918.19	4,00,725.00

7. Investor group-wise classification of all investments current and long term in shares and securities (Both quoted & un quoted) - NA

8 Other Information

Currency: ₹ in Lakhs

Particulars	Amount Outstanding As at March 31, 2023	Amount Outstanding As at March 31, 2022
(i) Gross Non-Performing Assets		
(a) With Related parties	-	-
(b) With Others	7,754.85	5,742.29
(ii) Net Non-Performing Assets		
(a) With Related parties	-	-
(b) With Others	3,324.97	3,523.88
(iii) Assets acquired in satisfaction of the debt		
(a) With Related parties	-	-
(b) With Others	-	-

9 Details of the Auctions conducted with respect to Gold Loan

The Company auctioned 32,952 loan accounts (March 31, 2022: 64,167 accounts) during the financial year. The outstanding dues on these loan accounts were ₹11,823.88 Lakhs (March 31, 2022: ₹ 31,398.25 Lakhs) till the respective date of auction. The Company realised ₹12,051.04 Lakhs. (March 31, 2022: ₹ 28,469.38 Lakhs.) on auctioning of gold jewellery taken as collateral security on these loans. Company confirms that none of its sister concerns participated in the above auctions.

10 a) Capital

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
i) CRAR (%)	17.71%	18.65%
ii) CRAR-Tier I capital (%)	14.56%	14.45%
iii) CRAR-Tier II capital (%)	3.15%	4.20%
iv) Amount of subordinated debt raised as Tier-II capital	13,957.24	16,409.45
v) Amount raised by the issue of Perpetual Debt Instruments during the year		
vi) Amount raised by the issue of Perpetual Debt Instruments	415.00	565.00
vii) Percentage of PDI to Tier I Capital	0.56%	0.93%

10 b) Investments

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
1. Value of Investments		
i) Gross Value of Investments		
(a) In India	-	-
(b) Outside India,	-	-
ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India,	-	-
iii) Net Value of Investments		
(a) In India	-	-
(b) Outside India,	-	-
2. Movement of provisions held towards depreciation on investments.		
(i) Opening balance		
(ii) Add : Provisions made during the year		
(iii) Less : Write-off / write-back of excess provisions during the year		
(iv) Closing balance		

10 c) Derivatives

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from swaps	-	-
(v) The fair value of the swap book	-	-

10 d). Exchange-traded interest rate (IR) derivatives

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Exchange-traded interest rate (IR) derivatives	-	-

10 e) Disclosure relating to securitization

Currency: ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
i) Disclosure relating to securitization	-	-

10 f) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

Currency: ₹ in Lakhs

As at 31.03.2023	1 to 7 days	8 to 14 days	15 to 30/ 31 days (one month)	Over one month to 2 months	Over 2 month to 3 months	Over 3 month to 6 months	Over 6 month to 1 year	Over 1 Year to 3 year	Over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities												
Debt Securities	-	-	-	9,330.76	-	30,983.11	27,735.40	1,03,482.70	57,763.56	9,627.19	(416.41)	2,38,506.31
Subordinated Liabilities	52.62	-	-	-	-	130.00	285.00	12,710.14	15,141.32	1,757.96	(50.98)	30,026.06
Borrowings	2,601.42	2,776.08	9,224.61	9,641.98	42,545.19	36,097.21	44,952.62	44,375.75	1,007.50	-	-	1,93,222.36
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Assets												
Advances*	21,980.33	3,492.88	11,261.20	56,170.87	53,690.19	1,93,682.69	1,42,198.57	735.00	1,363.98	6,390.87	(6,397.52)	4,84,569.06
Investments (other than investment in foreign subsidiary)												
Foreign Currency assets (Investment in foreign subsidiary)												

*Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

Currency: ₹ in Lakhs

As at 31.03.2022	1 to 7 days	8 to 14 days	15 to 30/ 31 days (one month)	Over one month to 2 months	Over 2 month to 3 months	Over 3 month to 6 months	Over 6 month to 1 year	Over 1 Year to 3 year	Over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities												
Debt Securities	-	-	-	16,280.16	10,383.17	26,205.40	21,773.36	1,26,754.61	17,280.94	5,249.98	(362.89)	2,23,564.73
Subordinated Liabilities	110.15	-	-	-	-	-	3,762.04	2,421.53	16,111.01	7,672.45	(62.20)	30,014.98
Borrowings	383.37	2,575.74	11,595.86	8,432.07	30,799.89	25,349.15	16,449.32	32,416.41	3,942.50	-	-	1,31,944.31
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-	-
Advances*	29,523.53	2,588.82	6,733.16	29,795.75	60,265.11	1,38,402.93	1,36,078.35	953.59	-	-	(3,616.24)	4,00,725.00
Investments (other than investment in foreign subsidiary)												
Foreign Currency assets (Investment in foreign subsidiary)												

*Contracted tenor of gold loan is maximum of 9 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

10 g) Exposure

i) Exposure to Real Estate Sector

Currency: ₹ in Lakhs

Category	As at March 31,	
	2023	2022
a) Direct exposure (Net of Advances from Customers)		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:	-	-
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development, and construction, etc.). Exposure would also include non-fund based (NFB) limits;	537.45	530.08
(iii) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	537.45	530.08

ii) Exposure to Capital Market

Currency: ₹ in Lakhs

	Particulars	As at March 31,	
		2023	2022
i)	Direct investment in equity shares, convertible bonds, convertible debentures, and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds are taken as a primary security	-	-
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds i.e. where the primary security other than shares / convertible bonds /convertible debentures/units of equity-oriented mutual funds does not fully cover the advances	-	-
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi)	Loans sanctioned to corporates against the security of shares /bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii)	Bridge loans to companies against expected equity flows /issues	-	-
viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix)	Financing to stockbrokers for margin trading	-	-
x)	All exposures to Alternative Investment Funds:	-	
	(i) Category I	-	-
	(ii) Category II	-	-
	(iii) Category III	-	-
	Total Exposure to Capital Markets	0.00	0.00

KOSAMATTAM FINANCE LTD.
REGISTERED OFFICE
KOTTAYAM

SGS & COMPANY
CHARTERED ACCOUNTANTS
H.O. TRICHUR
BR. COCHIN
CALICUT
CHENNAI

iii) Sectoral exposure

Currency: ₹ in Lakhs

	Current Year			Previous Year		
Sectors	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-		-	-	-
2. Industry	-	-		-	-	-
3. Corporate	2,474.71	2,474.36	99.99%	2,600.12	2,468.26	94.93%
4. Services	-	-		-	-	-
5. Personal Loans	-	-		-	-	-
6. Others, if any (Gold Loan, Micro Finance, Rental Loan, Business Loan & Others)	4,88,491.86	5,280.49	1.08%	4,01,741.13	7,181.85	1.79%

iv) Details of financing of parent company products: Nil

v) Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the Company: Nil

vi) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc has been taken and which is to be classified as Unsecured Advances: Nil

vii) Intra-group exposures

Particulars	As at March 31, 2023	As at March 31, 2022
i) Total amount of intra-group exposures	Nil	Nil
ii) Total amount of top 20 intra-group exposures	Nil	Nil
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	Nil	Nil

viii) Unhedged foreign currency exposure: Nil (March 31, 2022-Nil)

10 h) Related Party Disclosure Details of all material transactions with related parties are disclosed in point note 38.

10 i) Registration obtained from financial sector regulators

- Company has obtained a certificate of registration dated December 19, 2013 bearing registration no. B-16.00117 issued by the Reserve Bank of India ("RBI") to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934.
- Company holds a full-fledged money changers license bearing license number FE.CHN.FFMC.40/2006 dated February 7, 2006 issued by the RBI which was valid up to February 28, 2025. Currently Company has 62 authorized service centres.
- Company holds a Certificate of Registration dated March 30, 2016 bearing Registration Number - CA0179 issued by IRDA to commence/carry business in the capacity of a Corporate Agent (Composite) under the Insurance Regulatory and Development Authority Act, 1999, renewed up to 31, March 2025
- Company holds a Certificate of Registration dated May 22, 2019 bearing registration number IN–DP–415-2019 issued by the SEBI to act as Depository Participant in terms of Regulation 20 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
- Company has obtained registration with Financial Intelligence Unit – India (FIU-IND) and was assigned registration No FINBF12988
- Our Company has obtained registration with Legal Entity Identifier India Limited (LEIL) and was assigned a LEI Code - 335800F7BYBNG38B4A84.
- Global Intermediary Identification Number (GIIN) of the Company is 1CITIU.99999.SL.356.
- Company has obtained registration under Goods and Service Tax Act, 2017 for various States as below.

SL No	STATE	GSTIN
1	ANDRAPRADESH	37AACCK4277A1ZQ
2	DELHI	07AACCK4277A1ZT
3	GUJARAT	24AACCK4277A1ZX
4	KARNATAKA	29AACCK4277A1ZN
5	KERALA	32AACCK4277A2ZZ
6	KERALA (ISD)	32AACCK4277A3ZY
7	MAHARASTRA	27AACCK4277A1ZR
8	PUDUCHERRY	34AACCK4277A1ZW
9	TAMILNADU	33AACCK4277A1ZY
10	TELANGANA	36AACCK4277A1ZS
11	UTTAR PRADESH	09AACCK4277A1ZP

10 j) Penalties levied by the above Regulators: Nil

10 k) Ratings assigned by Credit rating Agencies

Currency: ₹ in Lakhs

Rating Agency	Facilities	Amount Rated	Outstanding as on	Rating as on		Rating Definition
			March 31, 2023	March 31, 2023	March 31, 2022	
India Ratings & Research	Non-Convertible Debenture	2,11,580.00	1,18,473.49	IND A-/Stable [IND A Minus]	IND BBB+ [IND Triple B+]	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. Modifiers ["+" (plus) / "-"(minus)] reflect the comparative standing within the category.
India Ratings & Research	Subordinated Debt		15,965.94			
India Ratings & Research	Bank Facilities	2,20,000.00	1,93,222.36			
BrickWork Ratings	Non-Convertible Debenture	1,25,000.00	1,00,522.06	BWR BBB+ Positive [BWR Triple B+]	BWR BBB+ [BWR Triple B+]	
BrickWork Ratings	Subordinated Debt		5,382.20			

10 l) Provisions and Contingencies

Currency: ₹ in Lakhs

Sl No.	Break up of Provisions and Contingencies shown under the head Expenses in the Statement of Profit and Loss	As at March 31, 2023	2022
1	Provisions for depreciation on Investment	-	-
2	Provision towards NPA (Expected Credit Loss)	2,781.27	466.73
3	Provision made towards Income Tax	3,830.76	2,725.57
4	Other Provision and Contingencies (with details)	-	-
	Provision for Gratuity	126.13	61.33
	Provision for Other Assets	24.80	102.18
5	Provision for Leave Encashment	-	-

10 m) Concentration of Advances

Currency: ₹ in Lakhs

Sl No.	Particulars	As at March 31, 2023	2022
1	Total Advances to twenty largest borrowers	6,036.40	6,739.49
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.23%	1.67%

10 n) Concentration of Exposures

Currency: ₹ in Lakhs

Sl No.	Particulars	As at March 31, 2023	2022
1	Total Exposures to twenty largest borrowers/customers	6,036.40	6,739.49
2	Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/Customers.	1.23%	1.67%

10 o) Concentration of NPAs

Currency: ₹ in Lakhs

Sl No.	Particulars	As at March 31, 2023	2022
1	Total Exposures to top four NPA accounts	2,904.12	3,033.72

10 p) Movement of NPAs

Currency: ₹ in Lakhs

Sl No.	Particulars	Year ended March 31, 2023	2022
	(i) Net NPAs to Net Advances (%)	0.68%	0.95%
	(ii) Movement of NPAs (Gross)		
	(a) Opening balance	5,742.29	4,642.11
	(b) Additions during the year	3,689.44	2,008.29
	(c) Reductions during the year	1,676.87	908.11
	(d) Closing balance	7,754.86	5,742.29
	(iii) Movement of Net NPAs	-	
	(a) Opening balance	3,523.88	2,757.91
	(b) Additions during the year	1,123.72	1,465.10
	(c) Reductions during the year	1,322.63	699.13
	(d) Closing balance	3,324.97	3,523.88
	(iv) Movement of provisions for NPAs (excluding Provisions on Standard Assets)	-	
	(a) Opening balance	2,218.40	1,884.20
	(b) Provisions made during the year	2,565.71	543.19
	(c) Write-off / write -back of excess provisions	354.24	208.98
	(d) Closing balance	4,429.87	2,218.41

Additions/ Reductions to NPA (Gross and Net) stated above during the year are based on year-end figures.

10 q) Overseas Assets as at March 31, 2023

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

10 r) Off-balance Sheet SPVs sponsored

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms

10 s) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No	Particulars	Current Year	Previous Year
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	5	3
2	Number of complaints received during the year	6	8
3	Number of complaints disposed during the year	10	6
3.1	Of which, number of complaints rejected by the NBFC	0	0
4	Number of complaints pending at the end of the year	1	5
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5.*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	6	8
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	6	3
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6.*	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Ground – 1 Loans and advances	3	5	0%	1	1
Others					
Regarding Perpetual Debt Instrument	2	0	0	0	0
Regarding Non-convertible debenture	0	1	-67%	0	0
Total	5	6	-25%	1	1
Previous Year					
Ground – 1 Loans and advances	3	5	-58%	3	2
Others					
Regarding Perpetual Debt Instrument	0	3	NA	2	2
Total	3	8	-33%	5	4

Note 46: Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated 13 March 2020 pertaining to Asset Classification as per RBI Norms

Currency: ₹ in Lakhs

Appendix
Template for Disclosure in Notes to Financial Statements
As at March 31, 2023

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	4,64,525.44	1,589.64	4,62,935.80	1,858.10	(268.46)
	Stage 2	18,686.28	378.00	18,308.28	74.75	303.25
Subtotal		**4,83,211.72**	**1,967.64**	**4,81,244.08**	**1,932.85**	**34.79**
		-	-	-	-	-
Non-Performing Assets (NPA)		-	-	-	-	-
Substandard	Stage 3	1,363.98	222.27	1,141.71	136.40	85.87
		-	-	-	-	-
Doubtful - up to 1 year	Stage 3	391.42	105.38	286.04	78.28	27.10
1 to 3 years	Stage 3	1,378.52	497.40	881.12	418.28	79.12
More than 3 years	Stage 3	1,755.14	739.03	1,016.11	927.47	(188.44)
Subtotal for doubtful		**3,525.08**	**1,341.81**	**2,183.27**	**1,424.03**	**(82.22)**
		-	-	-	-	-
Loss	Stage 3	2,865.80	2,865.80	-	2,865.80	-
Subtotal for NPA		**7,754.86**	**4,429.88**	**3,324.98**	**4,426.23**	**3.65**
		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification, and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	4,64,525.44	1,589.64	4,62,935.80	1,858.10	(268.46)
	Stage 2	18,686.28	378.00	18,308.28	74.75	303.25
	Stage 3	7,754.86	4,429.88	3,324.98	4,426.23	3.65
	Total	**4,90,966.58**	**6,397.52**	**4,84,569.06**	**6,359.08**	**38.44**

Currency: ₹ in Lakhs

Appendix
Template for Disclosure in Notes to Financial Statements
As at March 31, 2022

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	3,77,388.05	1,323.19	3,76,064.86	1,509.55	(186.36)
	Stage 2	17,303.08	317.63	16,985.45	69.21	248.42
Subtotal		**3,94,691.13**	**1,640.82**	**3,93,050.31**	**1,578.76**	**62.06**
		-	-	-	-	-
Non-Performing Assets (NPA)		-	-	-	-	-
Substandard	Stage 3	1,870.56	269.74	1,600.82	187.05	82.69
		-	-	-	-	-
Doubtful - up to 1 year	Stage 3	540.78	109.16	431.62	116.51	(7.35)
1 to 3 years	Stage 3	941.14	275.75	665.39	347.55	(71.80)
More than 3 years	Stage 3	1,683.51	395.78	1,287.73	860.99	(465.21)
Subtotal for doubtful		**3,165.43**	**780.69**	**2,384.74**	**1,325.05**	**(544.36)**
		-	-	-	-	-
Loss	Stage 3	4,614.12	924.99	3,689.13	4,614.12	(3,689.13)
Subtotal for NPA		**9,650.11**	**1,975.42**	**7,674.69**	**6,126.22**	**(4,150.80)**
		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification, and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**3,77,388.05**	**1,323.19**	**3,76,064.86**	**1,509.55**	**(186.36)**
	Stage 2	**17,303.08**	**317.63**	**16,985.45**	**69.21**	**248.42**
	Stage 3	**9,650.11**	**1,975.42**	**7,674.69**	**6,126.22**	**(4,150.80)**
	Total	**4,04,341.24**	**3,616.24**	**4,00,725.00**	**7,704.98**	**(4,088.74)**

Note:

IND AS ECL Provisioning is higher compared to RBI IRAC Norms and hence the need to maintain Impairment Reserve no longer applies.
The Board of Director's of the Company has approved the ECL Policy in its meeting held on May 27, 2023

Note 47 : Disclosure on Liquidity Coverage Ratio

Disclosure as per the circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 issued by Reserve Bank of India regarding Liquidity Coverage Ratio (LCR)

Maintenance of Liquidity Coverage Ratio (LCR)

Reserve Bank Of India vide its notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/ 2019-20 dtd November 04,2019 introduced Liquidity Coverage Ratio for certain categories of NBFCs w.e.f December 01 ,2020. All non-deposit taking NBFCs with asset size of ₹ 10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, shall maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days. The LCR requirement shall be binding on NBFCs from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024, as per the time-line given below:

From	December 01, 2020	December 01, 2021	December 01, 2022	December 01, 2023	December 01, 2024
Minimum LCR	50%	0.60	70%	85%	100%

Further, Non-deposit taking NBFCs with asset size of ₹ 5,000 crore and above but less than ₹ 10,000 crore shall also maintain the required level of LCR starting December 1, 2020, as per the time-line given below

From	December 01, 2020	December 01, 2021	December 01, 2022	December 01, 2023	December 01, 2024
Minimum LCR	30%	0.50	60%	85%	100%

A) Quantitative Disclosure

Particulars		Quarter ended							
		March 31, 2023		December 31, 2022		September 30, 2022		June 30, 2022	
		Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets ** (HQLA)	19,368.05	19,368.05	19,991.09	19,991.09	13,718.07	13,718.07	11,947.22	11,947.22
Cash Outflows									
2	Deposits (for deposit taking companies)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
3	Unsecured wholesale funding	98.39	113.15	98.24	112.98	37.79	43.46	15.73	18.10
4	Secured wholesale funding	24,243.03	27,879.49	38,853.76	44,681.82	27,728.90	31,888.24	28,249.50	32,486.93
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	*Outflows related to derivative exposures and other collateral requirements*	-	-	-	-	-	-	-	-
(ii)	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
(iii)	*Credit and liquidity facilities*	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	3,613.50	4,155.53	2,885.40	3,318.21	3,005.50	3,456.33	2,981.42	3,428.63
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total Cash Outflow**	**27,954.92**	**32,148.17**	**41,837.40**	**48,113.01**	**30,772.19**	**35,388.03**	**31,246.65**	**35,933.66**
Cash Inflows									
9	Secured lending	31,785.48	23,839.11	44,940.26	33,705.19	54,768.78	41,076.59	45,045.74	33,784.31
10	Inflows from fully performing exposures	0.05	0.03	0.04	0.03	0.04	0.03	-	-
11	Other cash inflows	3,014.92	2,261.19	5,747.49	4,310.61	1,158.20	868.65	1,334.10	651.49
12	**Total Cash Inflow**	**34,800.45**	**26,100.33**	**50,687.79**	**38,015.83**	**55,927.02**	**41,945.27**	**46,379.84**	**34,435.80**
13	**Total HQLA**	-	**19,368.05**	-	**19,991.09**	-	**13,718.07**	-	**11,947.22**
14	**Total Net Cash Outflow**	**6,845.53**	**8,037.04**	**8,850.39**	**12,028.25**	**25,154.83**	**8,847.01**	-	**8,983.42**
15	**Liquidity Coverage Ratio (%)**		**240.98%**		**166.20%**		**155.06%**		**132.99%**

Note:

**Components of HQLA represent Cash & Bank Balance

1) Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for Cash inflows and Cash outflows).

2) Weighted values are calculated after the application of respective haircuts (for HQLA) and stress factors (on cash inflow/cash outflow) as per RBI guidelines.

3) 'Average' for all the quarters for the year ended March 2023 is computed as simple averages of daily observations for the quarter.

4) 'Average' for the quarter ended March 2023 is computed as simple averages of monthly observations for the quarter (ie. January 2023, February 2023 and March 2023).

5) The figures used for the quantitative disclosure are based on the estimates and assumptions of the management, which have been relied upon by the auditors

B) Qualitative Disclosure

"The Company has adopted Liquidity Risk Management (LRM) framework on liquidity standards as prescribed by the RBI guidelines and has put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR). The mandated regulatory threshold is embedded into the Liquidity Risk Management framework of the Company thus subjecting LCR maintenance to Board oversight and periodical review. The Company computes the LCR and reports the same to the Asset Liability Management Committee (ALCO) as well as to the ALM Committee of the Board.

The Company follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross cash outflows and inflows within the next 30-day period. HQLA predominantly comprises unencumbered Cash and Bank balances, Government securities (viz., Treasury Bills, Central and State Government securities, Investments in TREPs (Triparty Repo trades in Government Securities provided by The Clearing Corporation of India)).

All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

The Company monitors the concentration of funding sources from significant counterparties, significant instruments/ products as part of the LRM framework. The Company follows internal limits on short term borrowings which form part of the LRM framework. The Company's funding sources are fairly dispersed across sources and maturities."

"The Board shall have the overall responsibility for management of liquidity risk. The Board shall decide the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it from time to time.

The ALM Committee of the Board of Directors shall be responsible for evaluating the liquidity risk.

The Asset-Liability Management Committee (ALCO) consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. The Managing Director heads the Committee. The role of the ALCO with respect to liquidity risk include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

The ALM Support Group headed by Chief Financial Officer and consisting of operating staff who will be responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO. The Asset-Liability Management Committee (ALCO) consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/ limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. The Managing Director heads the Committee. The role of the ALCO with respect to liquidity risk include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company."

48. **Disclosure as per Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019 (Applicable to the company since September 30, 2022)**

Currency: ₹ in Lakhs

Number of Significant Counterparties	As on March 31, 2023	% of Total deposits	% of Total Liabilities
15	1,60,187.64	NA	34.23%

(i) Top 20 large deposits (amount in Lakhs and % of total deposits): NA

(ii) Top 10 borrowings (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

Currency: ₹ in Lakhs

Particulars	March 31, 2023	March 31, 2022
Top 10 borrowings	1,32,441.20	1,32,171.73
Top 10 borrowings to total borrowings	28.68%	34.28%

(iii) Funding Concentration based on significant instrument/product

Currency: ₹ in Lakhs

Name of the instrument/product	Amount	% of Total Liabilities
Secured Non-Convertible Debentures	2,38,506.31	50.96%
Term Loan	1,10,460.45	23.60%
WCDL	55,469.33	11.85%
Subordinated Debt	29,558.43	6.32%
Cash Credit	27,292.59	5.83%
Total	**4,61,287.11**	**98.56%**

(iv) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities and total assets: **NA**

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets: **NA**

(c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets:

Particulars	%
(i) Other short-term liabilities as a % of total liabilities	46.92%
(ii) Other short-term liabilities as a % of total assets	40.33%

Note 49: Provision for the impact of COVID-19

Reserve Bank of India had announced certain regulatory measures in the wake of the disruptions on account of the COVID-19 pandemic. In accordance with the RBI guidelines relating to the COVID-19 Regulatory Package, the lending institutions have been permitted to grant a moratorium on payment of all instalments and/or interest, as applicable, to eligible borrowers in accordance with the Board approved policy. The company has not availed any moratorium from the lenders. In accordance with the regulatory package announced by the Reserve Bank of India, the company has offered an optional moratorium to eligible customers. As per the guidelines issued by the Reserve bank of India on August 06, 2020 & May 05, 2021 regarding the Resolution framework for Covid-19-related stress, the lending institutions have been permitted to implement a resolution plan in respect of eligible borrowers in accordance with the Board approved policy. Since the majority of our customers are short-term-gold loan customers and other eligible customers also were not there, the number of accounts where the resolution plan has been implemented under this window is 'NIL'.

Note 50: Wilful Defaulter

The Group has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial Years ended March 31, 2023 and March 31, 2022.

Note 51: Details of Crypto currency or Virtual currency

The Group has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2023 and March 31, 2022.

Note 52: Previous Year Figures

Previous year figures have been regrouped/reclassified/readjusted, wherever necessary, to conform to the current year's classification

For and on behalf of the Board of Directors

Laila Mathew

As per our report of even date attached

Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Laila Mathew
Whole-time Director
DIN: 01286176

For SGS & Company
Chartered Accountants
Firm Reg No. 009889S

Annamma Varghese C
Chief Financial Officer

Sreenath Palakkattillam
Company Secretary

CA Sanjo N.G, F.C.A., D.I.S.A. (ICAI)
Partner
Membership No. 211952
UDIN: 23211952BGRFYN5377

Place: Kottayam
Date: May 27, 2023

S G S & COMPANY
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To The Members of ,
Kosamattam Finance Limited

CIN: U65929KL1987PLC004729

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Kosamattam Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31,2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon. So we do not provide a separate opinion on these matters. We have determined the matter described below as the Key Audit Matter to be communicated in our report.

Key Audit Matters	**Audit Procedures adopted**
Ind-AS 109 (Financial Instruments) requires the Company to recognise Expected Credit Loss (ECL) and impairment loss allowances on financial assets, which involves application of significant judgement and estimates including use of key assumptions such as probability of default and loss given default. The outbreak of the COVID – 19 pandemic and its post impact necessitates that the Company shall specifically consider the possible impact of uncertainties associated with the same in applying such judgement and estimates. Management estimates impairment provision using Expected Credit loss model for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements and assumptions are: Prompt and judicious identification and classification of the impaired loans, and determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors. The estimation of Expected Credit Loss (ECL) on financial instruments involves significant judgements and estimates. Following are points with increased level of audit focus: Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of recent Covid-19 epidemic and its continuing effects in the economy. Accounting interpretations, modelling assumptions and data used to build and run the models and measurement of individual borrowers' provisions. Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment arising out of the COVID 19 Pandemic.	We have evaluated the management's process and tested key controls around the determination of expected credit loss allowances, including controls relating to: –The identification of events leading to a significant increase in risk and credit impairment events and –The determination of the impaired credit loss allowances and the key assumptions including probability of default and loss given default on a forward-looking basis having regard to historical experiences. We understood and assessed the appropriateness of the impairment methodology developed and used by the management at the entity level, including with reference to the possible impact of the uncertainties associated with the post COVID-19 impacts. We tested the accuracy of key data inputs and calculations used in this regard. We found that these key controls as above, were designed, implemented and operated effectively, and therefore have relied on these key controls and management's assessment of financial impact for the purposes of our audit of ECL and impairment loss allowances. We have evaluated the management's process in estimation of future cash receipts for the purpose of determination of EIR including identification of factors like expected behaviour, life cycle of the financial asset and probable fluctuation in collateral value. We tested the accuracy of key data inputs and calculations used in this regard. We tested the completeness of loans included in the Expected Credit Loss calculations as of 31 March 2022. We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. We performed an overall assessment of the ECL

	provision levels at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment. We assessed the adequacy and appropriateness of disclosures incompliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Standalone Financial Statements and our report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to preparation of the Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income),changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standard (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis for accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with standards on auditing, we exercise professional judgment and professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i)of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control systems in place and operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists ,we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

SGS & COMPANY
H.O. TRICHUR
Br. COCHIN
CALICUT
CHENNAI
CHARTERED ACCOUNTANTS

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 2016, issued by the Reserve Bank of India In exercise of the powers conferred by sub-section (1A) of Section 45MA of the Reserve Bank of India Act, 1934, we give in the"Annexure 1", an additional Audit Report addressed to the Board of Directors containing our statements on the matters specified therein.

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

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income),the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account and returns.

   d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS prescribed under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March31, 2022, from being appointed as a director in terms of section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

SGS & COMPANY

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors)Rule, 2014,as amended in our opinion and to the best of our information and according to explanations given to us:

i. The company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. Dividend (on Preference share capital) declared or paid during the year are in compliance with Section 123 of companies Act,2013

3. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued the Central Government in terms of Section 143(11) of the Act, we give in "Annexure 3" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For S G S & Company
Chartered Accountants
Firm registration No: 009889S

21/5/2022

CA Sanjo NG , FCA, DISA (ICAI)
Partner
Membership No :211952
UDIN: 22211952AJZBSF9021

H.O. TRICHUR
Br. COCHIN
CALICUT
CHENNAI

Place: Thrissur
Date : 21-05-2022

ANNEXURE 1 TO THE AUDITOR'S REPORT

To the Board of Directors of,

Kosamattam Finance Limited

CIN: U65929KL1987PLC004729

We have audited the Balance Sheet of Kosamattam Finance Limited for the year ended on March 31, 2022, the Statement of Profit and Loss (Including Other Comprehensive Income), the statement of changes in equity and the Statement of Cash Flows for the year then ended annexed thereto. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016, and according to the information and explanations given to us, we provide herewith, a statement on the matters specified in paragraphs 3 and 4 of the aforesaid directions;

i. The company is engaged in the business of Non-Banking Financial Institution and it has obtained the certificate of registration as provided in section 45-IA of the RBI Act, 1934.

ii. The Company is entitled to continue to hold the Certificate of Registration in terms of the Asset/Income pattern as on March 31, 2022.

iii. The company is meeting the requirements of net owned funds as laid down in master directions - Non banking financial company - Systemically important non deposit taking company and deposit taking company Reserve Bank) Directions, 2016.

iv. The Board of Directors of the Company has passed a resolution for non-acceptance of public deposit.

v. The Company has not accepted any public deposit during the period under review.

vi. According to the information and explanation given to us, the Company has complied with the prudential norms on Income Recognition, Indian Accounting Standards, Asset Classification, Provisioning for bad and doubtful debts as specified in the direction issued by the Reserve Bank of India in terms of the Master Direction – Non-Banking Financial Company –Systemically Important Non-Deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016.

vii. The capital adequacy ratio as disclosed in the return submitted to RBI in terms of Master Direction – Non-Banking Financial Company – Systemically Important Non- deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016, has been correctly arrived at and such ratio is in compliance with the minimum CRAR as prescribed by the Reserve Bank of India.

viii. The Company has furnished to RBI the annual statement of Capital Fund, risk assets/Exposures and risk assets ratio within the stipulated period

ix. The Company has not been classified as NBFC-MFI for the year ended March 31, 2022.

The report has been issued pursuant to the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016 and is issued to the Board of Directors of the Company as required by Paragraph 2 of such directions and should not be used for any other purpose.

For S G S & Company
Chartered Accountants
Firm registration No: 009889S

21/5/2022

CA Sanjo N G, FCA, DISA (ICAI)
Partner
Membership No :211952
UDIN: 22211952AJZBSF9021

Place: Thrissur
Date : 21-05-2022

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Kosamattam Finance Limited (CIN: U65929KL1987PLC004729) for the year ended 31 March 2022.

(Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Adequacy of Internal financial controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kosamattam Finance Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of the internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the" Guidance Note") issued by The Institute of Chartered Accountants of India and the standards on auditing prescribed under section 143(10) of the Companies act 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of the Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and the dispositions of the assets of the Company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of the Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that degree of compliance with the policies or procedures may deteriorate.

SGS & COMPANY
H.O. TRICHUR
Br. COCHIN
CALICUT
CHENNAI
CHARTERED ACCOUNTANTS

Opinion

In our opinion, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S G S & Company
Chartered Accountants
Firm registration No: 009889S

21/5/2022

CA Sanjo N.G ,FCA, DISA (ICAI)
Partner
Membership No :211952
UDIN: 22211952AJZBSF9021

SGS & COMPANY
H.O. TRICHUR
Br. COCHIN
CALICUT
CHENNAI
CHARTERED ACCOUNTANTS

Place: Thrissur
Date : 21-05-2022

Annexure "3" to the independent Auditor's Report

(Referred to in paragraph 3 under 'Report on other legal and regulatory requirements' section of our report to the members of Kosamattam Finance Limited (CIN: U65929KL1987PLC004729) of even date)

To the best of our information and according to the explanations provided to us by the company and books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's property, plant and equipment and intangible assets:

a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situations of property, plant and equipment and relevant details of right-of use assets.

(B) The company is maintaining proper records showing full particulars of intangible assets.

b) Property, plant and equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

c) The title deeds of all immovable properties (other than properties were the company is the lessee and the lease agreements are duly executed in favour of lessee) disclosed in the financial statements are held in the name of the company.

d) The company has not revalued any of its property, plant and equipment (including right of use of assets) and intangible assets during the year.

e) No proceedings have been initiated or are pending against the company for holding any benami property under the benami transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under

ii.

a) The company is a service company, primarily rendering financial services. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) (a) of the order is not applicable.

b) The company has working capital limits in excess of five crore rupees, from banks or financial institutions on the basis of security of current asset; the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the company.

iii.

a) The company being an NBFC whose principle business is to give loans is exempt from clause 3(iii) (a).

b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees are, prima facie, not prejudicial to the company's interest.

c) In respect of loans granted by the company, the schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and receipts of interest are generally been regular except in few cases.

d) According to the information and explanations given to us and based on the audit procedures performed by us, there is an overdue amount of Rs 57,42,28,728 for more than ninety days. Reasonable steps have been taken by the company for recovery of principle and interest.

e) The company being an NBFC whose principle business is to give loans is exempt from clause 3(iii) (e).

f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying the terms or period of repayment during the year. Hence, reporting under clause 3(iii) (f) is not applicable.

iv. In our opinion and according to the information and explanation given to us and based on the audit procedures conducted by us, the company has complied with the provision of sections 185 and 186 of the Act, with respect to loans and advances granted, guarantees and securities provided and investments made by the company during the year.

v. The Company has not accepted any deposits from the public during the year which attract the directives issued by the Reserve Bank of India. Being a Non- Banking Finance Company, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder regarding acceptance of deposits are not applicable. Therefore, the reporting requirement under clause (v) of paragraph 3 of the Order is not applicable.

vi. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the company.

vii.

a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Services Tax, Duty of customs, Cess and any other material statutory dues, as applicable to the Company to the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed statutory dues payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Services Tax, Duty of Customs, Cess and other material statutory dues were outstanding as at March 31, 2022, for a period of more than six months from the date they became payable.

SGS & COMPANY
H.O. TRICHUR
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CHARTERED ACCOUNTANTS

b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute except the amounts disclosed in Note No.37 Contingent Liabilities forming part of the Standalone Financial Statements.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix.

a) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of loans or other borrowings or in the payment of interest there on to any lender.

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institutions or any other government authority.

c) In our opinion and according to the information and explanations given to us and relying on the certificates issued by another auditor (SA 600), the company has utilized money obtained by way of term loans during the year for the purposes for which they were obtained, except for temporary deployment of surplus funds.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been used for long term purposes by the company.

e) The company does not hold any investment in any subsidiary, associates or joint ventures (as defined under the companies act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

f) The company does not hold any investment in any subsidiary, associates or joint ventures (as defined under the companies act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.

x.

a) In our opinion and according to the information and explanations given to us, the company has utilised the money raised by way of initial public offer/further public offer (including debt instruments) for the purpose for which they were raised.

b) In our opinion and according to the information and explanations obtained by us, the company has complied with the provisions of sections 42 and 62 of the companies Act, 2013 in connection with funds raised through preferential allotment/ private placement of shares/ fully / partially/ optionally convertible debentures and the same have been utilised for the purpose for with they were raised.

xi.

a) According to the information and explanations given to us, instances of fraud on the Company by its officers or employees has been noticed, amounting to Rs. 4.65 Crores as per the FMR reports to RBI on 08.07.2021 and 11.10.2021 in two branches during the current year.

SGS & COMPANY
H.O. TRICHUR
Br. COCHIN
CALICUT
CHENNAI
CHARTERED ACCOUNTANTS

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) There were no whistle blower complaints received by the Company during the year (and up to the date of this report). Hence reporting under clause xi (c) is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv.

a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size a nature of its business.

b) We have considered the internal audit reports of the company issued till date, for the period under audit.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi.

a) In our opinion and according to the information and explanations given to us, the company is required to obtain the registration under section45-IA and the necessary registration has been duly obtained.

b) In our opinion, the Company has conducted Non-Banking financial activities with a valid certificate of registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c) In our opinion, according to the information and explanations given to us, the company is not a Core Investment Company and hence clause xvi (C) is not applicable.

d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors of the Company during the year. There are no issues, objections or concerns raised by the outgoing auditors.

SGS & COMPANY

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx.

a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b) There are no unspent amount on ongoing projects which requires to be transferred to special account in compliance with 135 (6) of the Companies Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year

For S G S & Company
Chartered Accountants
Firm registration No: 009889S

21/5/2022

CA Sanjo N.G , FCA, DISA (ICAI)
Partner
Membership No :211952
UDIN:22211952AJZBSF9021

Place: Thrissur
Date : 21-05-2022

BALANCE SHEET

AS AT MARCH 31, 2022

Currency: ₹ in Lakhs

Particulars	Note No.	As at March 31,	
		2022	2021
I. ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	5.1	7,301.97	16,358.86
(b) Bank Balance other than (a) above	5.2	26,838.69	17,485.65
(c) Receivables			
(I) Trade receivables	6.1	14.08	7.37
(II) Other receivables	6.2	69.50	22.33
(d) Loans	7	4,00,725.00	3,47,826.38
(e) Other financial assets	8	1,338.45	1,259.52
(2) Non-financial assets			
(a) Current tax assets (net)	9	1,562.56	1,095.74
(b) Deferred tax assets (net)	31.1	916.06	843.13
(c) Property, plant and equipment	10	12,168.48	12,278.28
(d) Capital Work in Progress	10.1	36.49	-
(e) Right of use assets	11	3,720.70	3,650.13
(f) Other intangible assets	12	234.07	261.14
(g) Other non-financial assets	13	1,963.07	1,466.63
Total Assets		**4,56,889.12**	**4,02,555.16**
II. LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables			
(I) Trade payables	14.1		
(i) total outstanding dues of micro-enterprises and small enterprises		113.61	-
(ii) total outstanding dues of creditors other than micro-enterprises and small enterprises		127.09	165.08
(II) Other payables	14.2	-	-
(i) total outstanding dues of micro enterprises and small enterprises		1.77	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		142.90	199.32
(b) Debt securities	15	2,23,564.73	2,28,322.99
(c) Borrowings (other than debt securities)	16	1,31,944.31	85,261.02
(d) Subordinated liabilities	17	30,014.98	31,987.38
(e) Lease liabilities	11.1	3,911.13	3,777.99
(f) Other financial liabilities	18	400.98	194.82
(2) Non-financial liabilities			
(a) Provisions	19	726.95	431.06
(b) Other non-financial liabilities	20	238.25	156.65
(3) Equity			
(a) Equity share capital	21	21,687.93	20,250.05
(b) Other equity	22	44,014.49	31,808.80
Total Liabilities and Equity		**4,56,889.12**	**4,02,555.16**

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

Laila Mathew

As per our report of even date attached

Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Laila Mathew
Whole-time Director
DIN: 01286176

For SGS & Company
Chartered Accountants
Firm Reg No. 009889S

21/5/2022

Annamma Varghese C
Chief Financial Officer

Sreenath Palakkattillam
Company Secretary

CA Sanjo N.G, F.C.A., D.I.S.A. (ICAI)
Partner
Membership No. 211952
UDIN: 22211952AJZBSF9021

Place: Kottayam
Date: May 21, 2022

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

Currency: ₹ in Lakhs

Particulars	Note No.	Year ended March 31,	
		2022	2021
Revenue from operations			
(a) Interest income	23	62,126.39	53,799.22
(b) Fees and commission income	24	338.26	375.81
(I) Total Revenue from operations		**62,464.65**	**54,175.03**
(II) Other Income, net	25	14.08	9.14
(III) Total Income (I + II)		**62,478.73**	**54,184.17**
Expenses			
(a) Finance costs	26	36,915.29	31,592.56
(b) Impairment on financial instruments	27	569.59	732.78
(c) Employee benefits expenses	28	8,358.88	7,399.53
(d) Depreciation, amortization and impairment	29	2,723.27	2,409.31
(e) Other expenses	30	3,186.47	2,450.63
(IV) Total Expenses		**51,753.50**	**44,584.81**
(V) Profit/(loss) before tax (III- IV)		**10,725.23**	**9,599.36**
Tax Expense:	31		
(a) Current tax		2,762.33	2,529.52
(b) Deferred tax		(36.76)	228.53
(c) Income Tax relating to earlier years		-	309.73
VI) Total Tax Expenses		**2725.57**	**3067.78**
(VII) Profit/ (loss) for the period (V-VI)		**7,999.66**	**6,531.58**
Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		(143.78)	(9.32)
(ii) Income tax relating to items that will not be reclassified to profit or loss		36.19	2.35
Subtotal (A)		**(107.59)**	**(6.97)**
B) (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
(VIII) Other Comprehensive Income (A + B)		**(107.59)**	**(6.97)**
(IX) Total Comprehensive Income for the period (VII+VIII)		**7,892.07**	**6,524.61**
(X) Earnings per equity share (for continuing operations)			
(Face value of ₹10/- each)	32		
Basic (₹)		3.83	3.31
Diluted (₹)		3.83	3.12

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

As per our report of even date attached

Laila Mathew

Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Laila Mathew
Whole-time Director
DIN: 01286176

For SGS & Company
Chartered Accountants
Firm Reg No. 009889S

21/5/2022

Annamma Varghese C
Chief Financial Officer

Sreenath Palakkattillam
Company Secretary

CA Sanjo N.G, F.C.A., D.I.S.A. (ICAI)
Partner
Membership No. 211952
UDIN: 22211952AJZBSF9021

Place: Kottayam
Date: May 21, 2022

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2022	2021
A) Cash flow from operating activities		
Profit before tax	10,725.23	9,599.36
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	2,792.37	2,473.57
Interest Income	(62,126.39)	(53,841.02)
Profit on sale of Property, plant, and equipment	(0.78)	(2.14)
Finance costs	36,915.29	31,592.56
Impairment on financial instruments	466.73	732.78
Bad debts written off	0.67	-
Provision for Gratuity	61.33	64.83
Cash inflow from interest on loans	58,619.14	49,798.35
Cash outflow towards finance costs	(30,646.62)	(30,756.50)
Operating Profit Before Working Capital Changes	**16,806.97**	**9,661.79**
Adjustments for:		
(Increase)/Decrease in other receivables	(53.88)	18.42
(Increase)/Decrease in Loans	(51,386.10)	(48,044.17)
(Increase)/Decrease in Other financial assets	23.18	25.77
(Increase)/Decrease in Other non-financial asset	(496.44)	(606.77)
Increase/(Decrease) in Other financial liabilities	242.16	21.96
Increase/(Decrease) in Other non-financial liabilities	81.59	76.06
Increase/(Decrease) in Payables	20.97	(98.91)
Increase/(Decrease) in Provisions	90.78	(4.36)
Cash used in operations	**(34,670.77)**	**(38,950.21)**
Income tax paid (net of refunds)	(3,229.16)	(2,953.36)
Net cash from / (used in) operating activities	**(37,899.93)**	**(41,903.57)**
B) Cash flow from investing activities		
Purchase of Property, plant, and equipment and intangible assets	(974.25)	(1,056.25)
Proceeds from sale of property, plant, and equipment's	1.48	3.62
(Increase) / decrease in other bank balance	(9,353.04)	(5,804.68)
Interest received on fixed deposits	1,425.23	811.89
Net cash from / (used in) investing activities	**(8,900.58)**	**(6,045.42)**
C) Cash flow from financing activities		
Proceeds from issue of equity share capital (including share premium)	5,751.50	3,487.61
Increase / (decrease) in debt securities	(10,765.88)	24,089.48
Increase / (decrease) in borrowings (other than debt securities)	46,683.28	33,072.65
Cash outflow towards Lease	(2,087.37)	(1,832.20)
Increase / (decrease) in Subordinate liabilities	(1,837.92)	1,997.12
Net cash from / (used in) financing activities	**37,743.62**	**60,814.66**
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(9,056.89)**	**12,865.67**
Cash and cash equivalents at beginning of the period	16,358.86	3,493.19
Cash and cash equivalents at March 31, 2022/ March 31, 2021 (Refer note 5.1)	**7,301.97**	**16,358.86**

The above Statement of cash flow has been prepared under the indirect method set out in Ind-AS 7 - Statement of Cash Flow.

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

As per our report of even date attached

Laila Mathew

Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Laila Mathew
Whole-time Director
DIN: 01286176

For SGS & Company
Chartered Accountants
Firm Reg No. 009889S

21/5/2022

Annamma Varghese C
Chief Financial Officer

Sreenath Palakkattillam
Company Secretary

CA Sanjo N.G, F.C.A., D.I.S.A. (ICAI)
Partner
Membership No. 211952
UDIN: 22211952AJZBSF9021

Place: Kottayam
Date: May 21, 2022

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

Equity shares of ₹10/- each issued, subscribed and fully paid

(1) Current Reporting Period

Currency: ₹ in Lakhs

Balance as at April 01, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2022
20,250.05	-	20,250.05	1,437.88	21,687.93

(2) Previous Reporting Period

Currency: ₹ in Lakhs

Balance as at April 01, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2021
19,160.18	-	19,160.18	1,089.87	20,250.05

B. Other Equity

(1) Current Reporting Period

Currency: ₹ in Lakhs

	Reserves and Surplus								
Particulars	Capital Total Reserve	Securities Premium	Reserve Fund U/S 45-IC (1) of RBI Act, 1934*	Impairment Reserve	General Reserve	Retained Earnings	Revaluation Surplus	Other items of Other Comprehensive Income (Re measurement of defined benefit plans))	Total
Balance as at April 01, 2021	9.07	2,755.03	6,679.58	3,403.13	11,660.97	7,278.25	2.86	19.91	31,808.80
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	9.07	2,755.03	6,679.58	3,403.13	11,660.97	7,278.25	2.86	19.91	31,808.80
Total Comprehensive Income for the current year	-	-	-	-	-	-	-	(107.60)	(107.60)
Dividends	-	-	-	-	-	-	-	-	-
Transfer to/(from) Retained earnings	-	-	1,599.94	685.61	-	(2,285.55)	-	-	-
Shares issued on rights issue basis	-	4,313.63	-	-	-	-	-	-	4,313.63
Profit for the year (net of taxes)	-	-	-	-	-	7,999.66	-	-	7,999.66
Balance as at March 31, 2022	**9.07**	**7,068.66**	**8,279.52**	**4,088.74**	**11,660.97**	**12,992.36**	**2.86**	**(87.69)**	**44,014.49**

Registered Office KOTTAYAM

SGS & COMPANY CHARTERED ACCOUNTANTS H.O. TRICHUR Br. COCHIN CALICUT CHENNAI

(2) Previous Reporting Period

Currency: ₹ in Lakhs

	Reserves and Surplus								
	Capital Total Reserve	Securities Premium	Reserve Fund U/S 45-IC (1) of RBI Act, 1934*	Impairment Reserve	General Reserve	Retained Earnings	Revaluation Surplus	Other items of Other Comprehensive Income (Re measurement of defined benefit plans))	Total
Balance as at April 01, 2020	9.07	357.30	5,349.28	2,591.42	11,660.97	2,888.68	2.86	26.88	22,886.46
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	9.07	357.30	5,349.28	2,591.42	11,660.97	2,888.68	2.86	26.88	22,886.46
Total Comprehensive Income for the previous year	-	-	-	-	-	-	-	(6.97)	(6.97)
Dividends	-	-	-	-	-	-	-	-	-
Transfer to/(from) Retained earnings	-	-	1,330.30	811.71	-	(2,142.01)	-	-	-
Shares issued on rights issue basis	-	2,397.73	-	-	-	-	-	-	2,397.73
Profit for the year (net of taxes)	-	-	-	-	-	6,531.58	-	-	6,531.58
Balance as at March 31, 2021	9.07	2,755.03	6,679.58	3,403.13	11,660.97	7,278.25	2.86	19.91	31,808.80

*As required by section 45-IC of the RBI Act 1934, the Company maintains a reserve fund and transfers there in a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared. The Company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date, RBI has not specified any purpose for the appropriation of Reserve fund maintained under section 45-IC of RBI Act, 1934.

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Laila Mathew

Laila Mathew
Whole-time Director
DIN: 01286176

Annamma Varghese C
Chief Financial Officer

Sreenath Palakkattillam
Company Secretary

Place: Kottayam
Date: May 21, 2022

As per our report of even date attached

For SGS & Company
Chartered Accountants
Firm Reg No. 009889S

21/5/2022

CA Sanjo N.G, F.C.A., D.I.S.A. (ICAI)
Partner
Membership No. 211952
UDIN: 22211952AJZBSF9021

1 Corporate Information

Kosamattam Finance Limited is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its debt securities are listed on the Bombay Stock Exchange. The Company had been primarily incorporated as a Private Limited Company and converted into a Public Limited Company on November 22, 2013.

The Company is a Non-Banking Finance Company ('NBFC'), which provides a wide range of fund-based and fee-based services including gold loans, money exchange facilities, etc. The Company is a Systemically Important Non-Deposit Taking Non-Banking Financial Company Registered under Sec 45IA of RBI Act. The Company currently operates through 988 branches spread across the country.

The registration details are as follows:

RBI	**B-16.00117**
Corporate Identity Number (CIN)	**U65929KL1987PLC004729**

The financial statements of the Company for the year ended March 31, 2022, were approved for issue in accordance with the resolution of the Board of Directors on May 21, 2022

2 Basis of preparation and presentation

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements may require further adjustments, if any, necessitated by the guidelines/clarifications/directions issued in future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

i) Fair value through other comprehensive income (FVOCI) instruments,
ii) Other financial assets held for trading,
iii) Financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.3 Presentation of Financial Statements

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when there is an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event and the parties intend to settle on a net basis

2.4 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest lakhs, except when otherwise indicated.

2.5 New Accounting Standards those are issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification that would have been applicable from April 01, 2021

3 Significant accounting policies

3.1 Recognition of interest income

The Company recognizes interest income by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

For purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

For other credit-impaired financial assets, the Company applies an effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

The effective interest rate on a financial asset is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While estimating future cash receipts, factors like expected behaviour and life cycle of the financial asset, probable fluctuation in collateral value, etc. are considered which has an impact on the EIR.

While calculating the effective interest rate, the Company includes all fees and points paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

3.2 Recognition of revenue from the sale of goods or services

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to the customer, excluding amounts collected on behalf of third parties.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identity contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from a contract with the customer for rendering services is recognized at a point in time when the performance obligation is satisfied.

3.3 Financial instruments

A. Financial Assets

3.3.1 Initial recognition and measurement

All financial assets are recognized initially at fair value when the parties become parties to the contractual provisions of the financial asset. In the case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

3.3.2 Subsequent measurement

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

a. Financial assets measured at amortized cost

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is measured at FVTPL.

B. Financial liabilities

3.3.3 Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, non-convertible debentures, loans, and borrowings including bank overdrafts.

3.3.4 Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.4 Derecognition of financial assets and liabilities

3.4.1 Financial Asset

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

3.4.2 Financial Liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability with the difference charged to profit or loss.

3.5 Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Company and/or its counterparties

3.6 Impairment of financial assets

In accordance with Ind AS 109, the Company uses the 'Expected Credit Loss model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

Further, in accordance with RBI circular no. RBI/2019-20/170 dated March 13, 2020, the impairment allowances as per ECL shall be compared with the required provisioning under IRACP. If the impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP the difference is appropriated from net profit after tax to 'Impairment Reserve'.

3.6.1 Overview of the Expected Credit Loss (ECL) model

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

- At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.
- At an amount equal to 12-month expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses mean expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses mean the portion of Lifetime ECL that represents the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial asset's credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses.

Based on the above process, the Company categorizes its loans into three stages as described below:

For non-impaired financial assets

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial asset. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. Interest revenue is calculated on the gross carrying amount of the asset.
- Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognizes lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision. Interest revenue is calculated on the gross carrying amount of the asset.

For impaired financial assets:

Financial assets are classified as stage 3 when there is objective evidence of impairment at the reporting date.

The Company recognizes lifetime ECL for impaired financial assets and interest revenue is calculated on the net carrying amount of the asset.

3.6.2 Estimation of Expected Credit Loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral.

Forward-looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. Periodically, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation, etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as Land, buildings, securities, etc. However, the fair value of collateral affects the calculation of ECL. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral is valued based on data provided by third parties or management judgments. In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes of such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet. Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

3.7 Determination of fair value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

3.9 Bank Balances other than cash and cash equivalents

Bank balances other than cash and cash equivalents include earmarked balances with banks and balances which are held as margin money or security against borrowings, guarantees, and other commitments.

3.10 Other receivables

Other receivables mean receivables emanating from items that are classified as 'others' under 'Revenue from Operations'.

3.11 Property, plant, and equipment

Property, plant, and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment if any. Cost of an item of property, plant, and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant, and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress. Subsequent expenditure related to the asset is added to its carrying amount or recognized as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.11.1 Depreciation

Depreciation on property, plant, and equipment is calculated using written down value method (WDV) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:

Particulars	*Useful Life*
Building	*60 Years*
Building - Compound Wall and Well	*5 Years*
Furniture and Fixtures	*10 Years*
Electrical Fittings	*10 Years*
Computer	*3 Years*
Vehicles	*8 Years*
Plant and Machinery	*22/15 Years*

The residual values, useful lives, and methods of depreciation of property, plant, and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates.

Property, plant, and equipment are derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income/expense in the statement of profit and loss in the year the asset is derecognized. The date of disposal of an item of property, plant, and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.12 Intangible assets

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Subsequent expenditure related to the asset is added to its carrying amount or recognized as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortized on a straight-line basis over a period of 10 years unless it has a shorter useful life.

Gains or losses from the derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit or Loss when the asset is derecognized.

3.13 Impairment of non–financial assets: Property, Plant and Equipment and Intangible Assets

The Company assesses, at each reporting date, whether there is any indication that any property, plant and equipment, and intangible assets or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. A recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

3.14 Finance costs

Finance costs represent interest expense recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortized cost of financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. Any subsequent changes in the estimation of the future cash flows are recognized in interest income with the corresponding adjustment to the carrying amount of the assets.

3.15 Employee Benefits Expenses

3.15.1 Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include benefits such as salaries, wages, short-term compensated absence, etc. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

3.15.2 Post-Employment Benefits

A. Defined contribution schemes

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund at the prescribed rates and are charged to Statement of Profit and Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.

B. Defined Benefit schemes

Gratuity

The Company provides for gratuity covering eligible employees under which a lump sum payment is paid to vested employees at retirement, death, incapacitation, or termination of employment, of an amount reckoned on the respective employee's salary and his tenure of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under a defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases, and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through

Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods

3.16 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.17 Taxes

Income tax expense for the year comprises of current tax and deferred tax.

3.17.1 Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss i.e., either in other comprehensive income or in equity.

Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.17.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the financial statements for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits, and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss i.e., either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.17.3 Goods and services tax /value-added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the goods and services tax/value-added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.18 Other income and expenses

All other income and expenses are recognized in the period they occur.

Registered Office KOTTAYAM

SGS & COMPANY CHARTERED ACCOUNTANTS H.O TRICHUR Br COCHIN CALICUT CHENNAI

3.19 Contingent Liabilities and Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are neither recognized nor disclosed in the financial statements.

3.20 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.
The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduce the earnings per share or increases loss per share are included.

3.21 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on the historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

3.22 Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue-generating, investing and financing activities of the Company are segregated.

3.23 Leases

The Company has adopted Ind AS 116-Leases effective from 1st April 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application.

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
(i) The contract involves the use of an identified asset
(ii) The Company has substantially all of the economic benefits from the use of the asset through the period of the lease and
(iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term Leases) and leases of low-value assets. For these short-term and leases of low-value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

4 Significant accounting judgments, estimates, and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty, and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

4.1 Business Model Assessment

Classification and measurement of financial assets depend on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed, and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4.2 Effective Interest Rate (EIR) method

The Company's EIR methodology recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgment regarding the expected behaviour and life-cycle of the instruments, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

4.3 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4 Contingent liabilities and provisions other than impairment on a loan portfolio

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation and arbitration in the ordinary course of business. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter, and historical evidence from similar incidents. Significant judgment is required to conclude these estimates.

4.5 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

4.6 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets, etc.

Note 5: Cash and Cash Equivalents and Bank Balances

Note 5.1: Cash and cash equivalents

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	1,758.61	2,682.56
Balances with Banks	5,543.36	13,676.30
Cheques, drafts on hand	-	-
Fixed deposits with bank (original maturity within a period of three months)	-	-
Total	**7,301.97**	**16,358.86**

Note 5.2: Bank balance other than cash and cash equivalents

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed deposits with bank (maturing after a period of three months) (Refer Note 5.2.1)	26,675.74	17,326.83
Balance in other escrow accounts	-	-
Unclaimed Auction Surplus	103.90	86.57
Unclaimed interest and redemption proceeds of Non-Convertible debentures- Private Issue	59.05	72.25
Total	**26,838.69**	**17,485.65**

Note 5.2.1: Fixed deposits with banks

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Security for borrowings	26,073.90	17,015.37
Security for guarantees	27.38	26.07

Note 6: Receivables

Note 6.1: Trade Receivables

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a) Receivables Considered good - secured	-	-
b) Receivables Considered good – unsecured	14.08	7.37
c) Receivables which have a significant increase in credit risk	-	-
d) Receivables -credit impaired	-	-
Total	**14.08**	**7.37**
Less: Allowance for impairment loss	-	-
Total Net Receivable	**14.08**	**7.37**

Trade Receivables ageing schedule

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022					
	Outstanding for following periods from due date of payment					
	Less than six months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed Trade Receivable						
Considered Good	9.33	2.74	0.67	1.32	0.02	**14.08**
Considered doubtful	-	-	-	-	-	-
Disputed Trade Receivable						
Considered Good	-	-	-	-	-	-
Considered doubtful	-	-	-	-	-	-
Total	**9.33**	**2.74**	**0.67**	**1.32**	**0.02**	**14.08**

Trade Receivables ageing schedule

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021					
	Outstanding for following periods from due date of payment					
	Less than six months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed Trade Receivable						
Considered Good	2.97	3.07	1.31	-	0.02	7.37
Considered doubtful	-	-	-	-	-	-
Disputed Trade Receivable						
Considered Good	-	-	-	-	-	-
Considered doubtful	-	-	-	-	-	-
Total	**2.97**	**3.07**	**1.31**	-	**0.02**	**7.37**

Note 6.2: Other Receivables

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2022	2021
a) Receivables Considered good - secured	-	-
b) Receivables Considered good - unsecured	-	-
Receivables from Power Generation - Wind Mill	22.05	22.33
Receivables Others	47.45	-
c) Receivables which have significant increase in Credit Risk	-	-
d) Receivables - credit impaired	-	-
Total	**69.50**	**22.33**
Less: Allowance for impairment loss	-	-
Total Net Receivable	**69.50**	**22.33**

None of the trade and other receivables is due from directors or other officers of the company either severally or jointly with any other person. Nor other receivables are due from firms or private companies respectively in which any director is a partner, a director, or a member.

These receivables are non-interest bearing, short-term in nature, and do not involve any credit risk hence no ECL provision has been made.

SGS & COMPANY CHARTERED ACCOUNTANTS
H.O. TRICHUR
Br. COCHIN
CALICUT
CHENNAI

Note 7: Loans

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022					
	Amortized Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A) i) Gold Loan	3,96,680.71	-	-	-	-	3,96,680.71
ii) Business Loans	507.35	-	-	-	-	507.35
iii) Kisan Credit	528.56	-	-	-	-	528.56
iv) Micro Finance Loans	116.33	-	-	-	-	116.33
v) Mortgaged Loan	6,344.64	-	-	-	-	6,344.64
vi) Rental Loan	16.13	-	-	-	-	16.13
vii) Other Loans	147.52					147.52
Total (A) - Gross	**4,04,341.24**	-	-	-	-	**4,04,341.24**
Less: Impairment loss allowance	3,616.24	-	-	-	-	3,616.24
Total (A) - Net	**4,00,725.00**	-	-	-	-	**4,00,725.00**
(B) I) Secured by tangible assets						
i) Gold Loan	3,96,680.71	-	-	-	-	3,96,680.71
ii) Mortgaged Loan	6,344.64	-	-	-	-	6,344.64
Total (I) - Gross	**4,03,025.35**	-	-	-	-	**4,03,025.35**
Less: Impairment loss allowance	3,218.54	-	-	-	-	3,218.54
Total (I) - Net	**3,99,806.81**	-	-	-	-	**3,99,806.81**
II) Unsecured						
i) Business Loans	507.35	-	-	-	-	507.35
ii) Kisan Credit	528.56					528.56
iii) Micro Finance Loans	116.33	-	-	-		116.33
iv) Rental Loan	16.13	-	-	-	-	16.13
v) Other Loans	147.52	-	-	-	-	147.52
Total (II) - Gross	**1,315.89**	-	-	-	-	**1,315.89**
Less: Impairment loss allowance	397.70	-	-	-	-	397.70
Total (II) - Net	**918.19**	-	-	-	-	**918.19**
Total (B) (I+II) - Net	**4,00,725.00**	-	-	-	-	**4,00,725.00**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	4,04,341.24	-	-	-	-	**4,04,341.24**
Total (C) (I) - Gross	**4,04,341.24**	-	-	-	-	**4,04,341.24**
Less: Impairment loss allowance	**3,616.24**	-	-	-	-	**3,616.24**
Total (C) (I)- Net	**4,00,725.00**	-	-	-	-	**4,00,725.00**
(II) Loans outside India	-	-	-	-	-	-
Total (C) (I) - Gross	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-
Total (C) (I) and (C) (II)	**4,00,725.00**	-	-	-	-	**4,00,725.00**

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021					
	Amortized Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A)						
i) Gold Loan	3,43,218.54	-	-	-	-	3,43,218.54
ii) Business Loans	1,634.99	-	-	-	-	1,634.99
iii) Micro Finance Loans	147.57	-	-	-	-	147.57
iv) Mortgaged Loan	5,806.26	-	-	-	-	5,806.26
v) Rental Loan	20.33	-	-	-	-	20.33
vi) Other Loans	148.20	-	-	-	-	148.20
Total (A) - Gross	3,50,975.89	-	-	-	-	3,50,975.89
Less: Impairment loss allowance	3,149.51	-	-	-	-	3,149.51
Total (A) - Net	**3,47,826.38**	-	-	-	-	**3,47,826.38**
(B) I) Secured by tangible assets						
i) Gold Loan	3,43,218.54	-	-	-	-	3,43,218.54
ii) Mortgaged Loan	5,806.26	-	-	-	-	5,806.26
Total (I) - Gross	**3,49,024.80**	-	-	-	-	**3,49,024.80**
Less: Impairment loss allowance	2,583.84	-	-	-	-	2,583.84
Total (I) - Net	**3,46,440.96**	-	-	-	-	**3,46,440.96**
II) Unsecured						
i) Business Loans	1,634.99	-	-	-	-	1,634.99
ii) Micro Finance Loans	147.57	-	-	-	-	147.57
iii) Rental Loan	20.33	-	-	-	-	20.33
iv) Other Loans	148.20	-	-	-	-	148.20
Total (II) - Gross	1,951.09	-	-	-	-	1,951.09
Less: Impairment loss allowance	565.67	-	-	-	-	565.67
Total (II) - Net	1,385.42	-	-	-	-	1,385.42
Total (B) (I+II) - Net	3,47,826.38	-	-	-	-	3,47,826.38
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	3,50,975.89	-	-	-	-	3,50,975.89
Total (C) (I) - Gross	3,50,975.89	-	-	-	-	3,50,975.89
Less: Impairment loss allowance	3,149.51	-	-	-	-	3,149.51
Total (C) (I)- Net	3,47,826.38	-	-	-	-	3,47,826.38
(II) Loans outside India	-	-	-	-	-	-
Total (C) (II) - Gross	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-
Total (C) (I) and (C) (II)	**3,47,826.38**	-	-	-	-	**3,47,826.38**

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 41.

Currency: ₹ in Lakhs

Particulars	As at March 31,							
	2022				2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade								
Performing								
High grade	3,77,388.05	-	-	3,77,388.05	3,11,238.13	-	-	3,11,238.13
Standard grade	-	5,667.36	-	5,667.36	-	8,548.79	-	8,548.79
Sub-standard grade	-	2,305.95	-	2,305.95	-	17,413.16	-	17,413.16
Past due but not impaired	-	9,329.77	-	9,329.77	-	5,726.34	-	5,726.34
Non- performing	-	-	-	-	-	-	-	-
Individually impaired	-	-	9,650.11	9,650.11	-	-	8,049.47	8,049.47
Total	**3,77,388.05**	**17,303.08**	**9,650.11**	**4,04,341.24**	**3,11,238.13**	**31,688.29**	**8,049.47**	**3,50,975.89**
EIR impact of Service charges received	-	-	-	-	-	-	-	-
Gross carrying amount closing balance net of EIR impact of service charge received	**3,77,388.05**	**17,303.08**	**9,650.11**	**4,04,341.24**	**3,11,238.13**	**31,688.29**	**8,049.47**	**3,50,975.89**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

Currency: ₹ in Lakhs

Particulars	Year ended March 31,							
	2022				2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Gross carrying amount opening balance	3,11,238.13	31,688.29	8,049.47	3,50,975.89	2,67,791.63	25,160.22	6,932.66	2,99,884.51
New assets originated or purchased	9,56,108.13	-	1,140.12	9,57,248.25	8,97,760.04	32.50	1,169.60	8,98,962.14
Assets derecognised or repaid(excluding write offs and includes interest accruals adjusted)	(8,70,912.53)	(30,226.03)	(2,743.67)	(9,03,882.23)	(8,20,326.52)	(25,111.94)	(2,432.30)	(8,47,870.76)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(19,045.01)	19,045.01	-	-	(33,957.26)	33,957.26	-	-
Transfers to Stage 3	-	(3,204.19)	3,204.19	-	(29.76)	(2,349.75)	2,379.51	-
Amounts written off	(0.67)	-	-	(0.67)	-	-	-	-
Gross carrying amount closing balance	**3,77,388.05**	**17,303.08**	**9,650.11**	**4,04,341.24**	**3,11,238.13**	**31,688.29**	**8,049.47**	**3,50,975.89**
EIR impact of Service charges received	-	-	-	-	-	-	-	-
Gross carrying amount closing balance net of EIR impact of service charge received	**3,77,388.05**	**17,303.08**	**9,650.11**	**4,04,341.24**	**3,11,238.13**	**31,688.29**	**8,049.47**	**3,50,975.89**

Currency: ₹ in Lakhs

Reconciliation of ECL balance is given below:

Particulars	Year ended March 31,							
	2022				2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
ECL allowance - opening balance	**1,085.59**	**397.19**	**1,666.73**	**3,149.51**	**978.92**	**521.29**	**1,137.27**	**2,637.48**
New assets originated or purchased	3,341.11	459.47	3,314.14	7,114.72	2,615.83	-	572.56	**3,188.39**
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(2,998.19)	(924.05)	(1,706.57)	(5,628.81)	(2,407.07)	(177.32)	(91.97)	**(2,676.36)**
Transfers to Stage 1	(53.66)	71.92	(1,589.62)	(1,571.36)	-	-	-	**0.00**
Transfers to Stage 2	(48.90)	349.17	-	300.27	(96.49)	96.49	-	**0.00**
Transfers to Stage 3	(2.76)	(36.07)	290.74	251.91	(5.60)	(43.27)	48.87	**0.00**
Impact on year end ECL of exposures transferred between stages during the year	**237.60**	**(79.56)**	**308.69**	**466.73**	106.67	(124.10)	529.46	**512.03**
Amounts written off	-	-	-	-	-	-	-	**0.00**
ECL allowance - closing balance	**1,323.19**	**317.63**	**1,975.42**	**3,616.24**	**1,085.59**	**397.19**	**1,666.73**	**3,149.51**

Note 8: Other financial assets

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2022	2021
Security deposits	1,338.45	1,259.52
Total	**1,338.45**	**1,259.52**

Note 9: Current tax assets (net)

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2022	2021
Income tax refundable (net of provision)	1,562.56	1,095.74
Total	**1,562.56**	**1,095.74**

Currency: ₹ in Lakhs

Note 10. Property. Plant and Equipment

Particulars	Land	Building	Furniture & Fixtures	Electrical Fittings	Plant and Machinery	Vehicles	Computer and Accessories	Total	Capital-work-in progress (refer note 10.1)
Gross block- at cost									
Deemed cost as at April 01, 2020	8,507.60	683.18	7,944.84	1,603.26	576.00	368.54	1,587.97	21,271.39	-
Additions	-	-	622.81	157.27	-	27.63	234.31	1,042.02	-
Disposals	-	-	7.33	-	-	2.52	10.66	20.51	-
As at March 31, 2021	8,507.60	683.18	8,560.32	1,760.53	576.00	393.65	1,811.62	22,292.90	-
Additions	-	-	607.47	169.38	4.50	9.13	128.30	918.78	36.49
Disposals	-	-	4.12	1.58	-	-	13.55	19.25	-
As at March 31, 2022	8,507.60	683.18	9,163.67	1,928.33	580.50	402.78	1,926.37	23,192.43	36.49
Accumulated Depreciation	-	-	-	-	-	-	-	-	-
As at April 01, 2020	-	236.84	5,985.33	1,080.49	139.76	243.97	1,342.67	9,029.06	-
Charge for the year	-	38.14	562.99	147.02	55.53	43.94	156.97	1,004.59	-
Disposals	-	-	6.51	-	-	2.39	10.13	19.03	-
As at March 31, 2021	-	274.98	6,541.81	1,227.51	195.29	285.52	1,489.51	10,014.62	-
Charge for the year	-	28.84	568.77	150.93	48.53	32.84	197.96	1,027.87	-
Disposals	-	-	4.12	1.55	-	-	12.87	18.54	-
As at March 31, 2022	-	303.82	7,106.46	1,376.89	243.82	318.36	1,674.60	11,023.95	-
Net Block	-	-	-	-	-	-	-	-	-
As at March 31, 2021	**8,507.60**	**408.20**	**2,018.51**	**533.02**	**380.71**	**108.13**	**322.11**	**12,278.28**	**-**
As at March 31, 2022	**8,507.60**	**379.36**	**2,057.21**	**551.44**	**336.68**	**84.42**	**251.77**	**12,168.48**	**36.49**

Note: All title deeds of immovable properties are held in the name of the Company

Note 10.1: CWIP aging schedule

Currency: ₹ in Lakhs

CWIP	As at March 31, 2022				
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	36.49	-	-	-	36.49
Projects temporarily suspended	-	-	-	-	-
Total	**36.49**	**-**	**-**	**-**	**36.49**

Currency: ₹ in Lakhs

CWIP	As at March 31, 2021				
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	**-**	**-**	**-**	**-**

Registered Office KOTTAYAM

SCS & COMPANY

Leases

Note 11 : Right of use assets

Currency: ₹ in Lakhs

Particulars	Premises
Gross block	
Deemed cost as at April 01, 2020	**6,428.44**
Additions	2,294.66
Disposals	2,691.94
As at March 31, 2021	**6,031.16**
Additions	1,871.29
Disposals	1,071.83
As at March 31, 2022	**6,830.62**
Accumulated Depreciation	
As at April 01, 2020	**3,642.75**
Charge for the year	1,430.22
Disposals	2,691.94
As at March 31, 2021	**2,381.03**
Charge for the year	1,718.42
Disposals	989.53
As at March 31, 2022	**3,109.92**
Net Block	
As at March 31, 2021	**3,650.13**
As at March 31, 2022	**3,720.70**

Note 11.1: Lease Liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2022	2021
Lease Liabilities	3,911.13	3,777.99
Total	**3,911.13**	**3,777.99**

11.1(a) Maturity analysis of lease liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2022	2021
Less than 1 year	1,453.66	1,366.86
1 to 2 years	1,003.78	946.78
2 to 3 years	620.30	564.60
3 to 4 years	400.94	360.60
4 to 5 years	232.94	299.54
Above 5 year	199.51	239.61
Total	**3,911.13**	**3,777.99**

11.2 Amounts recognised in the Statement of Profit and Loss

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2022	2021
Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	1,718.42	1,430.22
Interest expense (included in finance costs)	431.51	578.02
11.3 Gains or losses arising from sale and leaseback transactions	-	-
11.4 The total cash outflow for leases during the year	2,001.38	1,707.26

11.5 Lease Disclosures

In the statement of profit and loss, operating lease expenses which were recognised as other expenses are now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. For the year ended March 31, 2022 this resulted in reversal of rental expenses of ₹2,001.38 Lakh and a charge of ₹ 1,718.42 Lakh towards depreciation of right-of-use asset and interest charge of ₹431.51 Lakh on lease liability

Particulars	For lease entered in the year ended March 31,	
	2022	2021
The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet is:	9.88%	10.72%

The Company has not availed the option for charging off of rental related to short-term leases and leases of low-value assets. All leases have been considered for the determination of lease liability and Right of use assets.

Note 12: Other Intangible Assets

Currency: ₹ in Lakhs

Particulars	Licenses & Franchise	Brands/ Trademarks	Computer Software	Total
Gross block- at cost				
Deemed cost as at April 01, 2020	**122.61**	**2.16**	**286.42**	**411.19**
Additions	-	-	14.23	14.23
Disposals	-	-	-	-
Net carrying amount as at March 31, 2021	**122.61**	**2.16**	**300.65**	**425.42**
Additions	-	-	19.00	19.00
Disposals	-	0.26	-	0.26
Net carrying amount as at March 31, 2022	**122.61**	**1.90**	**319.66**	**444.17**
Accumulated Depreciation	-	-	-	-
As at April 01, 2020	**34.74**	**1.11**	**89.67**	**125.52**
Charge for the year	8.97	0.22	29.57	38.76
Disposals	-	-	-	-
Net carrying amount as at March 31, 2021	**43.71**	**1.33**	**119.24**	**164.28**
Charge for the year	15.56	0.19	30.33	46.08
Disposals	-	0.26	-	0.26
Net carrying amount as at March 31, 2022	**59.27**	**1.26**	**149.57**	**210.10**
Net Block	-	-	-	-
Net carrying amount as at March 31, 2021	**78.90**	**0.83**	**181.41**	**261.14**
Net carrying amount as at March 31, 2022	**63.34**	**0.64**	**170.09**	**234.07**

Note 13: Other Non-Financial Assets

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2022	2021
Security Deposits with government authorities	250.57	247.52
Balances with government authorities	272.52	393.23
Prepaid expenses	1,075.46	514.68
Advance Account and Other Deposits	348.83	299.54
Stock of stamp	3.02	2.63
Other non-financial assets	12.67	9.03
Total	**1,963.07**	**1,466.63**

Note 14: Payables

Note 14.1 Trade Payables

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2022	2021
Trade Payables		
(i) total outstanding dues of micro-enterprises and small enterprises	113.61	-
(ii) total outstanding dues of creditors other than micro-enterprises and small enterprises	127.09	165.08
Total	**240.70**	**165.08**

Based on the information available with the Company, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2021, together with interest paid /payable are required to be furnished.

Trade Payables ageing schedule

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022				
	Outstanding for following periods from the due date of ayments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	113.61	-	-	-	**113.61**
(ii) Others	102.81	0.07	0.83	23.38	**127.09**
(iii) Disputed dues -MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-
Total	**216.42**	**0.07**	**0.83**	**23.38**	**240.70**

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021				
	Outstanding for following periods from the due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	36.90	104.80	-	23.38	**165.08**
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-
Total	**36.90**	**104.80**	-	**23.38**	**165.08**

Note 14.2: Other Payables

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2022	2021
Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	1.77	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	142.90	199.32
Total	**144.67**	**199.32**

Note 15: Debt Securities

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022			
	Amortized Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* (Refer note 15.1)	-	-	-	-
Secured Non-Convertible Debentures -Listed** (Refer note 15.2)	2,23,564.73	-	-	2,23,564.73
Total (A)	**2,23,564.73**	-	-	**2,23,564.73**
Debt securities in India	2,23,564.73	-	-	2,23,564.73
Debt securities outside India	-	-	-	-
Total (B)	**2,23,564.73**	-	-	**2,23,564.73**

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021			
	Amortized Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* (Refer note 15.1)	-	-	-	-
Secured Non-Convertible Debentures -Listed** (Refer note 15.2)	2,28,322.99	-	-	2,28,322.99
Total (A)	**2,28,322.99**	-	-	**2,28,322.99**
Debt securities in India	2,28,322.99	-	-	2,28,322.99
Debt securities outside India	-	-	-	-
Total (B)	**2,28,322.99**	-	-	**2,28,322.99**

Nature of security

The principal amount of the Secured NCDs allotted in terms of various tranches of public issue of NCDs Upto XIIIth tranche, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

The principal amount of the Secured NCDs allotted in terms of XIVth and XVth tranches of public issue of NCDs ,together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

The principal amount of the Secured NCDs allotted in terms of XVIth to XXIIIth tranches of public issue of NCDs, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon.

*Excludes unclaimed matured debentures which is shown as a part of other financial liabilities in Note 18
**Includes EIR impact of transaction cost

Note 15.1: Secured Redeemable Non-Convertible Debentures-Unlisted

The Company had privately placed Secured Redeemable Non- Convertible Debentures for a maturity period of 400 days to 72 months with a principal amount outstanding of ₹ 0.00 (March 31, 2021: ₹ 0.00 Lakhs)

Currency: ₹ in Lakhs

Sl. No	Date of Allotment	Maturity Date	As at March 31,		Redemption Period	Interest Rate %
			2022	2021		
KSB II	Feb 2011 - Jun 2011	Feb 2015 - Jun 2015	2.00	3.50	48 Months	12.00%
KSB III	Oct 2011 - Mar 2012	Oct 2015- Mar 2016	15.63	17.23	48 Months	12.00%
KSB IV	Mar 2012- Feb 2013	Feb 2016- May 2018	34.12	36.52	36- 66 Months	12%- 12.80%
KSB V	Mar 2013- Jun 2013	Mar 2016- Jun 2016	3.90	3.90	48 Months	12.00%
Sub Total			**55.65**	**61.15**		
Less: Unclaimed Matured Non-Convertible Debenture and Interest thereon shown as a part of Other Financial Liabilities			55.65	61.15		
Total			-	-		

Note 15.2: Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹ 2,01,120.22 Lakhs (March 31, 2021: ₹2,11,646.69 Lakhs).

Currency: ₹ in Lakhs

NCD	Series	Date of Allotment	Maturity Date	As at March 31,		Redemption Period	Interest Rate %
				2022	2021		
NCD 13	KFLMS04	23/04/2018	22/04/2021	-	2,748.06	36 Months	9.50%
NCD 13	KFLMS05	23/04/2018	22/04/2021	-	3,184.69	36 Months	9.75%
NCD 16	KFLPS02	06/05/2019	05/05/2021	-	3,026.54	24 Months	9.75%
NCD 18	KFLRS01	10/12/2019	09/06/2021	-	5,948.86	18 Months	9.26%
NCD 17	KFLQS02	21/08/2019	20/08/2021	-	3,027.91	24 Months	9.75%
NCD 19	KFLSS01	29/05/2020	27/08/2021	-	4,884.51	15 Months	9.49%
NCD 10	KFLJS06	09/05/2017	08/09/2021	-	1,261.36	52 Months	9.81%

NCD 14	KFLNS03	24/09/2018	23/09/2021	-	5,564.93	36 Months	10.00%
NCD 14	KFLNS04	24/09/2018	23/09/2021	-	3,880.47	36 Months	10.52%
NCD 20	KFLTS01	14/10/2020	18/11/2021	-	7,816.37	400 Days	8.50%
NCD 18	KFLRS02	10/12/2019	09/12/2021	-	4,197.20	24 Months	9.75%
NCD 11	KFLKS06	29/08/2017	28/12/2021	-	1,331.45	52 Months	9.81%
NCD 15	KFLOS03	31/01/2019	29/01/2022	-	5,943.47	36 Months	10.00%
NCD 15	KFLOS04	31/01/2019	29/01/2022	-	2,782.60	36 Months	10.52%
NCD 9	KFLIS07	01/02/2017	31/01/2022	-	3,148.02	60 Months	10.25%
NCD 19	KFLSS02	29/05/2020	25/02/2022	-	4,468.58	21 Months	9.75%
NCD 21	KFLUS01	23/01/2021	27/02/2022	-	5,363.15	400 Days	8.50%
NCD 16	KFLPS03	06/05/2019	05/05/2022	5,904.42	5,904.42	36 Months	10.00%
NCD 16	KFLPS04	06/05/2019	05/05/2022	5,486.26	4,964.04	36 Months	10.52%
NCD 10	KFLJS07	09/05/2017	07/05/2022	2,218.20	2,218.20	60 Months	10.00%
NCD 12	KFLLS06	08/01/2018	07/05/2022	2,671.28	2,432.64	52 Months	9.81%
NCD 6	KFLFS07	15/02/2016	14/06/2022	2,321.49	2,321.49	76 Months	11.50%
NCD 6	KFLFS08	15/02/2016	14/06/2022	3,410.29	3,056.64	76 Months	11.57%
NCD 17	KFLQS03	21/08/2019	20/08/2022	9,219.49	9,219.49	36 Months	10.00%
NCD 17	KFLQS04	21/08/2019	20/08/2022	6,027.84	5,454.07	36 Months	10.52%
NCD 13	KFLMS06	23/04/2018	22/08/2022	2,295.85	2,090.74	52 Months	9.81%
NCD 11	KFLKS07	29/08/2017	26/08/2022	3,611.75	3,611.75	60 Months	10.00%
NCD 14	KFLNS05	24/09/2018	23/09/2022	5,050.48	4,563.55	48 Months	10.67%
NCD 7	KFLGS07	09/06/2016	08/12/2022	1,235.37	1,235.37	78 Months	11.15%
NCD 7	KFLGS08	09/06/2016	08/12/2022	3,968.49	3,567.18	78 Months	11.25%
NCD 18	KFLRS03	10/12/2019	09/12/2022	7,684.29	7,684.29	36 Months	10.00%
NCD 18	KFLRS04	10/12/2019	09/12/2022	6,264.70	5,668.38	36 Months	10.52%
NCD 15	KFLOS05	31/01/2019	30/01/2023	2,620.52	2,367.86	48 Months	10.67%
NCD 20	KFLTS02	14/10/2020	13/04/2023	2,960.56	2,960.56	30 Months	9.50%
NCD 20	KFLTS03	14/10/2020	13/04/2023	4,213.55	3,853.62	30 Months	9.34%
NCD 13	KFLMS07	23/04/2018	21/04/2023	4,902.47	4,902.47	60 Months	10.00%
NCD 16	KFLPS05	06/05/2019	05/05/2023	2,868.78	2,592.19	48 Months	10.67%
NCD 21	KFLUS02	23/01/2021	22/07/2023	1,260.07	1,260.07	30 Months	9.25%
NCD 21	KFLUS03	23/01/2021	22/07/2023	3,847.30	3,518.66	30 Months	9.34%
NCD 17	KFLQS05	21/08/2019	19/08/2023	4,447.87	4,019.04	48 Months	10.67%
NCD 19	KFLSS03	29/05/2020	28/08/2023	10,367.79	10,367.79	39 Months	10.00%
NCD 19	KFLSS04	29/05/2020	28/08/2023	4,389.91	3,971.33	39 Months	10.54%
NCD 14	KFLNS06	24/09/2018	22/09/2023	201.56	201.56	60 Months	10.25%
NCD 18	KFLRS05	10/12/2019	09/12/2023	3,764.60	3,401.65	48 Months	10.67%
NCD 20	KFLTS04	14/10/2020	12/01/2024	9,708.93	9,708.93	39 Months	10.00%
NCD 15	KFLOS06	31/01/2019	30/01/2024	439.63	439.63	60 Months	10.00%
NCD 9	KFLIS08	01/02/2017	31/01/2024	3,100.53	2,808.19	84 Months	10.41%
NCD 20	KFLTS05	14/10/2020	12/04/2024	1,065.36	969.65	42 Months	9.87%
NCD 21	KFLUS04	23/01/2021	22/04/2024	14,897.62	14,897.62	39 Months	10.00%
NCD 16	KFLPS06	06/05/2019	04/05/2024	383.84	383.84	60 Months	10.00%
NCD 19	KFLSS05	29/05/2020	28/05/2024	3,796.33	3,430.32	48 Months	10.67%
NCD 17	KFLQS06	21/08/2019	20/08/2024	642.34	642.34	60 Months	10.00%
NCD 20	KFLTS06	14/10/2020	13/12/2024	2,349.62	2,131.76	50 Months	10.22%
NCD 11	KFLKS08	29/08/2017	27/12/2024	2,061.89	1,875.98	88 Months	9.91%
NCD 21	KFLUS05	23/01/2021	22/01/2025	4,150.83	3,750.64	48 Months	10.67%
NCD 18	KFLRS06	10/12/2019	09/06/2025	639.14	577.31	66 Months	10.71%
NCD 13	KFLMS08	23/04/2018	22/08/2025	2,410.43	2,193.10	88 Months	9.91%
NCD 19	KFLSS06	29/05/2020	28/11/2025	1,010.02	912.32	66 Months	10.71%
NCD 21	KFLUS06	23/01/2021	22/07/2026	1,332.92	1,203.98	66 Months	10.71%
NCD 18	KFLRS07	10/12/2019	09/12/2026	1,029.30	1,029.30	84 Months	10.25%
NCD 18	KFLRS08	10/12/2019	09/12/2026	2,938.25	2,661.22	84 Months	10.41%
NCD 20	KFLTS07	14/10/2020	13/10/2027	1,330.15	1,330.15	84 Months	10.25%
NCD 20	KFLTS08	14/10/2020	13/10/2027	2,092.23	1,894.97	84 Months	10.41%
NCD 22	KFLVS01	29/04/2021	03/06/2022	4,651.38		400 Days	8.00%
NCD 22	KFLVS02	29/04/2021	28/04/2023	1,259.68		24 Months	8.50%
NCD 22	KFLVS03	29/04/2021	28/04/2024	717.97		36 Months	9.25%

NCD 22	KFLVS04	29/04/2021	28/04/2024	2,641.54	-	36 Months	9.31%
NCD 22	KFLVS05	29/04/2021	28/10/2024	10,321.87	-	42 Months	10.00%
NCD 22	KFLVS06	29/04/2021	28/04/2025	5,128.95	-	48 Months	10.67%
NCD 23	KFLWS01	30/09/2021	29/05/2023	5,684.10	-	20 Months	8.30%
NCD 23	KFLWS02	30/09/2021	29/09/2023	2,421.67	-	24 Months	8.50%
NCD 23	KFLWS03	30/09/2021	29/09/2024	503.67	-	36 Months	9.00%
NCD 23	KFLWS04	30/09/2021	29/09/2024	3,798.89	-	36 Months	9.50%
NCD 23	KFLWS05	30/09/2021	29/03/2025	13,583.84	-	42 Months	10.00%
NCD 23	KFLWS06	30/09/2021	29/11/2025	2,791.92	-	50 Months	10.22%
NCD 23	KFLWS07	30/09/2021	29/09/2027	31.22	-	72 Months	9.00%
NCD 23	KFLWS08	30/09/2021	29/09/2028	1,796.37	-	84 Months	10.41%
Sub Total				**2,23,927.62**	**2,28,828.47**		
Less: EIR impact of transaction cost				(362.89)	(505.48)		
Total				**2,23,564.73**	**2,28,322.99**		

Note 16: Borrowings (other than debt securities)

Currency: ₹ in Lakhs

Particulars	**As at March 31,**					
	2022			**2021**		
	Amortised Cost	**At Fair value through profit or loss**	**Designated at fair value through profit or loss**	**Amortised Cost**	**At Fair value through profit or loss**	**Designated at fair value through profit or loss**
(I) Term loan						
(i) from banks	57,588.54	-	-	29,996.14		-
(ii) from other parties	7,025.89	-	-	-		-
(II) Loans repayable on demand						
(i) from banks						
Working Capital Demand Loan from Banks	42,579.31	-	-	39,008.97		-
Cash Credit/Overdraft facilitates from banks	24,750.57	-	-	16,255.91		-
(ii) from other parties						
Total (A)(I+II)	**1,31,944.31**	-	-	**85,261.02**		-
(I) Secured	1,31,944.31	-	-	85,261.02		-
(II) Unsecured	-	-	-	-		-
Total (B)	**1,31,944.31**	-	-	**85,261.02**		-
(I) Borrowings in India	1,31,944.31	-	-	85,261.02		-
(II) Borrowings outside India	-	-	-	-		-
Total (C)(I+II)	**1,31,944.31**	-	-	**85,261.02**		-

Note:

The Term Loans, Cash Credits, and Working Capital Demand Loans of the Company are secured by paripassu floating charge on movable assets, current assets, book debts, loans & advances, including cash and bank balances, and the existing Secured Creditors. The loans are also guaranteed by the personal guarantee of Mr. Mathew K Cherian - Managing Director of the Company, Mrs. Laila Mathew - Whole Time Director of the Company, Mrs. Jilu Saju Varghese - Director of the Company, Mrs. Milu Mathew, and Mrs. Bala Mathew – Relative of the director as per the terms mutually agreed with the respective lender bank. In addition to the properties of the Company, the properties of the Directors of the Company -Mr. Mathew K Cherian, Mrs. Laila Mathew, and Mrs. Jilu Saju Varghese, Properties of relatives of Directors of the Company - Mrs. Milu Mathew and Mrs. Bala Mathew and the properties of Kosamattam Builders – A partnership firm where Mrs. Jilu Saju Varghese and Mrs. Milu Mathew are partners have also been provided to State Bank of India, South Indian Bank, and Dhanlaxmi Bank as collateral security, on the basis of agreement created with the respective banks.

The Quarterly Statements of current assets filed by the Company with banks/financial institutions are in agreement with books of accounts of the Company.

Terms of repayment -Term Loan

Currency: ₹ in Lakhs

Tenure (from the date of Balance Sheet)	Rate of Interest	As at March 31,	
		2022	2021
Less than 1 year	9.20% - 11.00%	28,255.52	8,621.60
1 to 2 years	9.20% - 11.00%	22,653.27	8,721.15
2 to 3 years	9.20% - 11.00%	9,763.14	7,356.00
3 to 4 years	9.20% - 11.00%	3,382.50	3,194.89
4 to 5 years	9.20% - 11.00%	560.00	2,102.50
Above 5 year	9.20% - 11.00%	-	-
Total		**64,614.43**	**29,996.14**

Note 17: Subordinated Liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022			
	Amortized Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
Perpetual Debt Instrument (Refer note 17.1)	675.16	-	-	675.16
Preference Share Other than those that qualify as equity	-			-
1,20,000 3% Compulsorily Convertible Cumulative Preference Shares of ₹1000/- each (Refer note 17.2)	-	-	-	-
Subordinated Debt- Listed** (Refer note 17.3)	29,339.82	-	-	29,339.82
Total (A)	**30,014.98**	**-**	**-**	**30,014.98**
Subordinated Liabilities in India	30,014.98	-	-	30,014.98
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**30,014.98**	**-**	**-**	**30,014.98**

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021			
	Amortized Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
Perpetual Debt Instrument (Refer note 17.1)	1,381.00	-	-	1,381.00
Preference Share Other than those that qualify as equity	-			-
1,20,000 3% Compulsorily Convertible Cumulative Preference Shares of ₹1000/- each (Refer note 17.2)	1,200.00	-	-	1,200.00
Subordinated Debt- Listed** (Refer note 17.3)	29,406.38	-	-	29,406.38
Total (A)	**31,987.38**	**-**	**-**	**31,987.38**
Subordinated Liabilities in India	31,987.38	-	-	31,987.38
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**31,987.38**	**-**	**-**	**31,987.38**

**Includes EIR impact of transaction cost

Note 17.1: Perpetual Debt Instrument

The Company had privately placed Perpetual Debt Instrument with a principal amount outstanding of ₹565.00 Lakhs (March 31, 2021: ₹1,190.00 Lakhs)

Currency: ₹ in Lakhs

Issue No	Date of Allotment	As at March 31,		Interest Rates %
		2022	2021	
1	Oct 2011- Oct 2012	24.18	761.57	13.94%- 14.86%
2	Oct 2012- Mar 2013	173.23	159.68	13.94%- 14.86%
3	Jul 2013- Mar 2014	477.75	459.75	13.00%- 14.86%
Total		**675.16**	**1,381.00**	

Note 17.2: Preference Share

The Compulsorily Convertible Cumulative Preference Shares of the Company were converted during the current year (November 29, 2021). The Company allotted fully paid-up 30,00,000 Equity Shares of face value of ₹10/- each pursuant to conversion of 1,20,000 compulsorily convertible preference shares into equity shares as per the terms of offer letter issued at the time of issue of preference shares to the preference shareholders at an issue price of ₹40/- per Equity Share (including premium of ₹30/- per Equity Share). The fresh allotment of equity shares as stated above has resulted in an increase of equity share capital by ₹300 Lakhs and securities premium reserve by ₹900 Lakhs

Note 17.3: Subordinated Debt - Public & Listed

The principal amount of outstanding Unsecured Redeemable Non- Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued through Public Issue stood at ₹ 23,826.73 Lakhs (March 31, 2021: ₹24,241.47 Lakhs).

Currency: ₹ in Lakhs

NCD	Series	Date of Allotment	Maturity Date	As at March 31, 2022	2021	Redemption Period	Interest Rate %
NCD 5	KFLES07	01/12/2015	28/02/2022	-	982.01	75 Months	11.50%
NCD 5	KFLES08	01/12/2015	28/02/2022	-	3,647.54	75 Months	11.73%
NCD 8	KFLHS07	29/09/2016	28/03/2023	1,059.54	1,059.54	78 Months	11.00%
NCD 8	KFLHS08	29/09/2016	28/03/2023	2,552.50	2,294.38	78 Months	11.25%
NCD 10	KFLJS08	09/05/2017	08/07/2024	2,006.53	1,821.47	86 Months	10.16%
NCD 12	KFLLS08	08/01/2018	07/05/2025	1,692.87	1,540.23	88 Months	9.91%
NCD 12	KFLLS07	08/01/2018	07/05/2025	1,864.91	1,864.91	88 Months	10.00%
NCD 14	KFLNS07	24/09/2018	23/09/2025	726.82	726.82	84 Months	10.25%
NCD 14	KFLNS08	24/09/2018	23/09/2025	2,998.64	2,715.92	84 Months	10.41%
NCD 15	KFLOS07	31/01/2019	30/01/2026	499.37	499.37	84 Months	10.25%
NCD 15	KFLOS08	31/01/2019	30/01/2026	2,026.27	1,835.22	84 Months	10.41%
NCD 16	KFLPS07	06/05/2019	05/05/2026	412.78	412.78	84 Months	10.25%
NCD 16	KFLPS08	06/05/2019	05/05/2026	1,737.81	1,573.96	84 Months	10.41%
NCD 17	KFLQS07	21/08/2019	20/08/2026	532.89	532.89	84 Months	10.25%
NCD 17	KFLQS08	21/08/2019	20/08/2026	2,486.46	2,252.02	84 Months	10.41%
NCD 19	KFLSS07	29/05/2020	28/05/2027	930.53	930.53	84 Months	10.25%
NCD 19	KFLSS08	29/05/2020	28/05/2027	2,154.25	1,951.13	85 Months	10.41%
NCD 21	KFLUS07	23/01/2021	22/01/2028	1,204.37	1,204.37	86 Months	10.25%
NCD 21	KFLUS08	23/01/2021	22/01/2028	1,791.10	1,622.22	87 Months	10.41%
NCD 22	KFLVS07	29/04/2021	28/10/2026	1,132.18	-	66 Months	10.25%
NCD 22	KFLVS08	29/04/2021	28/04/2028	1,592.20	-	84 Months	10.41%
		Sub Total		**29,402.02**	**29,467.31**		
Less: EIR impact of transaction cost				(62.20)	(60.93)		
Total				**29,339.82**	**29,406.38**		

Note 18: Other Financial Liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022	2021
Auction surplus refundable	103.90	86.57
Unclaimed Matured Non-Convertible Debentures and interest thereon	55.65	61.15
Unclaimed Matured Subordinate debt and interest thereon	3.40	11.10
Perpetual Debt Instrument Payable	238.03	-
Dividend payable on CCPS	-	36.00
Total	**400.98**	**194.82**

Note 19: Provisions

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022	2021
Provision for Employee Benefits – Gratuity (Refer Note 34)	404.02	210.31
Provisions for other assets (Refer Note 19.1)	322.93	220.75
Total	**726.95**	**431.06**

19.1 The movement in Provisions for other assets during 2021-22 and 2020-21 are as follows Currency: ₹ in Lakhs

Particulars	Amount
As at April 01, 2020	220.75
Additions	-
Reversed	-
As at March 31, 2021	**220.75**
Additions	102.18
Reversed	-
As at March 31, 2022	**322.93**

Note 20: Other Non-financial liabilities Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2022	2021
Statutory dues payable	238.25	156.65
Total	238.25	156.65

Note 21: Equity Share Capital

21.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2022	2021
Authorized		
50,00,00,000 (March 31, 2020: 50,00,00,000) Equity shares of ₹10/- each	50,000.00	50,000.00
Issued, subscribed, and fully paid up		
21,68,79,302 (March 31, 2021: 20,25,00,547) Equity shares of ₹ 10/- each fully paid up	21,687.93	20,250.05
Total Equity	**21,687.93**	**20,250.05**

21.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. Upon a show of hands, every member entitled to vote and present in person shall have one vote, and upon a poll, every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

21.3 Details of Equity shareholders holding more than 5% Equity shares in the company

Particulars	As at March 31,			
	2022		2021	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
Mathew K Cherian	12,84,52,270	59.23%	12,54,52,270	61.95%
Laila Mathew	3,01,48,300	13.90%	3,01,48,300	14.89%
Kosamattam Ventures Private Limited	3,60,00,200	16.60%	3,60,00,200	17.78%

21.4 Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the year Currency: ₹ in Lakhs

Particulars	In Numbers	Amount
As at April 01, 2020	**19,16,01,770**	**19,160.18**
Add: Shares issued on rights issue basis (June 30, 2020)	64,12,814	641.28
Add: Shares issued on rights issue basis (November 13, 2020)	23,79,688	237.97
Add: Shares issued on rights issue basis (February 23, 2021)	21,06,275	210.62
As at March 31, 2021	**20,25,00,547**	**20,250.05**
Add: Shares issued on rights issue basis (April 30,2021)*	10,80,625	108.06
Add: Shares issued on rights issue basis (September 17, 2021)*	1,02,98,130	1,029.82
Add: Share issued pursuant to conversion of CCPS (November 29, 2021)**	30,00,000	300.00
As at March 31, 2022	**21,68,79,302**	**21,687.93**

*** Right Issue**

The Company allotted fully paid-up 1,13,78,755 Equity Shares of face value of ₹10/- each to the eligible equity shareholders at an issue price of ₹40/- per Equity Share (including premium of ₹30/- per Equity Share) in the Rights Issue.

The entire proceeds of the Rights Issue have been utilised as per the objects stated in the offer document for the Rights issue. The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by ₹1,137.88 Lakhs and securities premium reserve by ₹3,413.63 Lakhs

****Conversion of CCPS**

The Company allotted fully paid-up 30,00,000 Equity Shares of face value of ₹10/- each pursuant to conversion of 1,20,000 compulsorily convertible preference shares into equity shares as per the terms of offer letter issued at the time of issue of Preference shares to the preference shareholders at an issue price of ₹40/- per Equity Share (including premium of ₹30/- per Equity Share).

The fresh allotment of equity shares as stated above has resulted in an increase of equity share capital by ₹300 Lakhs and securities premium reserve by ₹900 Lakhs

21.5 The Company has not allotted any share pursuant to contracts without payment being received in cash or as bonus shares nor has it bought back any shares during the preceding period of 5 financial years.

21.6 Shareholding of promoters

Shares held by promoters as on March 31, 2022:

Promoter name	No.of Shares	% of total shares	% Change during the year
Mathew K Cherian	12,84,52,270	59.23%	2.39%
Laila Mathew	3,01,48,300	13.90%	0.00%
Jilu Saju Varghese	400	Negligible	Negligible

Note 22: Other Equity

Currency: ₹ in Lakhs

Particulars	**As at March 31,**	
	2022	**2021**
Statutory Reserve		
Balance at the beginning of the year	6,679.58	5,349.28
Add: Transfer from Retained Earnings	1,599.94	1,330.30
Balance at the end of the year	**8,279.52**	**6,679.58**
Capital Reserve		
Balance at the beginning of the year	9.07	9.07
Balance at the end of the year	**9.07**	**9.07**
Revaluation Reserve		
Balance at the beginning of the year	2.86	2.86
Balance at the end of the year	**2.86**	**2.86**
Securities Premium		
Balance at the beginning of the year	2,755.03	357.30
Add: Shares issued on rights issue basis	4,313.63	2,397.73
Balance at the end of the year	**7,068.66**	**2,755.03**
Impairment Reserve		
Balance at the beginning of the year	3,403.13	2,591.42
Add: Amount transferred from Retained Earnings	685.61	811.71
Balance at the end of the year	**4,088.74**	**3,403.13**
General Reserve		
Balance at the beginning of the year	11,660.97	11,660.97
Balance at the end of the year	**11,660.97**	**11,660.97**
Retained Earnings		
Balance at the beginning of the year	7,278.25	2,888.68
Add: Profit for the year (net of taxes)	7,999.66	6,531.58
Less: Appropriation: -		
Transfer to Statutory Reserve	1,599.94	1,330.30
Transfer to Impairment Reserve	685.61	811.71
Total appropriations	**2,285.55**	**2,142.01**
Balance at the end of the year	**12,992.36**	**7,278.25**

Other Comprehensive Income		
Balance at the beginning of the year	19.91	26.88
Add: Addition during the year	(107.60)	(6.97)
Balance at the end of the year	**(87.69)**	**19.91**
Total	**44,014.49**	**31,808.80**

Note 22.1: Nature and purpose of reserve

Statutory reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount of ₹1,599.94 Lakhs (March 31, 2021 ₹1,330.30 Lakhs) representing 20% of Profit for the period is transferred to the fund for the year.

Securities Premium

This Reserve represents the premium on the issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Debenture Redemption Reserve

In terms of Section 71 of the Companies Act, 2013 read with Rule 18 (7) of Companies (Share Capital and Debentures) Rules 2014 , the Company has created Debenture Redemption Reserve in respect of Secured Redeemable Non-Convertible Debentures and Unsecured Redeemable Non-Convertible Debentures issued through public issue as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

In accordance with The Companies (Share Capital and Debentures) Amendment Rules, 2020, any non-banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. Also the exceptions as available to NBFCs earlier have been retained in terms of creation of DRR for privately placed debentures.

Further, the Company shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in the manner mentioned in Rule 18(7)(c). Accordingly the Company has deposited ₹9,853.14 Lakhs in deposit account for debenture redemption

Impairment Reserve

In accordance with RBI circular no. RBI/2019-20/170 dated March 13, 2020, the company has provided for impairment allowances as required by Ind AS. In parallel, the company has also determined the asset classification and computed the impairment provisions as per extant prudential norms on Income Recognition, Asset Classification, and Provisioning (IRACP). A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 has been disclosed in Note No. 46.

Further, since impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP the difference has been appropriated from net profit after tax to 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital.

No withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI. The requirement for 'Impairment Reserve' shall be reviewed, going forward as per further instructions from RBI

General Reserve

Under the erstwhile Companies Act 1956, the general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to the general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilized only in accordance with the specific requirements of the Companies Act, 2013.

Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Other Comprehensive Income

Remeasurement of defined benefit plans

It represents the gain/(loss) on re-measurement of Defined Benefit Obligation and Plan assets

SGS & COMPANY CHARTERED ACCOUNTANTS

Note 23: Interest Income

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2022			Year ended March 31, 2021		
	On Financial assets measured at fair value through OCI	On Financial assets measured at amortized cost	Interest income on financial assets classified at fair value through profit or loss	On Financial assets measured at fair value through OCI	On Financial assets measured at amortized cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans						
Gold loans	-	60,216.73	-	-	51,413.21	-
Other loans	-	382.32	-	-	1,390.56	-
Interest on deposits with banks	-	1,425.23	-	-	900.58	-
Interest on fair value of deposit	-	102.11	-	-	94.87	-
Total	-	**62,126.39**	-	-	**53,799.22**	-

Note 24: Fees and commission Income

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Commissions	15.80	12.44
Demat Services	13.85	13.75
Insurance Services	4.90	13.57
Money Transfer Services	21.67	23.55
Ancillary Charges on Loan	278.87	308.80
Others	3.17	3.70
Total	**338.26**	**375.81**

Note 25: Other Income

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net gain / (loss) on derecognition of property, plant and equipment	0.78	2.14
Net gain on foreign currency transaction and translation	13.30	7.00
Total	**14.08**	**9.14**

Note 26: Finance Cost

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortized cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortized cost
Interest on debt securities	-	23,880.19	-	21,636.58
Interest on borrowings (other than debt securities)	-	8,561.07	-	5,959.38
Interest on subordinated liabilities	-	3,538.55	-	3,074.20
Interest on lease liability	-	431.51	-	578.02
Bank charges	-	480.10	-	333.16
Dividend on CCPS	-	23.87	-	11.22
Total	-	**36,915.29**	-	**31,592.56**

Note 27: Impairment on financial instruments

Currency: ₹ in Lakhs

Particulars	Year ended March 31,			
	2022		2021	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortized cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortized cost
Loan Assets	-	466.73	-	512.03
Bad Debts Written Off	-	0.67	-	-
Other Assets	-	102.19	-	220.75
Total	**-**	**569.59**	**-**	**732.78**

Note 28: Employee Benefits Expenses

Currency: ₹ in Lakhs

Particulars	Year ended March 31,	
	2022	2021
Salaries and Wages	7,709.22	6,656.56
Contribution to Provident and Other Funds	433.94	301.00
Provision for Gratuity(Refer Note 34)	61.33	64.83
Staff Welfare Expense	154.39	377.14
Total	**8,358.88**	**7,399.53**

Note 29: Depreciation, amortization and impairment

Currency: ₹ in Lakhs

Particulars	Year ended March 31,	
	2022	2021
Depreciation of property, plant and equipment	1,027.87	1,004.59
Depreciation on Right of use assets	1,718.42	1,430.22
Amortization of intangible assets	46.08	38.76
Less: Depreciation adjusted against Windmill Income	(61.43)	(55.53)
Less: Depreciation adjusted against Estate Income	(7.67)	(8.73)
Total	**2,723.27**	**2,409.31**

Note 30: Other Expenses

Currency: ₹ in Lakhs

Particulars	Year ended March 31,	
	2022	2021
Advertisement and publicity	543.92	323.52
Annual Maintenance Charges	189.00	44.93
Auditors' fees and expenses (Refer note 30.1)	31.85	27.74
CSR Expenses (Refer note 30.2)	172.73	162.17
Donation	10.67	75.58
Electricity & Water Charges	175.13	176.92
GST	301.68	244.04
Insurance	31.80	30.00
Office Expenses	164.36	96.02
Printing and Stationery	214.36	213.21
Legal & Professional Charges	273.43	249.67
Rates and Taxes	25.29	30.24
Rating Fee	107.90	72.70
Repairs & Maintenance	211.38	127.33
Remuneration to Non-executive Directors	4.30	3.10
Security Charges	153.01	105.65
Communication Costs	185.35	161.02
Travelling Expenses	211.71	149.19
Trustee Remuneration	24.28	21.84
Vehicle Expenses	28.66	13.81
Windmill (income) / expenses (Refer note 30.3)	25.73	20.30
Estate (Income) / Expenses(Refer note 30.4)	99.93	101.65
Total	**3,186.47**	**2,450.63**

Registered Office KOTTAYAM

SGS & COMPANY CHARTERED ACCOUNTANTS
H.O. TRICHUR
Br COCHIN
CALICUT
CHENNAI

Note 30.1: Auditor's fees and expenses

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
For Statutory Audit	19.47	19.47
For Taxation Matters	2.60	2.60
For Other Services	7.78	5.67
For Reimbursement of Expenses	2.00	-
Total	**31.85**	**27.74**

Note 30.2: Expenditure on Corporate Social Responsibility

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Gross amount required to be spent by the Company during the year	172.34	162.17
b) Amount spent during the period	172.73	162.17
c) Shortfall (Excess) at the end of the year	(0.39)	
d) Total of previous years shortfalls	-	-
e) Reason for shortfall	-	-
f) Nature of CSR activities	Refer Note 30.2(a)	
g) Details of related party transactions	-	51.90
h) Provision made during the year	-	-
Total	**172.73**	**162.17**

The Company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII of the Companies Act, 2013.

Note 30.2(a)

Promoting health care including preventive health care, Training to promote rural sports, Setting up of homes for women, Eradicating hunger, Promoting education, Empowering women

Note 30.3: Windmill Income / (Expenses), net

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income from Windmill	47.72	46.68
Depreciation - Windmill	(61.43)	(55.53)
AMC Charges	(12.02)	(11.45)
Total	**(25.73)**	**(20.30)**

Note 30.4: Estate Income / (Expenses), net

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income from Estate	108.94	114.65
Depreciation - Estate	(7.67)	(8.73)
Estate Expense	(201.20)	(207.57)
Total	**(99.93)**	**(101.65)**

Note 31: Tax Expenses

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	2,762.33	2,529.52
Adjustment in respect of income tax of earlier year	-	309.73
Deferred tax relating to origination and reversal of temporary differences	(36.76)	228.53
Income tax expense reported in statement of profit and loss	**2,725.57**	**3,067.78**
Income tax recognized in other comprehensive income (OCI)	-	
Deferred tax related to items recognized in OCI during the period:	-	
- Actuarial (gain)/loss moved from Profit and Loss	36.19	2.35
- Remeasurement of defined benefit plans		-
Income tax charged to OCI	**36.19**	**2.35**

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all the profits had been charged at India's corporate tax rate.
A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2022, and the year ended March 31, 2021, is, as follows:

Currency: ₹ in Lakhs

Particulars	Year ended March 31,	
	2022	2021
Accounting profit before tax	10,725.23	9,599.36
Applicable tax rate	25.168%	25.168%
Computed tax for the year	**2,699.33**	**2,415.97**
Rate Difference	-	-
Tax paid for earlier periods	-	309.73
DTA not recognised earlier	(51.56)	274.08
Dividend on CCPS	6.01	2.82
Exempt income	25.83	23.39
Donation and CSR	46.16	40.72
Others	(0.20)	1.07
Income tax expense reported in the Statement of Profit and Loss	**2,725.57**	**3,067.78**
Effective Income Tax Rate	**25.41%**	**31.96%**

As per amendment u/s 115BAA of Income Tax Act 1961, existing Domestic Companies are provided with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The Company, vide the provisions of this section, has irreversibly opted for the new tax rate of 25.168% inclusive of surcharge @ 10% and cess @ 4%.

Note 31.1: Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income-tax expense:

Currency: ₹ in Lakhs

Deferred Tax Assets/(Liabilities)	As at March 31,	
	2022	2021
Depreciation and Amortisation	715.49	679.01
Provision against loans	294.22	294.16
Fair value gain/(loss) on security deposits	51.20	55.26
Right of use assets / (liability)	47.93	32.18
Provision for retirement benefits	101.68	52.93
Provision Others	81.28	-
Amortisation of processing fees expenses as per EIR	(375.74)	(270.41)
Deferred Tax Assets (net)	**916.06**	**843.13**

Reconciliation of deferred tax assets/(liabilities)

Currency: ₹ in Lakhs

Particulars	Year ended March 31,	
	2022	2021
Opening balance	843.13	1,069.31
Tax income/(expense) during the year recognized in Statement of Profit and Loss	36.76	(228.53)
MAT utilized for tax payment	-	-
Tax income/(expense) during the year recognized in OCI	36.19	2.35
Closing balance	**916.06**	**843.13**

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Notes 31.2 Turnover for Goods & Services Tax

Currency: ₹ in Lakhs

Particulars	Andhra Pradesh	Delhi	Gujarat	Karnataka	Kerala	Maharashtra	Puducherry	Tamil Nadu	Telangana	Total
Interest Income	4,595.48	721.15	9.67	10,303.29	10,758.57	717.64	237.34	28,112.23	780.83	**56,236.20**
Auction Proceeds of Gold *	2,678.26	398.35	65.03	8,550.51	2,738.18	594.02	111.20	12,847.80	486.02	**28,469.37**
Commissions	0.93	0.43	0.01	2.75	6.99	0.35	0.15	3.97	0.21	**15.79**
Demat Services	-	-	-	0.06	13.52	0.01	0.01	0.24	0.01	**13.85**
Insurance Services	-	-	-	-	4.90	-	-	-	-	**4.90**
Money Transfer Services	-	-	-	-	21.66	-	-	-	-	**21.66**
PAN Card Services**	-	-	-	0.16	3.59	-	-	0.34	-	**4.09**
Ticket Booking Services**	-	-	-	-	21.10	-	-	-	-	**21.10**
Ancillary Charges on Loan	23.25	2.13	0.11	52.86	65.61	2.10	1.08	129.24	2.50	**278.88**
Interest on Bank Deposit	-	-	-	-	1,425.23	-	-	-	-	**1,425.23**
Foreign Exchange Services***	-	-	-	-	4.03	-	-	-	-	**4.03**
Income from Power Generation**	-	-	-	-	47.72	-	-	-	-	**47.72**
Agriculture Income**	-	-	-	-	108.94	-	-	-	-	**108.94**
Sale / Transfer of Fixed Assets	0.06	-	-	0.11	48.20	-	0.02	0.94	-	**49.33**
Total	7,297.98	1,122.06	74.82	18,909.74	15,268.24	1,314.12	349.80	41,094.76	1,269.57	86,701.09

Note:

***Auction proceeds of Gold has been netted off with the outstanding value of such loan and shown as Interest Income in the Profit and Loss A/c**

****Costs related to the particular income has been netted off in the Profit and Loss A/c**

*****Taxable value is taken as 1% of the gross amount of Indian Rupees provided/received (transactions with authorized dealers are excluded as it is exempted) while foreign exchange gain has been shown in the Profit and Loss A/c**

Note 32: Earnings per share

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net profit attributable to ordinary equity holders	7,999.66	6,531.58
Weighted average number of equity shares for basic earnings per share	20,88,58,528	19,75,23,233
Earnings per share:		
Basic earnings per share (₹)	**3.83**	**3.31**

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net profit attributable to ordinary equity holders	7,999.66	6,531.58
Add: Dividend on CCPS	23.87	11.22
Adjusted profit for diluted earnings per share	**8,023.53**	**6,542.80**
Weighted average number of equity shares for basic earnings per share	20,88,58,528	19,75,23,233
Effect of dilution:	-	1,20,00,000
Weighted average number of equity shares for diluted earnings per share	20,88,58,528	20,95,23,233
Earnings per share:		
Diluted earnings per share (₹)	**3.83**	**3.12**

Note 33: Assets pledged as security

The carrying amounts of assets pledged as security for debt securities as well as secured borrowings are as below

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets		
Cash and cash equivalents	7,301.97	16,358.86
Bank Balance other than above	26,675.74	17,326.83
Receivables	83.58	29.70
Loans	4,00,725.00	3,47,826.38
Other Financial assets	543.07	473.20
Non-financial Assets	-	-
Other non-financial assets	913.53	971.18
Total	**4,36,242.89**	**3,82,986.15**

Above assets have been provided as security on first pari-passu floating charge basis for secured debt securities as well as for secured borrowings other than debt securities.

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Land	5,347.16	5,347.16
Building	156.13	164.06
Vehicle *	84.42	108.13
Furniture & Fixtures *	2,057.21	2,018.51
Electrical Fittings *	551.45	533.02
Computer and Accessories *	251.77	322.11
Total	**8,448.14**	**8,492.99**

Land and Building as above have been provided as collateral Security to the South Indian bank Ltd. for the limit provided as Cash credit to the company and to Vistra ITCL (India) Limited for the Public issue of Non-Convertible Debentures by the Company.

Furniture & Fixtures include an amount of ₹1080.92 Lakhs, with respect to which the Income Tax Department has first charge u/s 281 of the Income Tax Act, 1961.

*These assets (Excluding Furniture & Fixtures amounts to ₹1080.92 Lakhs) have been provided as security on first pari-passu floating charge basis for secured debt securities as well as for secured bank borrowings.

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Note 34: Retirement Benefit Plan

Defined Contribution Plan

The Company makes contributions to Provident Fund which is a defined contribution plan for qualifying employees. The Company recognized ₹ 317.71 Lakhs (March 31, 2021: ₹ 210.37 Lakhs) for Provident Fund contributions in the statement of profit and loss.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service. Gratuity liability is unfunded.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Net liability/(assets) recognized in the Balance Sheet

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2022	2021
Present value of obligations	404.02	210.31
Fair value of plan assets	-	-
Defined Benefit obligation/(asset)	**404.02**	**210.31**

Net benefit expense recognized in the statement of profit and loss

Currency: ₹ in Lakhs

Particulars	Year ended March 31,	
	2022	2021
Current service cost	45.99	52.33
Past service cost		-
Net Interest on net defined benefit liability/ (asset)	15.35	12.50
Net benefit expense	**61.34**	**64.83**

Details of changes in the present value of defined benefit obligations as follows:

Currency: ₹ in Lakhs

Particulars	Year ended March 31,	
	2022	2021
Present value of defined benefit obligation at the beginning of the year	210.31	140.52
Current service cost	45.98	52.33
Past Service Cost	-	
Interest cost on benefit obligations	15.35	12.50
Re-measurements:		
a. Actuarial loss/(gain) arising from changes in demographic assumptions	27.22	-
b. Actuarial loss/ (gain) arising from changes in financial assumptions	8.82	-
c. Actuarial gain/(loss) arising due to plan experience	107.74	9.32
Benefits paid	(11.40)	(4.36)
Present value of defined benefit obligation at the end of the year	**404.02**	**210.31**

Remeasurement gain/ (loss) in other comprehensive income (OCI)

Currency: ₹ in Lakhs

Particulars	Year ended March 31,	
	2022	2021
Re-measurements on defined benefit obligation		
Actuarial loss/(gain) arising from changes in demographic assumptions	27.22	-
Actuarial gain/(loss) arising from changes in financial assumptions	8.82	-
Actuarial gain/(loss) arising due to plan experience	107.74	9.32
Re-measurements on plan assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	-	-
Actuarial gain /(loss) (through OCI)	**143.78**	**9.32**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31,	
	2022	2021
Salary Growth Rate	5.00%	5.00%
Discount Rate	7.28%	7.50%
Mortality	Indian Lives Mortality (2012-14) Ultimate Table	Indian Lives Mortality (2006-08) Ultimate Table
Attrition Rate	Modified q(x) values as per above Mortality Table	
Withdrawal Rate	Modified version of above Table	
Estimated term of liability in years	12.83	24.60

A quantitative sensitivity analysis for significant assumptions as at March 31, 2022, and March 31, 2021, are as shown below:

Currency: ₹ in Lakhs

Assumptions	Sensitivity Level	As at March 31,	
		2022	2021
Discount Rate	Increase by 1%	365.71	176.59
Discount Rate	Decrease by 1%	448.38	252.44
Salary Increase	Increase by 1%	449.01	250.72
Salary Increase	Decrease by 1%	365.25	177.26
Employee Turnover	Increase by 1%	411.15	319.84
Employee Turnover	Decrease by 1%	395.09	100.77

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis. The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

The principal assumptions used in determining retirement benefit obligations for the Company's plans are shown below:

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments, mortality, withdrawals, and other relevant factors.

Note 35: Maturity analysis of assets and liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31,					
	2022			2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	7,301.97	-	7,301.97	16,358.86	-	16,358.86
Bank Balance other than above	19,310.59	7,528.10	26,838.69	12,863.30	4,622.35	17,485.65
Trade receivables	14.08	-	14.08	7.37	-	7.37
Other receivables	69.50	-	69.50	22.33	-	22.33
Loans	4,03,387.65	953.59	4,04,341.24	3,50,371.01	604.88	3,50,975.89
- Adjustment on account of EIR/ECL	-	-	(3,616.24)	-	-	(3,149.51)
Other financial assets	543.07	795.38	1,338.45	473.20	786.32	1,259.52
Non-financial Assets	-	-	-	-	-	-
Current tax assets (net)	-	1,562.56	1,562.56	-	1,095.74	1,095.74
Deferred tax assets (net)	-	916.06	916.06	-	843.13	843.13
Property, plant, and equipment	-	12,168.48	12,168.48	-	12,278.28	12,278.28
Capital Work in Progress	-	36.49	36.49	-	-	-
Right of use assets	-	3,720.70	3,720.70	-	3,650.13	3,650.13
Other intangible assets	-	234.07	234.07	-	261.14	261.14
Other non-financial assets	913.53	1,049.54	1,963.07	971.30	495.33	1,466.63
Total Assets	**4,31,540.39**	**28,964.97**	**4,56,889.12**	**3,81,067.37**	**24,637.30**	**4,02,555.16**

Currency: ₹ in Lakhs

Particulars	As at March 31,					
	2022			2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Trade payables	385.37	-	385.37	364.40	-	364.40
Debt Securities	74,642.09	1,49,285.53	2,23,927.62	68,578.18	1,60,250.29	2,28,828.47
- Adjustment on account of EIR	-	-	(362.89)	-	-	(505.48)
Borrowings (other than debt securities)	95,585.40	36,358.91	1,31,944.31	63,886.48	21,374.54	85,261.02
Subordinated Liabilities	3,872.19	26,204.99	30,077.18	6,568.97	25,479.34	32,048.31
- Adjustment on account of EIR	-	-	(62.20)	-	-	(60.93)
Lease Liabilities	1,453.65	2,457.48	3,911.13	1,366.85	2,411.14	3,777.99
Other Financial liabilities	400.98	-	400.98	194.82	-	194.82
Non-financial Liabilities	-	-	-	-	-	-
Provisions	125.58	601.37	726.95	3.97	427.09	431.06
Other non-financial liabilities	238.25	-	238.25	156.65	-	156.65
Total Liabilities	**1,76,703.51**	**2,14,908.28**	**3,91,186.70**	**1,41,120.32**	**2,09,942.40**	**3,50,496.31**
Net	**2,54,836.88**	**(1,85,943.31)**	**65,702.42**	**2,39,947.05**	**(1,85,305.10)**	**52,058.85**

Note 36: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement

Currency: ₹ in Lakhs

Particulars	As at March 31,			
	2021	Cash Flows	Others	2022
Debt Securities	2,28,322.99	(10,765.88)	6,007.62	2,23,564.73
Borrowings other than debt securities	85,261.02	46,683.28	-	1,31,944.31
Subordinated Liabilities	31,987.38	(1,837.92)	(134.48)	30,014.98
Lease Liabilities	3,777.99	2,001.37	(1,868.23)	3,911.13
Total liabilities from financing activities	**3,49,349.38**	**36,080.86**	**4,004.91**	**3,89,435.15**

Currency: ₹ in Lakhs

Particulars	As at April 01, 2020	Cash Flows	Others	As at March 31, 2021
Debt Securities	2,04,104.16	24,089.48	129.35	2,28,322.99
Borrowings other than debt securities	52,188.37	33,072.65	-	85,261.02
Subordinated Liabilities	29,752.86	1,997.12	237.40	31,987.38
Lease Liabilities	2,737.50	1,707.26	(666.77)	3,777.99
Total liabilities from financing activities	**2,88,782.89**	**60,866.51**	**(300.02)**	**3,49,349.38**

Note 37: Contingent liabilities, commitments, and leasing arrangements

Contingent Liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2022	2021
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt		
(i) Income Tax Demands	1,698.84	2,166.86
(ii) Service Tax Demands	-	4,279.62
(iii) Sales Tax Demands	83.36	83.36
Total	**1,782.20**	**6,529.84**

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Note 38: Related Party Disclosures

Names of Related parties

(A) Subsidiaries

1 NIL

	(B) Key Managerial Personnel	Designation
1	Mathew K Cherian	Chairman cum Managing Director
2	Laila Mathew	Whole time Director
3	Jilu Saju Varghese d/o Mathew K Cherian	Non - Executive Director
4	C. Thomas John	Independent Director
5	Paul Jose Maliakal	Independent Director
6	Kavil Viswambharan Raveendravilasam	Independent Director (Ceased to be the independent Director on September 17, 2021 due to demise)
7	Sebastian Kurian	Independent Director (w.e.f December 14, 2021)
8	Annamma Varghese C	Chief Financial Officer
9	Sreenath Palakkattillam	Company Secretary

(C) Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives

1 Kosamattam Builders Private Limited
2 Kosamattam Ventures Private Limited
3 Kosamattam Builders
4 Kosamattam Security Systems
5 Velampadikkal Enterprises LLP
6 Kosamattam Cherian Foundation
7 Kosamattam Nidhi Limited

(D) Relatives of Key Managerial Personnel (The parties with whom transactions were entered)

1 Milu Mathew D/o Mathew K Cherian
2 Saju Varghese John H/o Jilu Saju Varghese
3 George Thomas h/o Milu Mathew
4 Sreekanth P B/o Sreenath Palakkattillam
5 Krishnan P F/o Sreenath Palakkattillam

Related Party transactions during the year:

Currency: ₹ in Lakhs

Particulars	Key Managerial Personnel		Relatives of Key Managerial Personnel	
	Year ended March 31,			
	2022	2021	2022	2021
Interest paid on Subordinated debts	-	-	3.61	2.23
Interest paid on NCD - Listed	0.23	0.18	14.65	7.31
Director's Remuneration	811.00	757.00	-	-
Salaries and Allowances	26.03	21.10	15.18	14.54
Loans given	-	-	1,250.00	-
Loans repaid	-	1,269.00	357.34	-
Subordinated debts repaid	-	-	15.00	-
Purchase of Equity Shares of the Company	300.00	-	-	12.50
Purchases of CCPS of the Company	-	270.00	-	-
Purchase of Listed NCD of the Company	-	1.18	21.26	31.21
Redemption of Listed NCD of the Company	1.70	-	10.00	2.05
Interest received on Loan	-	177.66	136.90	-
Rent paid	135.75	47.58	-	-
Rent Deposit given	2.14	55.27	-	-

The Company has not granted any loan/advance to promotors, directors, KMPs nor related parties either severally or jointly with any other person which is repayable on demand or without specifying any terms or period of payment

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Currency: ₹ in Lakhs

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence Year ended March 31, 2022	2021	Subsidiaries 2022	2021
CSR Expenses	-	51.90	-	-
Purchase of Fixed Asset	81.11	42.37	-	-
Rendering of Service	176.60			
Loan &Advances	600.00	-	-	-
Loans repaid	600.00	-	-	-
Interest received on Loan	55.23	-	-	-

Balance outstanding as at the year-end: Asset/ (Liability)

Currency: ₹ in Lakhs

Particulars	Key Managerial Personnel As at March 31, 2022	2021	Relatives of Key Managerial Personnel 2022	2021
Investments in Equity Shares	(15,860.10)	(15,560.10)	(12.54)	(12.54)
Investments in CCPS	-	(270.00)	-	-
NCD – Listed	(1.00)	(2.70)	(99.64)	(88.38)
Rent Deposit	78.41	76.27	-	
Subordinated Liabilities	-		-	(15.00)
Loans	-	-	892.66	-
Amounts (payable)/receivable (Net) to related parties	**(15,782.69)**	**(15,756.53)**	**780.48**	**(115.92)**

Note:

a) Related parties have been identified based on the declaration received by the management and other records available.

Balance outstanding as at the year-end: Asset/ (Liability)

Currency: ₹ in Lakhs

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence As at March 31, 2022	2021	Subsidiaries 2022	2021
Investments in Equity Shares	(3,600.02)	(3,600.02)	-	-
Advance for purchase of Goods & Services	18.04	6.17	-	-
Amounts payable (Net) to related parties	**(3,581.98)**	**(3,593.85)**	-	-

Note:

a) Related parties have been identified based on the declaration received by the management and other records available.

Compensation of Key Managerial Personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

Note 39: Capital Management

Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and requirements of the financial covenants. In order to maintain or adjust the capital structure, the Company may adjust the

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amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Currency: ₹ in Lakhs

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	78,759.61	4,22,250.06	18.65%	18.60%	0.05%	-
Tier I CRAR	61,025.69	4,22,250.06	14.45%	13.58%	0.87%	-
Tier II CRAR	17,733.92	4,22,250.06	4.20%	5.02%	-0.82%	-
Liquidity Ratio	-	-	-	-	-	-

Regulatory capital consists of Tier1 capital which comprises share capital, share premium, and retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is Tier 2 capital instruments.

Note 40: Fair Value Measurement

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are initially measured at fair value and subsequently carried at amortized cost in the financial statements.

Currency: ₹ in Lakhs

Particulars	Level	Carrying Value		Fair Value	
		As at March 31,			
		2022	2021	2022	2021
Financial assets					
Cash and cash equivalents	1	7,301.97	16,358.86	7,301.97	16,358.86
Bank Balance other than Above	1	26,838.69	17,485.65	26,838.69	17,485.65
Receivable	3	83.58	29.70	83.58	29.70
Loans	3	4,00,725.00	3,47,826.38	4,00,725.00	3,47,826.38
Other Financial assets	3	1,338.45	1,259.52	1,338.45	1,259.52
Financial assets		**4,36,287.69**	**3,82,960.11**	**4,36,287.69**	**3,82,960.11**
Financial Liabilities					
Payable	3	385.37	364.40	385.37	364.40
Debt securities	2	2,23,564.73	2,28,322.99	2,23,564.73	2,28,322.99
Borrowings (other than debt securities)	2	1,31,944.31	85,261.02	1,31,944.31	85,261.02
Subordinated liabilities	2	30,014.98	31,987.38	30,014.98	31,987.38
Other financial liabilities	3	400.98	194.82	400.98	194.82
Financial Liabilities		**3,86,310.37**	**3,46,130.61**	**3,86,310.37**	**3,46,130.61**

Valuation techniques

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include cash and cash equivalents, trade receivables, balances other than cash and cash equivalents, and trade payables without a specific maturity. Such amounts have been classified as Level 2/Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default, and loss has given default estimates. Since comparable data is not available, credit risk is derived using historical experience, management view, and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using an Effective interest rate model that incorporates interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating the probability of defaults and loss given defaults.

Financial liability at amortized cost

The fair values of financial liability held to maturity are estimated using an effective interest rate model based on contractual cash flows using actual yields.

Note 41: Risk Management

The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the company's operations. The Company's principal financial assets include loans, cash, and cash equivalents, and other receivables that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to the lending business and the operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company's Risk Management Committee of the Board of directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee for review.

Risk Management Committee shall be responsible for the following:

a) Identifying the various risks associated with the activities of the Company and assessing their impact on the business.

b) Measuring the risks and suggesting measures to effectively mitigate the risks. However, the primary responsibility for managing the various risks on a day-to-day basis will be with the heads of the respective business units of the Company.

The Company is generally exposed to credit risk, liquidity risk, and market risk

I) Credit Risk

Credit Risk arises from the risk of loss that may occur from the default of the Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses.

The Company addresses credit risk through the following processes:

a) Credit risk on a Gold loan is considerably reduced as collateral in the form of Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to the adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the Credit risk is normally low.

b) Sanctioning powers for Gold Loans are delegated to various authorities at branches/controlling offices. Sanctioning powers is used only for granting loans for legally permitted purposes. The maximum Loan to Value stipulated by the Reserve Bank of India does not exceed under any circumstances.

c) Gold ornaments brought for the pledge is the primary responsibility of the Branch Manager. Extra care is taken if the gold jewellery brought for a pledge by any customer at any one time or cumulatively is more than 20 gm.

d) Auctions are conducted as per the Auction Policy of the Company and the guidelines issued by the Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds the realizable value of gold. After the reasonable time is given to the customers for release after the loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

Impairment Assessment

The Company is mainly engaged in the business of providing gold loans. The tenure of the loans generally is up to 9 months. The Company also provides other secured and unsecured loans. The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies.

Definition of default and cure

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage 1
Standard grade	1-30 DPD	Stage 2
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61- 90 DPD	Stage 2
Individually impaired	91 DPD or More	Stage 3

Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD. PD is calculated using the Incremental 91 DPD approach considering fresh slippage using historical information.

Particulars	As at March 31,					
	2022			2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
i) Gold Loan	1.92%	13.71%	100.00%	1.89%	9.49%	100.00%
ii) Business Loans	11.10%	15.27%	100.00%	14.51%	14.51%	100.00%
iii) Kisan Credit	10.00%	30.00%	100.00%	-	-	-
iv) Micro Finance Loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
v) Mortgaged Loan	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
vi) Rental Loan	100.00%	100.00%	100.00%	14.51%	14.51%	100.00%
vii) Staff Loan	-	-	-	100.00%	100.00%	100.00%
viii) Other Loans	100.00%	100.00%	100.00%	14.51%	14.51%	100.00%

Based on the review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine the qualitative impact on its PD's as at March 31, 2022, and March 31, 2021.

Loss Given Default (LGD)

LGD is the estimated loss that the Company might bear if the borrower defaults. The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value, and expected proceeds from the sale of an asset.

Particulars	As at March 31,					
	2022			2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
i) Gold Loan	13.39%	13.39%	13.39%	12.95%	12.95%	12.95%
ii) Business Loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
iii) Kisan Credit	100.00%	100.00%	100.00%			
iv) Micro Finance Loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
v) Mortgaged Loan	21.72%	21.72%	21.72%	19.36%	19.36%	19.36%
vi) Rental Loan	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
vii) Staff Loan	-	-	-	100.00%	100.00%	100.00%
viii) Other Loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Collateral and other credit enhancements

The amount and type of collateral required to depend on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also show the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

The main types of collateral are as follows: -

Management provides gold loans against the security of gold. The gold is pledged with the company and based on the company policy of loan to value ratio, the loan is provided.

Fair value of collateral and credit enhancements held

Currency: ₹ in Lakhs

As at March 31, 2022	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory, and other working capital items	Surplus collateral	Total collateral	Net exposure	Associated ECLs
Financial assets										
Cash and cash equivalents	7,301.97	7,301.97	-	-	-	-	-	7,301.97	-	-
Bank Balance other than Cash and cash equivalents	26,838.69	26,838.69	-	-	-	-	-	26,838.69	-	-
Loans (Gross):	-	-	-	-	-	-	-	-	-	-
i) Gold Loan	3,96,680.71	-	-	-	3,96,680.71	-	1,23,005.09	5,19,685.81	-	1,840.49
ii) Business Loan	507.35	-	-	-	-	-	-	-	507.35	64.86
iii) Kisan Credit	528.56	-	-	-	-	-	-	-	-	52.86
iv) Micro Finance Loans	116.33	-	-	-	-	-	-	-	116.33	116.33
v) Mortgage Loan	6,344.64	-	6,344.64	-	-	-	7,642.27	13,986.91	-	1,378.06
vi) Rental Loan	16.13	-	-	-	-	-	-	-	16.13	16.13
vii) Other Loans	147.52	-	-	-	-	-	-	-	147.52	147.52
Trade receivables	14.08	-	-	-	-	-	-	-	14.08	-
Other receivables	69.50	-	-	-	-	-	-	-	69.50	-
Other financial assets	1,338.45	-	-	-	-	-	-	-	1,338.45	-
Total financial assets at amortised cost	**4,39,903.93**	**34,140.66**	**6,344.64**	**-**	**3,96,680.71**	**-**	**1,30,647.36**	**5,67,813.38**	**2,209.36**	**3,616.25**
Financial assets at FVTPL*	-	-	-	-	-	-	-	-	-	-
Total financial instruments at fair value through profit or loss*	-	-	-	-	-	-	-	-	-	-
Equity instrument at fair value through OCI	-	-	-	-	-	-	-	-	-	-
Total equity instrument at fair value through OCI	-	-	-	-	-	-	-	-	-	-
	4,39,903.93	**34,140.66**	**6,344.64**	**-**	**3,96,680.71**	**-**	**1,30,647.36**	**5,67,813.38**	**2,209.36**	**3,616.25**
Other commitments	-	-	-	-	-	-	-	-	-	-
	4,39,903.93	**34,140.66**	**6,344.64**	**-**	**3,96,680.71**	**-**	**1,30,647.36**	**5,67,813.38**	**2,209.36**	**3,616.25**

*** Including Equity Instruments**

Registered Office KOTTAYAM

SGS & COMPANY CHARTERED ACCOUNTANTS H.O TRICHUR Br COCHIN CALICUT CHENNAI

Fair value of collateral and credit enhancements held

Currency: ₹ in Lakhs

As at March 31, 2021	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory, and other working capital items	Surplus collateral	Total collateral	Net exposure	Associated ECLs
Financial assets										
Cash and cash equivalents	16,358.86	16,358.86	-	-	-	-	-	16,358.86	-	-
Bank Balance other than Cash and cash equivalents	17,485.65	17,485.65	-	-	-	-	-	17,485.65	-	-
Loans (Gross):	-	-	-	-	-	-	-	-	-	-
i) Gold Loan	3,43,218.54	-	-	-	3,43,218.54	-	1,13,778.86	4,56,997.40	-	1,459.80
ii) Business Loan	1,634.99	-	-	-	-	-	-	-	1,634.99	249.94
iii) Micro Finance Loans	147.57	-	-	-	-	-	-	-	147.57	147.57
iv) Mortgage Loan	5,806.26	-	5,806.26	-	-	-	7,748.78	13,555.04	-	1,124.04
vi) Rental Loan	20.33	-	-	-	-	-	-	-	20.33	19.96
vii) Other Loans	148.20	-	-	-	-	-	-	-	148.20	148.20
Trade receivables	7.37	-	-	-	-	-	-	-	7.37	-
Other receivables	22.33	-	-	-	-	-	-	-	22.33	-
Other financial assets	1,259.52	-	-	-	-	-	-	-	1,259.52	-
	3,86,109.62	**33,844.51**	**5,806.26**	**-**	**3,43,218.54**	**-**	**1,21,527.64**	**5,04,396.95**	**3,240.31**	**3,149.51**
Total financial assets at amortised cost	-	-	-	-	-	-	-	-	-	-
Financial assets at FVTPL*	-	-	-	-	-	-	-	-	-	-
Total financial instruments at fair value through profit or loss*	-	-	-	-	-	-	-	-	-	-
Equity instrument at fair value through OCI	-	-	-	-	-	-	-	-	-	-
Total equity instrument at fair value through OCI	-	-	-	-	-	-	-	-	-	-
	3,86,109.62	**33,844.51**	**5,806.26**	**-**	**3,43,218.54**	**-**	**1,21,527.64**	**5,04,396.95**	**3,240.31**	**3,149.51**
Other commitments	-	-	-	-	-	-	-	-	-	-
	3,86,109.62	**33,844.51**	**5,806.26**	**-**	**3,43,218.54**	**-**	**1,21,527.64**	**5,04,396.95**	**3,240.31**	**3,149.51**

*** Including Equity Instruments**

SGS & COMPANY
H.O TRICHUR
Br. COCHIN
CALICUT
CHENNAI
CHARTERED ACCOUNTANTS

II) Liquidity risk

Asset Liability Management (ALM)

The table below shows the maturity pattern of the assets and liabilities. In the case of loans, the contracted tenure of the gold loan is a maximum of 9 months. However, on account of a high incidence of prepayment before contracted maturity, the below maturity profile has been prepared by the management on the basis of the historical pattern of repayments. In the case of loans other than gold loans, the maturity profile is based on contracted maturity.

Maturity pattern of assets and liabilities as on March 31, 2022:

Currency: ₹ in Lakhs

Particulars	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	7,301.97	-	-	-	-	-	-	-	-	7,301.97
Bank Balance other than Cash and cash equivalents	1,073.24	2,290.10	1,708.68	4,044.46	10,194.11	6,601.94	926.14	0.02	-	26,838.69
Loans	38,845.51	29,795.75	60,265.11	1,38,402.93	1,36,078.35	953.59	-	-	(3,616.24)	4,00,725.00
Total	**47,220.72**	**32,085.85**	**61,973.79**	**1,42,447.39**	**1,46,272.46**	**7,555.53**	**926.14**	**0.02**	**(3,616.24)**	**4,34,865.66**
Financial Liabilities										
Debt Securities	-	16,280.16	10,383.17	26,205.40	21,773.36	1,26,754.61	17,280.94	5,249.98	(362.89)	2,23,564.73
Borrowings (other than Debt Securities)	14,554.97	8,432.07	30,799.89	25,349.15	16,449.32	32,416.41	3,942.50	-	-	1,31,944.31
Subordinated Liabilities	110.15	-	-	-	3,762.04	2,421.53	16,111.01	7,672.45	(62.20)	30,014.98
Total	**14,665.12**	**24,712.23**	**41,183.06**	**51,554.55**	**41,984.72**	**1,61,592.55**	**37,334.45**	**12,922.43**	**(425.09)**	**3,85,524.02**

***represents adjustments on account of EIR/ECL**

SGS & COMPANY CHARTERED ACCOUNTANTS

Maturity pattern of assets and liabilities as on March 31, 2021:

Currency: ₹ in Lakhs

Particulars	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	16,358.86	-	-	-	-	-	-	-	-	16,358.86
Bank Balance other than Cash and cash equivalents	532.76	1,921.53	981.91	1,573.43	7,853.67	3,288.24	1,334.11	-	-	17,485.65
Loans	77,668.92	43,272.69	29,312.29	1,12,812.82	87,304.29	602.37	2.51	-	(3,149.51)	3,47,826.38
Total	**94,560.54**	**45,194.22**	**30,294.20**	**1,14,386.25**	**95,157.96**	**3,890.61**	**1,336.62**	-	**(3,149.51)**	**3,81,670.89**
Financial Liabilities										
Debt Securities	5,932.75	3,026.54	5,948.86	18,619.18	35,050.84	1,20,365.82	31,764.86	8,119.62	(505.48)	2,28,322.99
Borrowings (other than Debt Securities)	13,558.45	731.06	19,245.98	14,226.08	16,124.91	16,077.15	5,297.39	-	-	85,261.02
Subordinated Liabilities	-	-	-	-	6,568.98	3,995.48	11,003.94	10,479.91	(60.93)	31,987.38
Total	**19,491.20**	**3,757.60**	**25,194.84**	**32,845.26**	**57,744.73**	**1,40,438.45**	**48,066.19**	**18,599.53**	**(566.42)**	**3,45,626.59**

***represents adjustments on account of EIR/ECL**

III) Market risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factors. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Company is exposed to two types of market risk as follows:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. The majority of our borrowings are at fixed rates. However, borrowings at floating rates give rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation, and other factors. In order to manage interest rate risk, the company seeks to optimize the borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize the stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and the Asset Liability Management Committee supervises an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenures.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Currency: ₹ in Lakhs

Impact on Profit before taxes	As at March 31,	
	2022	2021
On Floating Rate Borrowings		
0.5 % increase in interest rates	433.04	292.41
0.5 % decrease in interest rates	(433.04)	(292.41)

Price risk

The Company's exposure to price risk is not material.

Note 42: Segment reporting

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the management to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by Ind AS 108 on "Operating Segment".

Note 43: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The company has during the year raised through public issue ₹ 53,735.62 Lakhs of Secured Redeemable Non-Convertible Debentures and ₹ 2,585.26 Lakhs of Subordinated Debt. As at March 31, 2022, the company has utilized the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

Note 44: Disclosure required as per Reserve Bank of India Notification No. DNBS.CC.PD.NO. 265/03.10.01/2011-12 dated March 21, 2012

Currency: ₹ in Lakhs

Particulars	As at March 31,	
	2022	2021
Gold Loans granted against collateral of gold jewellery (principal portion)	3,96,680.71	3,43,218.54
Total assets of the Company	4,56,889.12	4,02,555.16
Percentage of Gold Loans to Total Assets	86.82%	85.26%

Note 45: Disclosures required as per Reserve Bank of India Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Currency: ₹in Lakhs

Sl No.	Particulars	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
1	**Liabilities:**				
	Loans and advances* availed by the non-banking financial company inclusive of interest accrued thereon but not paid: -	As at March 31, 2022		2021	
	(a) Debentures				
	: Secured	2,23,927.62	-	2,28,828.47	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits)	-	-	-	-
	: Perpetual Debt Instrument	675.16	-	1,381.00	-
	(b) Deferred credits	-	-	-	-
	(c) Term Loans	64,614.43	-	29,996.14	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Other Loans (specify nature)	-	-	-	-
	Loan from Directors/ Relatives of Directors	-	-	-	-
	Subordinated Debt	29,402.02	-	29,467.31	-
	Borrowings from Banks/FI	67,329.88	-	55,264.88	-
	Overdraft against Deposit with Banks	-	-	-	-

*Principal amounts of loans and advances availed

Currency: ₹ in Lakhs

Sl No.	Assets	As at March 31, 2022	2021
2	**Break-up of Loans and Advances including bills receivables (other than those included in (3) below): -**		
	(including interest accrued)		
	(a) Secured	4,03,025.35	3,49,024.80
	(b) Unsecured	1,315.89	1,951.09

Currency: ₹ in Lakhs

SL No	Assets	As at March 31, 2022	2021
3	**Break up of Investments:**		
	Current Investments:		
	1. Quoted:		
	(i) Shares (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (specify)	-	-
	2. Unquoted:		
	(i) Shares (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (specify)	-	-
	Long Term Investments		
	1. Quoted:		
	(i) Shares (a) Equity	[illegible]	-

(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (specify)	-	-
2. Unquoted:		
(i) Shares (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (specify)	-	-

Currency: ₹ in Lakhs

Sl No.	Assets	As at March 31, 2022	2021
4	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities: -**		
	(i) Lease assets including lease rentals under sundry debtors: -		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-

5 **Borrower Group-wise Classification of Assets Financed* as in Sl No. (2) and (3) above:-**

Currency: ₹ in Lakhs

Category	As at March 31, 2022 Amount (Principal, Net of provisioning) Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	698.77	-	698.77
2. Other than related parties	3,99,108.04	918.19	4,00,026.23
Total	3,99,806.81	918.19	4,00,725.00

Currency: ₹ in Lakhs

Category	As at March 31, 2021 Amount (Principal, Net of provisioning) Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	3,46,440.96	1,385.42	3,47,826.38
Total	**3,46,440.96**	**1,385.42**	**3,47,826.38**

Registered Office KOTTAYAM

SGS & COMPANY CHARTERED ACCOUNTANTS
H.O. TRICHUR
Br. COCHIN
CALICUT
CHENNAI

6 Other Information

Currency: ₹ in Lakhs

Particulars	Amount Outstanding As at March 31, 2022	Amount Outstanding As at March 31, 2021
(i) Gross Non-Performing Assets		
(a) With Related parties	-	-
(b) With Others	5742.29	4642.11
(ii) Net Non-Performing Assets		
(a) With Related parties	-	-
(b) With Others	3523.88	2757.91
(iii) Assets acquired in satisfaction of the debt		
(a) With Related parties	-	-
(b) With Others	-	-

7 Details of the Auctions conducted with respect to Gold Loan

The Company auctioned 64,167 loan accounts (March 31, 2021: 1,087 accounts) during the financial year. The outstanding dues on these loan accounts were ₹ 31,398.25 Lakhs (March 31, 2021: ₹ 614.34 Lakhs) till the respective date of auction. The Company realised ₹ 28,469.38 Lakhs. (March 31, 2021: ₹ 432.80 Lakhs.) on auctioning of gold jewellery taken as collateral security on these loans. Company confirms that none of its sister concerns participated in the above auctions.

8 a) Capital

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
i) CRAR (%)	18.65%	18.60%
ii) CRAR-Tier I capital (%)	14.45%	13.58%
iii) CRAR-Tier II capital (%)	4.20%	5.02%
iv) Amount of subordinated debt raised as Tier-II capital	16409.45	17,194.38
v) Amount raised by the issue of Perpetual Debt Instruments during the year		-
vi) Amount raised by the issue of Perpetual Debt Instruments	565.00	1,190.00
vii) Percentage of PDI to Tier I Capital	0.93%	2.38%

8 b) Derivatives

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from swaps	-	-
(v) The fair value of the swap book	-	-

Exchange-traded interest rate (IR) derivatives

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Exchange-traded interest rate (IR) derivatives	-	-

8 c) Disclosure relating to securitization

Currency: ₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
i) Disclosure relating to securitization	-	-

Asset Liability Management

8 d) Maturity pattern of certain items of assets and liabilities

Currency: ₹ in Lakhs

As at 31.03.2022	1 to 30/ 31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 Year to 3 year	Over 3 to 5 years	Over 5 years	Non-sensitive to ALM **	Total
Liabilities										
Debt Securities	-	16,280.16	10,383.17	26,205.40	21,773.36	1,26,754.61	17,280.94	5,249.98	(362.89)	2,23,564.73
Subordinated Liabilities	110.15	-	-	-	3,762.04	2,421.53	16,111.01	7,672.45	(62.20)	30,014.98
Borrowings (other than debt securities)	14,554.97	8,432.07	30,799.89	25,349.15	16,449.32	32,416.41	3,942.50	-	-	1,31,944.31
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-
Assets										-
Advances*	38,845.51	29,795.75	60,265.11	1,38,402.93	1,36,078.35	953.59	-	-	-3,616.24	4,00,725.00
Investments (other than investment in the foreign subsidiary)	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets (Investment in the foreign subsidiary)	-	-	-	-	-	-	-	-	-	-

*Contracted tenure of the gold loan is a maximum of 9 months. However, on account of the high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of a historical pattern of repayments. In the case of loans other than gold loans, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

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SGS & COMPANY CHARTERED ACCOUNTANTS H.O. TRICHUR Br. COCHIN CALICUT CHENNAI

As at 31.03.2021	1 to 30/ 31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 Year to 3 year	Over 3 to 5 years	Over 5 years	Non-sensitive to ALM **	Total
Liabilities										
Debt Securities	5,932.75	3,026.54	5,948.86	18,619.18	35,050.84	1,20,365.82	31,764.86	8,119.62	(505.48)	**2,28,322.99**
Subordinated Liabilities	-	-	-	-	6,568.98	3,995.48	11,003.94	10,479.91	(60.93)	**31,987.38**
Borrowings (other than debt securities)	13,558.45	731.06	19,245.98	14,226.08	16,124.91	16,077.15	5,297.39	-	-	**85,261.02**
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-
Assets										-
Advances*	77,668.92	43,272.69	29,312.29	1,12,812.82	87,304.29	602.37	2.51	-	(3,149.51)	**3,47,826.38**
Investments (other than investment in the foreign subsidiary)	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets (Investment in the foreign subsidiary)	-	-	-	-	-	-	-	-	-	-

*Contracted tenure of the gold loan is maximum of 9 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of a historical pattern of repayments. In the case of loans other than gold loans, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

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8 e) Exposure

i) Exposure to Real Estate Sector

Currency: ₹ in Lakhs

Category	As at March 31, 2022	As at March 31, 2021
a) Direct exposure (Net of Advances from Customers)		
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:	-	-
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development, and construction, etc.). Exposure would also include non-fund based (NFB) limits;	-	-
(iii) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	0.00	0.00

ii) Exposure to Capital Market

Currency: ₹ in Lakhs

	Particulars	As at March 31, 2022	As at March 31, 2021
i)	Direct investment in equity shares, convertible bonds, convertible debentures, and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds are taken as a primary security	-	-
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds i.e. where the primary security other than shares / convertible bonds /convertible debentures/units of equity-oriented mutual funds does not fully cover the advances	-	-
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi)	Loans sanctioned to corporates against the security of shares /bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii)	Bridge loans to companies against expected equity flows /issues	-	-
viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Markets	0.00	0.00

iii) Details of financing of parent company products	**Not Applicable**
iv) Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the Company	-
v) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken and which is to be classified as Unsecured Advances	-

8 f) Registration obtained from financial sector regulators

The company has obtained a certificate of registration dated December 19, 2013, bearing registration no. B-16.00117 issued by the Reserve Bank of India ("RBI") to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934.

The company holds a full-fledged money changers license bearing license number FE. CHN.FFMC.40/2006 dated February 7, 2006, issued by the RBI which is valid up to February 28, 2023. Currently, Company has 62 authorized service centers.

The company holds a Certificate of Registration dated March 30, 2016, bearing Registration Number - CA0179 issued by IRDA to commence/carry business in the capacity of a Corporate Agent (Composite) under the Insurance Regulatory and Development Authority Act, 1999, renewed up to 31, March 2025

The company holds a Certificate of Registration dated May 22, 2019, bearing registration number IN–DP–415-2019 issued by the SEBI to act as Depository Participant in terms of Regulation 20 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.

The company has obtained registration with Financial Intelligence Unit – India (FIU-IND) and was assigned registration No FINBF12988.

Our Company has obtained registration with Legal Entity Identifier India Limited (LEIL) and was assigned a LEI Code - 335800F7BYBNG38B4A84.

The company has obtained registration under the Goods and Service Tax Act, 2017 for various States as below.

SL No	STATE	GSTIN
1	ANDRAPRADESH	37AACCK4277A1ZQ
2	DELHI	07AACCK4277A1ZT
3	GUJARAT	24AACCK4277A1ZX
4	KARNATAKA	29AACCK4277A1ZN
5	KERALA	32AACCK4277A2ZZ
6	KERALA (ISD)	32AACCK4277A3ZY
7	MAHARASHTRA	27AACCK4277A1ZR
8	PUDUCHERRY	34AACCK4277A1ZW
9	TAMILNADU	33AACCK4277A1ZY
10	TELANGANA	36AACCK4277A1ZS

8 g) Penalties levied by the above Regulators

Nil

Kosamattam Finance Ltd.
Registered Office
KOTTAYAM

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CHENNAI

8 h) Ratings assigned by Credit rating agencies

Currency: ₹ in Lakhs

Rating Agency	Facilities	Amount Rated	Outstanding as on March 31, 2022	Rating as on March 31, 2022	Rating as on March 31, 2021	Rating Definition
CARE	Non-Convertible Debenture	62,500.00	7,435.47	CARE BBB+ [CARE Triple B+]	CARE BBB [ARE Triple B]	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. Modifiers {"+" (plus) / "-"(minus)} reflect the comparative standing within the category.
	Subordinated Debt	2,500.00	2,478.59			
India Ratings & Research	Non-Convertible Debenture	3,19,500.00	1,15,469.00	IND BBB+[IND Triple B+]	IND BBB[IND Triple B]	
	Subordinated Debt	20,500.00	15,965.94			
	Bank Facilities	1,00,000.00				
BrickWork Ratings	Non-Convertible Debenture	83,000.00	78,215.75	BWR BBB+ [BWR Triple B+]	BWR BBB+ [BWR Triple B+]	
	Subordinated Debt	7,000.00	5,382.20			
	Bank Facilities	1,50,000.00	1,31,944.31			

8 i) Provisions and Contingencies

Currency: ₹ in Lakhs

Sl No.	Break up of Provisions and Contingencies shown under the head Expenses in the Statement of Profit and Loss	As at March 31, 2022	2021
1	Provisions for depreciation on Investment	-	-
2	Provision towards NPA (Expected Credit Loss)	466.73	512.03
3	Provision made towards Income Tax	2725.57	3,070.13
4	Other Provision and Contingencies (with details)		
	Provision for Gratuity	61.33	64.83
	Provision for Other Assets	102.18	220.75
5	Provision for Leave Encashment	-	-

8 j) Concentration of Advances

Currency: ₹ in Lakhs

Sl No.	Particulars	As at March 31, 2022	2021
1	Total Advances to twenty largest borrowers	6,739.49	6,990.81
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.67%	1.99%

8 k) Concentration of Exposures

Currency: ₹ in Lakhs

Sl No.	Particulars	As at March 31, 2022	2021
1	Total Exposures to twenty largest borrowers/customers	6,739.49	6,990.81
2	Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/Customers.	1.67%	1.99%

8 l) Concentration of NPAs

Currency: ₹ in Lakhs

Sl No.	Particulars	As at March 31, 2022	2021
1	Total Exposures to top four NPA accounts	3,033.72	2,635.48

Kosamattam Finance Ltd.

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8 m) Sector-wise NPAs

Currency: ₹ in Lakhs

Sl No.	Sector	Percentage of NPAs to Total Advances in that sector as on March 31, 2022	Percentage of NPAs to Total Advances in that sector as on March 31, 2021
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	94.93%	66.47%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans (commercial vehicles)	-	-
7	Other loans	1.79%	1.62%

8 n) Movement of NPAs

Currency: ₹ in Lakhs

Sl No.	Particulars	Year ended March 31, 2022	2021
	(i) Net NPAs to Net Advances (%)	0.95%	0.86%
	(ii) Movement of NPAs (Gross)		
	(a) Opening balance	4,642.11	4,330.32
	(b) Additions during the year	2,008.29	1362.28
	(c) Reductions during the year	908.11	1050.49
	(d) Closing balance	5,742.29	4642.11
	(iii) Movement of Net NPAs		
	(a) Opening balance	2,757.91	2,880.76
	(b) Additions during the year	1,465.10	668.58
	(c) Reductions during the year	699.13	791.43
	(d) Closing balance	3,523.88	2,757.91
	(iv) Movement of provisions for NPAs (excluding Provisions on Standard Assets)		
	(a) Opening balance	1,884.20	1,449.56
	(b) Provisions made during the year	543.19	693.70
	(c) Write-off / write -back of excess provisions	208.98	259.06
	(d) Closing balance	2,218.41	1,884.20

Additions/ Reductions to NPA (Gross and Net) stated above during the year are based on year-end figures.

8 o) Overseas Assets as at March 31, 2022

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

8 p) Off-balance Sheet SPVs sponsored

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms

8 q) Customer Complaints

Currency: ₹ in Lakhs

Sl No.	Particulars	Year ended March 31, 2022	2021
1	No. of complaints pending as at the beginning of the year	3	3
2	No. of complaints received during the year	8	12
3	No. of complaints redressed during the year	6	12
4	No. of complaints pending as at the end of the year	5	3

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Note 46: Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated 13 March 2020 pertaining to Asset Classification as per RBI Norms

Currency: ₹ in Lakhs

Appendix
Template for Disclosure in Notes to Financial Statements
As at March 31, 2022

Asset Classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5)=(3)-(4)	Provisions required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7) = (4)-(6)
Performing Assets						
Standard	Stage 1	3,77,388.05	1,323.19	3,76,064.86	1,509.55	(186.36)
	Stage 2	17,303.08	317.63	16,985.45	69.21	248.42
Subtotal		**3,94,691.13**	**1,640.82**	**3,93,050.31**	**1,578.76**	**62.06**
		-	-	-	-	-
Non-Performing Assets (NPA)		-	-	-	-	-
Substandard	Stage 3	1,870.56	269.74	1,600.82	187.05	82.69
		-	-	-	-	-
Doubtful - up to 1 year	Stage 3	540.78	109.16	431.62	116.51	(7.35)
1 to 3 years	Stage 3	941.14	275.75	665.39	347.55	(71.80)
More than 3 years	Stage 3	1,683.51	395.78	1,287.73	860.99	(465.21)
Subtotal for doubtful		**3,165.43**	**780.69**	**2,384.74**	**1,325.05**	**(544.36)**
		-	-	-	-	-
Loss	Stage 3	4,614.12	924.99	3,689.13	4,614.12	(3,689.13)
Subtotal for NPA		**9,650.11**	**1,975.42**	**7,674.69**	**6,126.22**	**(4,150.80)**
		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification, and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**3,77,388.05**	**1,323.19**	**3,76,064.86**	**1,509.55**	**(186.36)**
	Stage 2	**17,303.08**	**317.63**	**16,985.45**	**69.21**	**248.42**
	Stage 3	**9,650.11**	**1,975.42**	**7,674.69**	**6,126.22**	**(4,150.80)**
	Total	**4,04,341.24**	**3,616.24**	**4,00,725.00**	**7,704.98**	**(4,088.74)**

Registered Office
KOTTAYAM

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Br. COCHIN
CALICUT
CHENNAI
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Currency: ₹ in Lakhs

Appendix
Template for Disclosure in Notes to Financial Statements
As at March 31, 2021

Asset Classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5)=(3)-(4)	Provisions required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7) = (4)-(6)
Performing Assets						
Standard	Stage 1	3,11,238.13	1,085.59	3,10,152.54	1,154.77	(69.18)
	Stage 2	31,688.29	397.19	31,291.10	106.32	290.87
Subtotal		**3,42,926.42**	**1,482.78**	**3,41,443.64**	**1,261.09**	**221.69**
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,021.35	339.81	1,681.54	206.26	133.55
Doubtful - up to 1 year	Stage 3	206.70	101.89	104.81	104.91	(3.02)
1 to 3 years	Stage 3	126.68	83.89	42.79	89.69	(5.80)
More than 3 years	Stage 3	1,612.60	315.82	1,296.78	808.55	(492.73)
Subtotal for doubtful		**1,945.98**	**501.60**	**1,444.38**	**1,003.15**	**(501.55)**
Loss	Stage 3	4,082.14	825.32	3,256.82	4,082.14	(3,256.82)
Subtotal for NPA		**8,049.47**	**1,666.73**	**6,382.74**	**5,291.55**	**(3,624.82)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification, and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**3,11,238.13**	**1,085.59**	**3,10,152.54**	**1,154.77**	**(69.18)**
	Stage 2	**31,688.29**	**397.19**	**31,291.10**	**106.32**	**290.87**
	Stage 3	**8,049.47**	**1,666.73**	**6,382.74**	**5,291.55**	**(3,624.82)**
	Total	**3,50,975.89**	**3,149.51**	**3,47,826.38**	**6,552.64**	**(3,403.13)**

IND AS ECL Provisioning is lower compared to RBI IRACP Norms and hence there is a transfer made to impairment reserve of ₹ 685.61 Lakhs (March 31, 2021: ₹ 811.71 Lakhs)
The Board of Director's of the Company has approved the ECL Policy in its meeting held on May 21, 2022

Note 47: Provision for the impact of COVID-19

The 'severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)', generally known as COVID-19, which was declared as a global pandemic by the World Health Organisation on 11 March 2020, continues to spread across the globe and in India. Globally countries and businesses are under lockdown.

India entered the second year of the pandemic together with the rest of the globe. The beginning of the year rang in positivity, with declining daily cases, the hope of the vaccines around the corner, and the successful management of the first wave of Covid-19. Businesses started picking up, and across sectors, reports started coming in from companies touching Pre-Covid levels. However, the much-dreaded second wave of the coronavirus came in, bringing with it more deadly variants as compared to the previous cycle. While the country felt it was geared to tackle this, this could not be further from the truth on the ground. However, since the majority of our loan book consists of gold loans there has no significant impact on the operations and financial position of the Company on account of the outbreak of the COVID-I9 pandemic, during the period.

Reserve Bank of India has announced certain regulatory measures in the wake of the disruptions on account of the COVID-19 pandemic. In accordance with the RBI guidelines relating to the COVID-19 Regulatory Package, the lending institutions have been permitted to grant a moratorium on payment of all instalments and/or interest, as applicable, to eligible borrowers in accordance with the Board approved policy. The company has not availed any moratorium from the lenders. In accordance with the regulatory package announced by the Reserve Bank of India, the company has offered an optional moratorium to eligible customers. As per the guidelines issued by the Reserve bank of India on August 06, 2020 & May 05, 2021 regarding the Resolution framework for Covid-19-related stress, the lending institutions have been permitted to implement a resolution plan in respect of eligible borrowers in accordance with the Board approved policy. Since the majority of our customers are short-term-gold loan customers and other eligible customers also were not there, the number of accounts where the resolution plan has been implemented under this window is 'NIL'.

Note 48: Previous Year Figures

Previous year figures have been regrouped/reclassified/readjusted, wherever necessary, to conform to the current year's classification

For and on behalf of the Board of Directors

Laila Mathew

As per our report of even date attached

Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Laila Mathew
Whole-time Director
DIN: 01286176

For SGS & Company
Chartered Accountants
Firm Reg No. 009889S

Annamma Varghese C
Chief Financial Officer

Sreenath Palakkattillam
Company Secretary

CA Sanjo N.G, F.C.A., D.I.S.A. (ICAI)
Partner
Membership No. 211952
UDIN: 22211952AJZBSF9021

Place: Kottayam
Date: May 21, 2022

Vishnu Rajendran & Co
Chartered Accountants

Independent Auditor's Report

To The Members of Kosamattam Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Kosamattam Finance Limited ("the Company") which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

In note no.49, accompanying the Standalone Financial Statements the management has stated that there was no significant impact of the Covid-19 pandemic on the operations and financial position of the company. So our opinion on the Standalone Financial Statements is not modified in respect of this matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon. So we do not provide a separate opinion on these matters. We have determined the matter described below as the Key Audit Matter to be communicated in our report.

Impairment Loss Allowance

Management's judgments in the calculation of impairment allowances having a significant impact on the Standalone Financial Statements, is disclosed as an accounting policies in Note 3.6 to the Standalone Financial Statements. The estimates regarding impairment allowances are complex and require a significant degree of judgment, which increased with implementation of Expected Credit Loss ("ECL") approach as required by Ind AS 109 relating to "Financial instruments."

The Management is required to determine the ECL that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset. The key areas of judgment include:

1. Categorization of loans in Stage 1, 2 and 3 based on identification of a) exposures with significant increase in credit risk since their origination and b) Individually impaired / default exposures.

2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL are based on past experience.
3. The impact of different future macroeconomic conditions in the determination of ECL. These judgments required the models to be reassessed including the impact of COVID -19 Pandemic to measure the ECL. As per the RBI directions the Company has created the Impairment Reserve account under other equity. Management has made a number of interpretations and assumptions when designing and implementing models that are compliant with the standard. The accuracy of data flows and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Given the significance of judgments and the high complexity related particularly to the calculation of ECL we determined this area as a Key Audit Matter.

Audit Procedures adopted

- We obtained an understanding of management's assessment of impairment of loans and advances including the Ind AS109 implementation process, internal rating model, impairment allowance policy and ECL modelling methodology. We assessed the design and implementation, and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions.
- Also we assessed the key judgments and assumptions relating to the macro-economic scenarios including the impact of COVID 19 Pandemic and the associated probability weights.
- We also assessed the approach of the Company for categorization of the loans in various stages reflecting the inherent risk in the respective loans.
- For a sample of financial assets, we tested the correctness of Staging, reasonableness of PD, accuracy of LGD and ECL computation.
- We have also verified the compliance of the directions issued by the Reserve Bank of India from time to time during the year on this subject.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises information included in the Company's Annual Report, but does not include the Standalone Financial Statements and our report thereon.

Our Opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance.

In connection with our audit on the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Based on our audit findings if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to preparation of the Standalone Financial Statements that give a true and fair view of the financial position, financial performance(including other comprehensive income),changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standard (Ind AS) prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
In preparing the Standalone Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis for accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with standards on auditing, we exercise professional judgment and professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial control systems in place and operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure 1" to this report a statement on the matters specified in Paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 2016, issued by the Reserve Bank of India In exercise of the powers conferred by sub-section (1A) of Section 45MA of the Reserve Bank of India Act, 1934, we give in the "Annexure 2", an additional Audit Report addressed to the Board of Directors containing our statements on the matters specified therein.
3. As required by section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;

    c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account and returns.

    d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e. On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act.

    f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our Report in "Annexure 3"

    g. With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies(Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to explanations given to us:
        i. The company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
        ii. The Company did not have any long term contracts including derivative contracts for which there were any foreseeable losses.
        iii. According to the information made available there are no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Vishnu Rajendran & Co.**
Chartered Accountants
Firm's Reg. No. 004741S

CA Meshin Z. Abraham FCA, DISA
Partner
Membership No-208529
UDIN: 21208529AAAAAR2145

Place: Kottayam
Date: June 28, 2021

Annexure 1 to the Auditor's Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's report of even date to the members of Kosamattam Finance Limited (the Company) on the audit of the Standalone Financial Statements for the year ended on March 31, 2021

We report that;

i.
  a) According to the information and explanation given to us the Company has a system to maintain proper records showing full particulars, including quantitative details and situation of fixed assets.
  b) According to the information and explanation provided by the Management, the Company has a regular programme for the verification of its fixed assets. In our opinion, the periodicity of physical verification requires to be reviewed, having regard to the size and nature of the Company and the nature of its assets under normal circumstances. But the periodicity of physical verification is observed to have been disturbed during the year due to the lockdown caused by the pandemic.
  c) Based on our examination of the registered sale deed/transfer deed and other relevant records evidencing the title/possession provided to us, we report that, as at the balance sheet date, the title deeds of immovable property are held in the name of the Company.

ii. The Company is a service company, primarily rendering financial services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.

iii. The Company has granted loans, secured or unsecured to parties covered in the register maintained under Section 189 of the Companies Act.

  a) According to the information and explanation given to us, the terms and conditions in respect of the loans granted by the Company (secured/unsecured loans) to companies/firms/limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act are not prima facie prejudicial to the interest of the company.
  b) In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in the payment of interest wherever applicable.
  c) In respect of the aforesaid loans, there is no overdue amount for a period exceeding 90 days.

iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, made any investments, provided any guarantees, and given any security to which the provision of Section 185 and 186 of the Companies Act are applicable.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits and accordingly paragraph 3(v) of the order is not applicable.

vi. Being a Non- Banking Financial Company, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act. Thus paragraph 3(vi) of the order is not applicable.

vii.
  a) The Company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, goods and service tax, sales tax, wealth tax, service tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of statutory dues as at the last day of the financial year concerned for a period of more than six months from the date on which they became payable.
  b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute except the amounts disclosed in Note no.37 Contingent Liabilities forming part of the Standalone Financial Statements.

viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the period.

ix. In our opinion and according to the information and explanations given to us, money raised by way of further public offer of debt instruments and term loan obtained have been applied by the Company during the year for the purpose generally for which they were raised.

x. According to the information and explanations given to us, instances of fraud on the Company by its officers or employees has been noticed, amounting to Rs. 1.3 Crores as per the FMR reports to RBI on 04.01.2021 and 30.01.2021 in three branches during the current year.

xi. According to the documents provided for our verification, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the entity.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the Standalone Financial Statements of the Company as required by the applicable Ind AS in Note No.38: Related Party Transactions forming part of Standalone Financial Statements of the Company.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any private placement of securities during the current year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable to the Company.

xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has obtained the required registration under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Vishnu Rajendran & Co.**
Chartered Accountants
Firm's Reg. No. 004741S

CA Mesfin Z Abraham FCA, DISA
Partner
Membership No-208529
UDIN: 21208529AAAAAR2145

Place: Kottayam
Date: June 28, 2021

Annexure 2 to the Auditor's Report

To the Board of Directors of Kosamattam Finance Limited,

We have audited the Balance Sheet of Kosamattam Finance Limited for the year ended on March 31, 2021, the Statement of Profit and Loss (Including Other Comprehensive Income),the statement of changes in equity and the Statement of Cash Flows for the year then ended annexed thereto. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016, and according to the information and explanations given to us, we provide herewith, a statement on the matters specified in paragraphs 3 and 4 of the aforesaid directions;

i. The company is engaged in the business of Non-Banking Financial Institution and it has obtained the certificate of registration as provided in section 45-IA of the RBI Act, 1934.
ii. The Company is entitled to continue to hold the Certificate of Registration in terms of the Asset/Income pattern as on March 31, 2021.
iii. The Board of Directors of the Company has passed a resolution for non-acceptance of public deposit.
iv. The Company has not accepted any public deposit during the period under review.
v. According to the information and explanation given to us, the Company has complied with the prudential norms on Income Recognition, Indian Accounting Standards, Asset Classification, Provisioning for bad and doubtful debts as specified in the direction issued by the Reserve Bank of India in terms of the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016.
vi. The capital adequacy ratio as disclosed in the return submitted to RBI in terms of Master Direction – Non-Banking Financial Company – Systemically Important Non- deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016, has been correctly arrived and such ratio is in compliance with the minimum CRAR as prescribed by the Reserve Bank of India.
vii. The Company has furnished to RBI the annual statement of Capital Fund, risk assets and risk assets ratio within the stipulated period.
viii. The Company has not been classified as NBFC-MFI for the year ended March 31, 2021.

The report has been issued pursuant to the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016 and is issued to the Board of Directors of the Company as required by Paragraph 2 of such directions and should not be used for any other purpose.

For **Vishnu Rajendran & Co.**
Chartered Accountants
Firm's Reg. No. 004741S

CA Mesfin Z Abraham FCA, DISA
Partner
Membership No-208529
UDIN: 21208529AAAAAR2145

Place: Kottayam
Date: June 28, 2021

Annexure 3 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Kosamattam Finance Limited for the year ended 31 March 2021

Report on the Adequacy of Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 3(f) under Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls with reference to the Standalone Financial Statements of Kosamattam Finance Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of the internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on auditing ("the Standards") issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of the internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of the Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and the dispositions of the assets of the Company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made in accordance with authorization of the management and directors of the Company;(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

The Company's application of information technology systems for internal financial controls over financial reporting processes are dependent on the automated controls embedded within the system. Any deficiency in the systems and procedures being implemented, and the IT infrastructure including non- upgradation of existing user systems and accessories in a timely manner, may result in control lapses, incorrect input data or wrong extraction of data, that may result in the financial accounting and reporting records being misstated. Because of these and other inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to fraud or error may occur and not be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate if the degree of compliance with the policies or procedures deteriorates.

Opinion

In our opinion, the Company has in all material respects, an adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company as per the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Vishnu Rajendran & Co.**
Chartered Accountants
Firm's Reg. No. 004741S

CA Mesfin Z Abraham FCA, DISA
Partner
Membership No-208529
UDIN: 21208529AAAAAR2145

Place: Kottayam
Date: June 28, 2021

BALANCE SHEET

AS AT MARCH 31, 2021

Currency: ₹ in Lakhs

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
(1) **Financial assets**			
(a) Cash and cash equivalents	5.1	16,358.86	3,493.19
(b) Bank Balance other than (a) above	5.2	17,200.26	11,395.58
(c) Receivables	6		
(I) Trade receivables		7.37	11.36
(II) Other receivables		22.33	36.76
(d) Loans	7	3,47,826.38	2,97,247.02
(e) Other financial assets	8	1,544.91	1,387.12
(2) **Non-financial assets**			
(a) Current tax assets (net)	9	1,095.74	981.63
(b) Deferred tax assets (net)	31.1	843.13	1,069.31
(c) Property, plant and equipment	10	12,278.28	12,242.33
(d) Right of use assets	11.1	3,650.13	2,785.69
(e) Other intangible assets	12	261.14	285.67
(f) Other non-financial assets	13	1,466.63	859.86
Total Assets		**4,02,555.16**	**3,31,795.52**
II. LIABILITIES AND EQUITY			
Liabilities			
(1) **Financial liabilities**			
(a) Payables			
(I) Trade payables			
(i) total outstanding dues of micro-enterprises and small enterprises	14	-	-
(ii) total outstanding dues of creditors other than micro-enterprises and small enterprises		364.40	463.31
(b) Debt securities	15	2,28,322.99	2,04,104.16
(c) Borrowings (other than debt securities)	16	85,261.02	52,188.37
(d) Subordinated liabilities	17	31,987.38	29,752.86
(e) Lease liabilities	11.2	3,777.99	2,737.50
(f) Other financial liabilities	18	194.82	281.57
(2) **Non-financial liabilities**			
(a) Provisions	19	431.06	140.52
(b) Other non-financial liabilities	20	156.65	80.59
(3) **Equity**			
(a) Equity share capital	21	20,250.05	19,160.18
(b) Other equity	22	31,808.80	22,886.46
Total Liabilities and Equity		**4,02,555.16**	**3,31,795.52**

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

As per our report of even date attached

Laila Mathew

Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Laila Mathew
Whole-time Director
DIN: 01286176

For Vishnu Rajendran & Co
Chartered Accountants
Firm Reg No . 004741S

Annamma Varghese C
Chief Financial Officer

Sreenath Palakkattillam
Company Secretary

CA Meshin Z Abraham FCA, DISA
Partner
Membership No. 208529
UDIN: 21208529AAAAAR2145

Place: Kottayam
Date: June 28, 2021

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

Currency: ₹ in Lakhs

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
(i) Interest income	23	53,841.02	49,510.43
(ii) Fees and commission income	24	382.81	412.99
(I) Total Revenue from operations		**54,223.83**	**49,923.42**
(II) Other income	25	2.14	10.00
(III) Total Income (I + II)		**54,225.97**	**49,933.42**
Expenses			
(i) Finance costs	26	31,592.56	28,106.98
(ii) Impairment on financial instruments	27	732.78	199.94
(iii) Employee benefits expenses	28	7,399.53	6,609.32
(iv) Depreciation, amortization and impairment	29	2,409.31	2,465.84
(v) Other expenses	30	2,492.43	3,305.44
(IV) Total Expenses		**44,626.61**	**40,687.52**
(V) Profit before tax (III- IV)		**9,599.36**	**9,245.90**
(VI) Tax Expense:	31.1		
(1) Current tax		2,529.52	2,387.31
(2) Deferred tax		228.53	(383.21)
(3) Income tax for earlier years		309.73	2,478.79
(VII) Profit for the year (V- VI)		**6,531.58**	**4,763.01**
(VIII) Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		(9.32)	4.51
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.35	(1.14)
Subtotal (A)		**(6.97)**	**3.37**
B) (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		(6.97)	**3.37**
(IX) Total Comprehensive Income for the year (VII+VIII)		**6,524.61**	**4,766.38**
(X) Earnings per equity share (Face value of ₹10/- each)	32		
Basic (₹)		3.31	2.49
Diluted (₹)		3.12	2.36

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Laila Mathew
Whole-time Director
DIN: 01286176

Annamma Varghese C
Chief Financial Officer

Sreenath Palakkattillam
Company Secretary

Place: Kottayam
Date: June 28, 2021

As per our report of even date attached

For Vishnu Rajendran & Co
Chartered Accountants
Firm Reg No. 004741S

CA Mesfin Z Abraham FCA, DISA
Partner
Membership No. 208529
UDIN: 21208529AAAAAR2145

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A) Cash flow from operating activities		
Profit before tax	9,599.36	9,245.90
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	2,473.57	2,538.00
Interest Income	(53,841.02)	(49,510.43)
Profit on sale of Property, plant, and equipment	(2.14)	(10.00)
Finance costs	31,592.56	28,106.98
Impairment on financial instruments	732.78	80.18
Bad debts written off	-	119.76
Provision for Gratuity	64.83	47.84
Cash inflow from interest on loans	49,798.35	43,368.09
Cash outflow towards finance costs	(30,756.50)	(26,111.37)
Operating Profit Before Working Capital Changes	**9,661.79**	**7,874.95**
Adjustments for:		
(Increase)/Decrease in other receivables	18.42	1.73
(Increase)/Decrease in Loans	(48,044.17)	(38,978.57)
(Increase)/Decrease in Other financial assets	25.77	234.34
(Increase)/Decrease in Other non-financial asset	(606.77)	(131.14)
Increase/(Decrease) in Other financial liabilities	21.96	(171.55)
Increase/(Decrease) in Other non-financial liabilities	76.06	(133.37)
Increase/(Decrease) in Trade payables	(98.91)	73.24
Increase/(Decrease) in Provisions	(4.36)	(2.28)
Cash used in operations	**(38,950.21)**	**(31,232.65)**
Income tax paid (net of refunds)	(2,953.36)	(3,443.80)
Net cash from / (used in) operating activities	**(41,903.57)**	**(34,676.45)**
B) Cash flow from investing activities		
Purchase of Property, plant, and equipment and intangible assets	(1,056.25)	(820.34)
Proceeds from sale of property, plant, and equipment's	3.62	15.77
(Increase) / decrease in other bank balance	(5,804.68)	(1,510.87)
Interest received on fixed deposits	811.89	802.17
Net cash from / (used in) investing activities	**(6,045.42)**	**(1,513.27)**

C) Cash flow from financing activities		
Proceeds from issue of equity share capital (including share premium)	3,487.61	-
Increase / (decrease) in debt securities	24,089.48	24,668.41
Increase / (decrease) in borrowings (other than debt securities)	33,072.65	4,385.03
Cash outflow towards Lease	(1,832.20)	(1,685.06)
Increase / (decrease) in Subordinate liabilities	1,997.12	434.54
Net cash from / (used in) financing activities	**60,814.66**	**27,802.92**
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	**12,865.67**	**(8,386.80)**
Cash and cash equivalents at beginning of the period	3,493.19	11,879.99
Cash and cash equivalents at March 31, 2021/ March 31, 2020 (Refer note 5.1)	**16,358.86**	**3,493.19**

The above Statement of cash flow has been prepared under the indirect method set out in Ind-AS 7 - Statement of Cash Flow.

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Laila Mathew
Whole-time Director
DIN: 01286176

Annamma Varghese C
Chief Financial Officer

Sreenath Palakkattillam
Company Secretary

Place: Kottayam
Date: June 28, 2021

As per our report of even date attached

For Vishnu Rajendran & Co
Chartered Accountants
Firm Reg No . 004741S

CA Meshin Z Abraham FCA, DISA
Partner
Membership No. 208529
UDIN: 21208529AAAAAR2145

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

A. Equity Share Capital

Currency: ₹ in Lakhs

	Number of shares	Amount
Balance as at April 1, 2019	19,16,01,770	19,160.18
Changes during the year	-	-
Balance as at March 31, 2020	**19,16,01,770**	**19,160.18**
Changes during the year	1,08,98,777	1,089.87
Balance as at March 31, 2021	**20,25,00,547**	**20,250.05**

B. Other Equity

Currency : ₹ in Lakhs

Particulars	Reserves and Surplus								Other Comprehensive Income (Actuarial Gain or Loss moved from P&L)	Total
	Reserve Fund U/S 45-IC (1) of RBI Act, 1934*	Capital Reserve	Revaluation Reserve	Securities Premium	Debenture Redemption Reserve	Impairment Reserve	General Reserve	Retained Earnings		
Balance as at April 01, 2019	4,396.68	9.07	2.86	357.30	11,660.97	2,419.29	-	(749.60)	23.51	18,120.08
Profit for the year (net of taxes)	-	-	-	-	-	-	-	4,763.01	-	4,763.01
Transfer to/(from) Retained Earnings	952.60	-	-	-	-	172.13	-	(1,124.73)	-	-
Amount transferred from/to General Reserves	-	-	-	-	(11,660.97)	-	11,660.97	-	-	-
Other Comprehensive Income (OCI) for the year (net of taxes)	-	-	-	-	-	-	-	-	3.37	3.37
Balance as at March 31, 2020	5,349.28	9.07	2.86	357.30	-	2,591.42	11,660.97	2,888.68	26.88	22,886.46

Head Office
Kottayam

Particulars	Reserves and Surplus								Other Comprehensive Income (Actuarial Gain or Loss moved from P&L)	Total
	Reserve Fund U/S 45-IC (1) of RBI Act, 1934*	Capital Reserve	Revaluation Reserve	Securities Premium	Debenture Redemption Reserve	Impairment Reserve	General Reserve	Retained Earnings		
Balance as at April 01, 2020	**5,349.28**	**9.07**	**2.86**	**357.30**	**-**	**2,591.42**	**11,660.97**	**2,888.68**	**26.88**	**22,886.46**
Profit for the year (net of taxes)	-	-	-	-	-	-	-	6,531.58	-	**6,531.58**
Transfer to/(from) Retained Earnings	1,330.30	-	-	-	-	811.71	-	(2,142.01)	-	**-**
Shares issued on rights issue basis	-	-	-	2,397.73	-	-	-	-	-	**2,397.73**
Other Comprehensive Income (OCI) for the year (net of taxes)	-	-	-	-	-	-	-	-	(6.97)	**(6.97)**
Balance as at March 31, 2021	**6,679.58**	**9.07**	**2.86**	**2,755.03**	**-**	**3,403.13**	**11,660.97**	**7,278.25**	**19.91**	**31,808.80**

*As required by section 45-IC of the RBI Act 1934, the Company maintains a reserve fund and transfers there in a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared. The Company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date, RBI has not specified any purpose for the appropriation of Reserve fund maintained under section 45-IC of RBI Act, 1934.

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Annamma Varghese C
Chief Financial Officer

Place: Kottayam
Date: June 28, 2021

Head Office
Kottayam

Laila Mathew

Laila Mathew
Whole-time Director
DIN: 01286176

Sreenath Palakkattillam
Company Secretary

As per our report of even date attached

For Vishnu Rajendran & Co
Chartered Accountants
Firm Reg. No. 004741S

CA Mesfin Z Abraham FCA, DISA
Partner
Membership No. 208529
UDIN: 21208529AAAAAR2145

1 Corporate Information

Kosamattam Finance Limited is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its debt securities are listed on the Bombay Stock Exchange. The company had been primarily incorporated as a Private Limited Company and converted into a Public Limited Company on November 22, 2013.

The Company is a Non-Banking Finance Company ('NBFC'), which provides a wide range of fund-based and fee-based services including gold loans, money exchange facilities, etc. The Company is a Systemically Important Non-Deposit Taking Non-Banking Financial Company Registered under Sec 45IA of RBI Act. The Company currently operates through 945 branches spread across the country.

The registration details are as follows:

RBI	**B-16.00117**
Corporate Identity Number (CIN)	**U65929KL1987PLC004729**

The financial statements of the Company for the year ended March 31, 2021, were approved for issue in accordance with the resolution of the Board of Directors on June 28, 2021

2 Basis of preparation and presentation

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements may require further adjustments, if any, necessitated by the guidelines/clarifications/directions issued in future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

i) Fair value through other comprehensive income (FVOCI) instruments,
ii) Other financial assets held for trading,
iii) Financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.3 Presentation of Financial Statements

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when there is an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event and the parties intend to settle on a net basis

2.4 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest lakhs, except when otherwise indicated.

2.5 New Accounting Standards that are issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification that would have been applicable from April 01, 2021

3 Significant accounting policies

3.1 Recognition of interest income

The Company recognizes interest income by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

For purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

For other credit-impaired financial assets, the Company applies an effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Head Office
Kottayam

The effective interest rate on a financial asset is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While estimating future cash receipts, factors like expected behaviour and life cycle of the financial asset, probable fluctuation in collateral value, etc. are considered which has an impact on the EIR.

While calculating the effective interest rate, the Company includes all fees and points paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

3.2 Recognition of revenue from the sale of goods or services

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to the customer, excluding amounts collected on behalf of third parties.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identity contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from a contract with the customer for rendering services is recognized at a point in time when the performance obligation is satisfied.

3.3 Financial instruments

A. Financial Assets

3.3.1 Initial recognition and measurement

All financial assets are recognized initially at fair value when the parties become parties to the contractual provisions of the financial asset. In the case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

3.3.2 Subsequent measurement

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

a. Financial assets measured at amortized cost

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is measured at FVTPL.

B. Financial liabilities

3.3.3 Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, non-convertible debentures, loans, and borrowings including bank overdrafts.

3.3.4 Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.4 Derecognition of financial assets and liabilities

3.4.1 Financial Asset

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

3.4.2 Financial Liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability with the difference charged to profit or loss.

3.5 Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Company and/or its counterparties

3.6 Impairment of financial assets

In accordance with Ind AS 109, the Company uses the 'Expected Credit Loss model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

Further, in accordance with RBI circular no. RBI/2019-20/170 dated March 13, 2020, the impairment allowances as per ECL shall be compared with the required provisioning under IRACP. If the impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP the difference is appropriated from net profit after tax to 'Impairment Reserve'.

3.6.1 Overview of the Expected Credit Loss (ECL) model

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

- At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.
- At an amount equal to 12-month expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses mean expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses mean the portion of Lifetime ECL that represents the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial asset's credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses.

Based on the above process, the Company categorizes its loans into three stages as described below:

For non-impaired financial assets

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial asset. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. Interest revenue is calculated on the gross carrying amount of the asset.
- Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognizes lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision. Interest revenue is calculated on the gross carrying amount of the asset.

For impaired financial assets:

Financial assets are classified as stage 3 when there is objective evidence of impairment at the reporting date.

The Company recognizes lifetime ECL for impaired financial assets and interest revenue is calculated on the net carrying amount of the asset.

3.6.2 Estimation of Expected Credit Loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral.

Forward-looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. Periodically, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation, etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as Land, buildings, securities, etc. However, the fair value of collateral affects the calculation of ECL. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral is valued based on data provided by third parties or management judgments. In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes of such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet. Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

3.7 Determination of fair value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

3.9 Bank Balances other than cash and cash equivalents

Bank balances other than cash and cash equivalents include earmarked balances with banks and balances which are held as margin money or security against borrowings, guarantees, and other commitments.

3.10 Other receivables

Other receivables mean receivables emanating from items that are classified as 'others' under 'Revenue from Operations'.

3.11 Property, plant, and equipment

Property, plant, and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment if any. Cost of an item of property, plant, and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant, and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress. Subsequent expenditure related to the asset is added to its carrying amount or recognized as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.11.1 Depreciation

Depreciation on property, plant, and equipment is calculated using written down value method (WDV) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:

Particulars	*Useful Life*
Building	*60 Years*
Building - Compound Wall and Well	*5 Years*
Furniture and Fixtures	*10 Years*
Electrical Fittings	*10 Years*
Computer	*3 Years*
Vehicles	*8 Years*
Plant and Machinery	*22 Years*

The residual values, useful lives, and methods of depreciation of property, plant, and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates.

Property, plant, and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income/expense in the statement of profit and loss in the year the asset is derecognized. The date of disposal of an item of property, plant, and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.12 Intangible assets

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Subsequent expenditure related to the asset is added to its carrying amount or recognized as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortized on a straight-line basis over a period of 10 years unless it has a shorter useful life.

Gains or losses from the derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit or Loss when the asset is derecognized.

3.13 Impairment of non–financial assets: Property, Plant and Equipment and Intangible Assets

The Company assesses, at each reporting date, whether there is any indication that any property, plant and equipment, and intangible assets or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. A recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

3.14 Finance costs

Finance costs represent interest expense recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortized cost of financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. Any subsequent changes in the estimation of the future cash flows are recognized in interest income with the corresponding adjustment to the carrying amount of the assets.

3.15 Employee Benefits Expenses

3.15.1 Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include benefits such as salaries, wages, short-term compensated absence, etc. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

3.15.2 Post-Employment Benefits

A. Defined contribution schemes

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund at the prescribed rates and are charged to Statement of Profit and Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.

B. Defined Benefit schemes

Gratuity

The Company provides for gratuity covering eligible employees under which a lump sum payment is paid to vested employees at retirement, death, incapacitation, or termination of employment, of an amount reckoned on the respective employee's salary and his tenure of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under a defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases, and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods

3.16 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.17 Taxes

Income tax expense for the year comprises of current tax and deferred tax.

3.17.1 Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss i.e., either in other comprehensive income or in equity.

Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.17.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the financial statements for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits, and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss i.e., either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.17.3 Goods and services tax /value-added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the goods and services tax/value-added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.18 Other income and expenses

All other income and expenses are recognized in the period they occur.

3.19 Contingent Liabilities and Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are neither recognized nor disclosed in the financial statements.

3.20 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.
The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduce the earnings per share or increases loss per share are included.

3.21 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on the historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

3.22 Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue-generating, investing and financing activities of the Company are segregated.

3.23 Leases

The Company has adopted Ind AS 116-Leases effective from 1st April 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application.

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
(i) The contract involves the use of an identified asset
(ii) The Company has substantially all of the economic benefits from the use of the asset through the period of the lease and
(iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term Leases) and leases of low-value assets. For these short-term and leases of low-value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

4 Significant accounting judgments, estimates, and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty, and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

4.1 Business Model Assessment

Classification and measurement of financial assets depend on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed, and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4.2 Effective Interest Rate (EIR) method

The Company's EIR methodology recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgment regarding the expected behaviour and life-cycle of the instruments, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

4.3 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4 Contingent liabilities and provisions other than impairment on a loan portfolio

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation and arbitration in the ordinary course of business. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter, and historical evidence from similar incidents. Significant judgment is required to conclude these estimates.

4.5 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

4.6 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets, etc.

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Note 5: Cash and Cash Equivalents and Balances other than (a) above

Note 5.1: Cash and cash equivalents

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	2,682.56	1,419.27
Balances with Banks		
- in current accounts	13,676.30	2,073.92
'- Cheques, drafts on hand	-	-
-in fixed deposit (maturing within a period of three months)	-	-
Total	**16,358.86**	**3,493.19**

Note 5.2: Bank balance other than cash and cash equivalents

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits with bank (maturing after a period of three months) (Refer Note 5.2.1)	17,041.44	11,395.58
Balance in other escrow accounts		
Unclaimed Auction Surplus	86.57	-
Unclaimed interest and redemption proceeds of Non-Convertible debentures- Private Issue	72.25	-
Total	**17,200.26**	**11,395.58**

Note 5.2.1: Fixed deposits with banks

Fixed Deposits with bank include fixed deposits given as security for borrowings ₹ 17,015.37 Lakhs (March 31, 2020: ₹ 11,394.58 Lakhs) and fixed deposits given as security for guarantees ₹ 26.07 Lakhs (March 31, 2020: ₹1.00 Lakh)

Note 6: Receivables

(I) Trade Receivables

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables Considered good - unsecured	7.37	11.36
Receivables which have a significant increase in credit risk	-	-
Receivables -credit impaired	-	-
Total	**7.37**	**11.36**
Less: Allowance for impairment loss	-	-
Total Net Receivable	**7.37**	**11.36**

(II) Other Receivables

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables Considered good - unsecured	-	-
Receivables from Power Generation - Wind Mill	22.33	36.76
Receivables which have a significant increase in credit risk	-	-
Receivables -credit impaired	-	-
Total	**22.33**	**36.76**
Less: Allowance for impairment loss	-	-
Total Net Receivable	**22.33**	**36.76**

None of the trade and other receivables is due from directors or other officers of the company either severally or jointly with any other person. Nor other receivables are due from firms or private companies respectively in which any director is a partner, a director, or a member. These receivables are non-interest bearing, short-term in nature, and do not involve any credit risk hence no ECL provision has been made.

Note 7: Loans

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021					
	Amortized Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A)						
i) Gold Loan	3,43,218.54	-	-	-	-	3,43,218.54
ii) Mortgaged Loan	5,806.26	-	-	-	-	5,806.26
iii) Rental Loan	20.33	-	-	-	-	20.33
iv) Micro Finance Loans	147.57	-	-	-	-	147.57
v) Business Loans	1,634.99	-	-	-	-	1,634.99
vi) Other Loans	148.20	-	-	-	-	148.20
Total (A) - Gross	**3,50,975.89**	-	-	-	-	**3,50,975.89**
Less: Impairment loss allowance	3,149.51	-	-	-	-	3,149.51
Total (A) - Net	**3,47,826.38**	-	-	-	-	**3,47,826.38**
(B)						
I) Secured by tangible assets						
i) Gold Loan	3,43,218.54	-	-	-	-	3,43,218.54
ii) Mortgaged Loan	5,806.26	-	-	-	-	5,806.26
Total (I) - Gross	**3,49,024.80**	-	-	-	-	**3,49,024.80**
Less: Impairment loss allowance	2,583.84	-	-	-	-	2,583.84
Total (I) - Net	**3,46,440.96**	-	-	-	-	**3,46,440.96**
II) Unsecured						
i) Rental Loan	20.33	-	-	-	-	20.33
ii) Micro Finance Loan	147.57	-	-	-		147.57
iii) Business Loans	1,634.99	-	-	-	-	1,634.99
iv) Other Loans	148.20	-	-	-	-	148.20
Total (II) - Gross	**1,951.09**	-	-	-	-	**1,951.09**
Less: Impairment loss allowance	565.67	-	-	-	-	565.67
Total (II) - Net	**1,385.42**	-	-	-	-	**1,385.42**
Total (B) (I+II) - Net	**3,47,826.38**	-	-	-	-	**3,47,826.38**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	3,50,975.89	-	-	-	-	3,50,975.89
Total (C) - Gross	**3,50,975.89**	-	-	-	-	**3,50,975.89**
Less: Impairment loss allowance	3,149.51	-	-	-	-	3,149.51
Total (C)- Net	**3,47,826.38**	-	-	-	-	**3,47,826.38**

Particulars	Amortized Cost	As at March 31, 2020				
		At Fair value				
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)						
i) Gold Loan	2,90,876.23	-	-	-	-	2,90,876.23
ii) Mortgaged Loan	6,463.48	-	-	-	-	6,463.48
iii) Rental Loan	24.09	-	-	-	-	24.09
iv) Staff Loan	0.14	-		-	-	0.14
v) Micro Finance Loans	273.85	-	-	-	-	273.85
vi) Business Loans	2,148.73	-	-	-	-	2,148.73
vii) Other Loans	97.99	-	-	-	-	97.99
Total (A) - Gross	**2,99,884.51**	-	-	-	-	**2,99,884.51**
Less: Impairment loss allowance	2,637.49	-	-	-	-	**2,637.49**
Total (A) - Net	**2,97,247.02**	-	-	-	-	**2,97,247.02**
(B)						
I) Secured by tangible assets						
i) Gold Loan	2,90,876.23	-	-	-	-	**2,90,876.23**
ii) Mortgaged Loan	6,463.48	-	-	-	-	**6,463.48**
Total (I) - Gross	**2,97,339.71**	-	-	-	-	**2,97,339.71**
Less: Impairment loss allowance	2,000.43	-	-	-	-	**2,000.43**
Total (I) - Net	**2,95,339.28**	-	-	-	-	**2,95,339.28**
II) Unsecured						
i) Rental Loan	24.09	-	-	-	-	**24.09**
ii) Staff Loan	0.14	-	-	-	-	**0.14**
iii) Micro Finance Loan	273.85	-	-	-		**273.85**
iv) Business Loan	2,148.73	-	-	-	-	**2,148.73**
v) Other Loans	97.99	-	-	-	-	**97.99**
Total (II) - Gross	**2,544.80**	-	-	-	-	**2,544.80**
Less: Impairment loss allowance	637.06	-	-	-	-	**637.06**
Total (II) - Net	1,907.74	-	-	-	-	**1,907.74**
Total (B) (I+II) - Net	**2,97,247.02**	-	-	-	-	**2,97,247.02**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	**-**
ii) Others	2,99,884.51	-	-	-	-	**2,99,884.51**
Total (C) - Gross	**2,99,884.51**	-	-	-	-	**2,99,884.51**
Less: Impairment loss allowance	2,637.49	-	-	-	-	2,637.49
Total (C)- Net	**2,97,247.02**	-	-	-	-	**2,97,247.02**

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 41.

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	3,11,238.13	-	-	3,11,238.13	2,67,791.63	-	-	**2,67,791.63**
Standard grade	-	8,548.79	-	8,548.79	-	15,041.23	-	**15,041.23**
Sub-standard grade	-	17,413.16	-	17,413.16	-	6,810.01	-	**6,810.01**
Past due but not impaired	-	5,726.34	-	5,726.34	-	3,308.98	-	**3,308.98**
Non- performing								
Individually impaired	-	-	8,049.47	8,049.47	-	-	6,932.66	6,932.66
Total	**3,11,238.13**	**31,688.29**	**8,049.47**	**3,50,975.89**	**2,67,791.63**	**25,160.22**	**6,932.66**	**2,99,884.51**
EIR impact of Service charges received	-	-	-	-	-	-	-	-
Gross carrying amount closing balance net of EIR impact of service charge received	**3,11,238.13**	**31,688.29**	**8,049.47**	**3,50,975.89**	**2,67,791.63**	**25,160.22**	**6,932.66**	**2,99,884.51**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	**2,67,791.63**	**25,160.22**	**6,932.66**	**2,99,884.51**	**2,29,107.76**	**20,720.95**	**5,944.61**	**2,55,773.32**
New assets originated or purchased	8,97,760.04	32.50	1,169.60	**8,98,962.14**	48,202.36	-	-	**48,202.36**
Assets derecognized or repaid (excluding write offs)	(8,20,326.52)	(25,111.94)	(2,432.30)	**(8,47,870.76)**	-	-	(3,971.42)	**(3,971.42)**
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(33,957.26)	33,957.26	-	-	(5,208.20)	5,208.20	-	-
Transfers to Stage 3	(29.76)	(2,349.75)	2,379.51	-	(4,310.29)	(768.93)	5,079.22	-
Amounts written off	-	-	-	-	-	-	(119.76)	**(119.76)**
Gross carrying amount closing balance	**3,11,238.13**	**31,688.29**	**8,049.47**	**3,50,975.89**	**2,67,791.63**	**25,160.22**	**6,932.66**	**2,99,884.51**
EIR impact of Service charges received				-	-	-	-	-
Gross carrying amount closing balance net of EIR impact of service charge received	**3,11,238.13**	**31,688.29**	**8,049.47**	**3,50,975.89**	**2,67,791.63**	**25,160.22**	**6,932.66**	**2,99,884.51**

Currency: ₹ in Lakhs

Reconciliation of ECL balance is given below:

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	978.92	521.29	1,137.27	**2,637.48**	1,090.53	559.61	907.16	2,557.30
New assets originated or purchased	2,615.83	-	572.56	**3,188.39**	683.53	-	-	683.53
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(2,407.07)	(177.32)	(91.97)	**-2,676.36**	(231.11)	-	(357.38)	(588.49)
Transfers to Stage 1	-	-	-	**0.00**	-	-	-	-
Transfers to Stage 2	(96.49)	96.49	-	**0.00**	(34.68)	34.68	-	-
Transfers to Stage 3	(5.60)	(43.27)	48.87	**0.00**	(529.35)	(73.00)	602.35	-
Impact on year end ECL of exposures transferred between stages during the year	106.67	(124.10)	529.46	**512.03**	(111.61)	(38.32)	244.97	95.02
Amounts written off	-	-	-	**0.00**	-	-	(14.85)	(14.85)
ECL allowance - closing balance	**1,085.59**	**397.19**	**1,666.73**	**3,149.51**	**978.92**	**521.29**	**1,137.28**	**2,637.49**

Note 8: Other financial assets

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	1,259.51	1,190.41
Interest accrued on fixed deposits with banks	285.40	196.71
Total	**1,544.91**	**1,387.12**

Note 9: Current tax assets (net)

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax refundable (net of provision)	1,095.74	981.63
Total	**1,095.74**	**981.63**

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Note 10. Property. Plant and Equipment

Currency: ₹ in Lakhs

Particulars	Land	Building	Furniture & Fixtures	Electrical Fittings	Plant and Machinery	Vehicles	Computer and Accessories	Total	Capital-work-in progress
Gross block- at cost									
Deemed cost as at April 01, 2019	8,506.62	576.13	7,535.94	1,474.44	576.00	335.95	1,404.94	20,410.02	98.55
Additions	0.98	107.05	414.39	128.82	-	83.82	183.03	918.09	-
Disposals	-	-	5.49	-	-	51.23	-	56.72	98.55
As at March 31, 2020	8,507.60	683.18	7,944.84	1,603.26	576.00	368.54	1,587.97	21,271.39	-
Additions	-	-	622.81	157.27	-	27.63	234.31	1,042.02	-
Disposals	-	-	7.33	-	-	2.52	10.66	20.51	-
As at March 31, 2021	8,507.60	683.18	8,560.32	1,760.53	576.00	393.65	1,811.62	22,292.90	-
Accumulated Depreciation	-	-	-	-	-	-	-	-	-
As at April 01, 2019	-	185.26	5,363.96	921.04	76.13	256.11	1,210.95	8,013.45	-
Charge for the year	-	51.58	626.28	159.45	63.63	33.91	131.72	1,066.57	-
Disposals	-	-	4.91	-	-	46.05	-	50.96	-
As at March 31, 2020	-	236.84	5,985.33	1,080.49	139.76	243.97	1,342.67	9,029.06	-
Charge for the year	-	38.14	562.99	147.02	55.53	43.94	156.97	1,004.59	-
Disposals	-	-	6.51	-	-	2.39	10.13	19.03	-
As at March 31, 2021	-	274.98	6,541.81	1,227.51	195.29	285.52	1,489.51	10,014.62	-
Net Block									
As at March 31, 2020	**8,507.60**	**446.34**	**1,959.51**	**522.77**	**436.24**	**124.57**	**245.30**	**12,242.33**	-
As at March 31, 2021	**8,507.60**	**408.20**	**2,018.51**	**533.02**	**380.71**	**108.13**	**322.11**	**12,278.28**	-

Note 11: Leases

Note 11.1: Right of use assets

Currency: ₹ in Lakhs

Particulars	Premises
Gross block	
Deemed cost as at April 01, 2019	**6,617.28**
Additions	216.99
Disposals	405.83
As at March 31, 2020	**6,428.44**
Additions	2,294.66
Disposals	2,691.94
As at March 31, 2021	**6,031.16**
Accumulated Depreciation	
As at April 01, 2019	**2,618.31**
Charge for the year	1,430.27
Disposals	405.83
As at March 31, 2020	**3,642.75**
Charge for the year	1,430.22
Disposals	2,691.94
As at March 31, 2021	**2,381.03**
Net Block	
As at March 31, 2020	**2,785.69**
As at March 31, 2021	**3,650.13**

Note 11.2: Lease Liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liabilities	3,777.99	2,737.50
Total	3,777.99	**2,737.50**

11.3 Maturity analysis of lease liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Less than 1 year	1,366.86	1,268.12
1 to 2 years	946.78	751.56
2 to 3 years	564.60	324.92
3 to 4 years	360.60	152.65
4 to 5 years	299.54	84.02
Above 5 year	239.61	156.23
Total	**3,777.99**	**2,737.50**

11.4 Amounts recognised in the Statement of Profit and Loss

Currency : ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	1,430.22	1,430.27
Interest expense (included in finance costs)	578.02	202.60
11.5 Gains or losses arising from sale and leaseback transactions	-	-
11.6 The total cash outflow for leases during the year	1,707.26	1,660.63

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Kottayam

11.7 Lease Disclosures

In the statement of profit and loss, operating lease expenses which were recognized as other expenses are now recognized as depreciation expense for the right-of-use asset and finance cost for interest accrued on the lease liability

Particulars	For lease entered in the year ended	
	March 31, 2021	March 31, 2020
The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet is:	10.72%	11.18%

The Company has not availed the option for charging off of rental related to short-term leases and leases of low-value assets. All leases have been considered for the determination of lease liability and Right of use assets.

The Company's leases mainly comprise of premises used for branch operations.

Note 12: Other Intangible Assets

Currency : ₹ in Lakhs

Particulars	Licenses & Franchise	Brands/Trademarks	Computer Software	Total
Gross block- at cost				
Deemed cost as at April 01, 2019	**122.31**	**1.66**	**286.42**	**410.39**
Additions	0.30	0.50	-	0.80
Disposals	-	-	-	-
As at March 31, 2020	**122.61**	**2.16**	**286.42**	**411.19**
Additions	-	-	14.23	14.23
Disposals	-	-	-	-
As at March 31, 2021	**122.61**	**2.16**	**300.65**	**425.42**
Accumulated Depreciation				
As at April 01, 2019	**22.47**	**0.91**	60.99	84.37
Charge for the year	12.27	0.20	28.68	41.15
Disposals	-	-	-	-
As at March 31, 2020	**34.74**	**1.11**	**89.67**	**125.52**
Charge for the year	8.97	0.22	29.57	38.76
Disposals	-	-	-	-
As at March 31, 2021	**43.71**	**1.33**	**119.24**	**164.28**
Net Block				
As at March 31, 2020	**87.87**	**1.05**	**196.75**	**285.67**
As at March 31, 2021	**78.90**	**0.83**	**181.41**	**261.14**

Note 13: Other Non-Financial Assets

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits with government authorities	247.52	247.53
Balances with government authorities	393.23	248.08
Prepaid expenses	514.68	156.90
Advance Account and Other Deposits	299.54	198.62
Stock of stamp	2.63	2.26
Other non-financial assets	9.03	6.47
Total	**1,466.63**	**859.86**

Note 14: Trade Payables

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables		
(i) total outstanding dues of micro-enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro-enterprises and small enterprises	364.40	463.31
Total	**364.40**	**463.31**

Based on the information available with the Company, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2021, together with interest paid /payable are required to be furnished.

Note 15: Debt Securities

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021			
	Amortized Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* (Refer note 15.1)	-	-	-	-
Secured Non-Convertible Debentures -Listed** (Refer note 15.2)	2,28,322.99	-	-	2,28,322.99
Total (A)	**2,28,322.99**	-	-	**2,28,322.99**
Debt securities in India	2,28,322.99	-	-	2,28,322.99
Debt securities outside India	-	-	-	-
Total (B)	**2,28,322.99**	-	-	**2,28,322.99**

Currency: ₹ in Lakhs

Particulars	As at March 31, 2020			
	Amortized Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* (Refer note 15.1)	2,044.29	-	-	2,044.29
Secured Non-Convertible Debentures -Listed** (Refer note 15.2)	2,02,059.87	-	-	2,02,059.87
Total (A)	**2,04,104.16**	-	-	**2,04,104.16**
Debt securities in India	2,04,104.16	-	-	2,04,104.16
Debt securities outside India	-	-	-	-
Total (B)	**2,04,104.16**	-	-	**2,04,104.16**

Nature of security

The principal amount of the listed Secured NCDs allotted in terms of various tranches of public issue of NCDs Upto XIIIth tranche, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met.

The principal amount of the Secured NCDs allotted in terms of XIVth and XVth tranches of public issue of NCDs, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee, and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met.

The principal amount of the Secured NCDs allotted in terms of XVIth to XXI th tranches of public issue of NCDs, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee, and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon.

*Excludes unclaimed matured debentures which is shown as a part of other financial liabilities in Note 18
**Includes EIR impact of transaction cost

Note 15.1: Secured Redeemable Non-Convertible Debentures-Unlisted

The Company had privately placed Secured Redeemable Non- Convertible Debentures for a maturity period of 400 days to 72 months with a principal amount outstanding of ₹ 0.00 (March 31, 2020: ₹ 1,583.74 Lakhs)

Currency: ₹ in Lakhs

Sl. No	Date of Allotment	Maturity Date	As at March 31, 2021	As at March 31, 2020	Redemption Period	Interest Rate %
KSB II	Feb 2011 - Jun 2011	Feb 2015 - Jun 2015	3.50	3.50	48 Months	12%
KSB III	Oct 2011 - Mar 2012	Oct 2015- Mar 2016	17.23	17.23	48 Months	12%
KSB IV	Mar 2012- Feb 2013	Feb 2016- May 2018	36.52	36.52	36- 66 Months	12%- 12.80%
KSB V	Mar 2013- Jun 2013	Mar 2016- Jun 2016	3.90	3.90	36- 48 Months	12%
	15/06/2017	15/06/2020	-	154.57	36 Months	9.80%
	15/06/2017	15/06/2020	-	186.72	36 Months	10%
	14/08/2015	14/08/2020	-	1,393.52	60 Months	12%
	29/02/2016	28/02/2021	-	309.48	60 Months	11%
		Sub Total	**61.15**	**2,105.44**		
	Less: Unclaimed Matured Non-Convertible Debenture and Interest thereon shown as a part of Other Financial Liabilities		61.15	61.15		
Total			-	**2044.29**		

Note 15.2: Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹ 2,11,646.69 Lakhs (March 31, 2020: ₹1,85,575.21 Lakhs).

Currency: ₹ in Lakhs

NCD	Series	Date of Allotment	Maturity Date	As at March 31, 2021	As at March 31, 2020	Redemption Period	Interest Rate %
NCD 13	KFLMS04	23/04/2018	22/04/2021	2,748.06	2,748.06	36 Months	9.50%
NCD 13	KFLMS05	23/04/2018	22/04/2021	3,184.69	2,901.76	36 Months	9.75%
NCD 16	KFLPS02	06/05/2019	05/05/2021	3,026.54	3,026.54	24 Months	9.75%
NCD 18	KFLRS01	10/12/2019	09/06/2021	5,948.86	5,444.68	18 Months	9.26%
NCD 17	KFLQS02	21/08/2019	20/08/2021	3,027.91	3,027.91	24 Months	9.75%
NCD 19	KFLSS01	29/05/2020	27/08/2021	4,884.51	-	15 Months	9.49%
NCD 10	KFLJS06	09/05/2017	08/09/2021	1,261.36	1,148.67	52 Months	9.81%
NCD 14	KFLNS03	24/09/2018	23/09/2021	5,564.93	5,564.93	36 Months	10.00%
NCD 14	KFLNS04	24/09/2018	23/09/2021	3,880.47	3,511.10	36 Months	10.52%
NCD 20	KFLTS01	14/10/2020	18/11/2021	7,816.37	-	400 Days	8.50%
NCD 18	KFLRS02	10/12/2019	09/12/2021	4,197.20	4,197.20	24 Months	9.75%
NCD 11	KFLKS06	29/08/2017	28/12/2021	1,331.45	1,212.51	52 Months	9.81%
NCD 15	KFLOS03	31/01/2019	29/01/2022	5,943.47	5,943.47	36 Months	10.00%
NCD 15	KFLOS04	31/01/2019	29/01/2022	2,782.60	2,517.73	36 Months	10.52%
NCD 9	KFLIS07	01/02/2017	31/01/2022	3,148.02	3,148.02	60 Months	10.25%
NCD 19	KFLSS02	29/05/2020	25/02/2022	4,468.58	-	21 Months	9.75%
NCD 21	KFLUS01	23/01/2021	27/02/2022	5,363.15	-	400 Days	8.50%
NCD 16	KFLPS03	06/05/2019	05/05/2022	5,904.42	5,904.42	36 Months	10.00%
NCD 16	KFLPS04	06/05/2019	05/05/2022	4,964.04	4,491.53	36 Months	10.52%
NCD 10	KFLJS07	09/05/2017	07/05/2022	2,218.20	2,218.20	60 Months	10.00%
NCD 12	KFLLS06	08/01/2018	07/05/2022	2,432.64	2,215.32	52 Months	9.81%
NCD 6	KFLFS07	15/02/2016	14/06/2022	2,321.49	2,321.49	76 Months	11.50%
NCD 6	KFLFS08	15/02/2016	14/06/2022	3,056.64	2,739.66	76 Months	11.57%
NCD 17	KFLQS03	21/08/2019	20/08/2022	9,219.49	9,219.49	36 Months	10.00%
NCD 17	KFLQS04	21/08/2019	20/08/2022	5,454.07	4,934.91	36 Months	10.52%
NCD 13	KFLMS06	23/04/2018	22/08/2022	2,090.74	1,903.97	52 Months	9.81%
NCD 11	KFLKS07	29/08/2017	26/08/2022	3,611.75	3,611.75	60 Months	10.00%

NCD 14	KFLNS05	24/09/2018	23/09/2022	4,563.55	4,123.56	48 Months	10.67%
NCD 7	KFLGS07	09/06/2016	08/12/2022	1,235.37	1,235.37	78 Months	11.15%
NCD 7	KFLGS08	09/06/2016	08/12/2022	3,567.18	3,206.45	78 Months	11.25%
NCD 18	KFLRS03	10/12/2019	09/12/2022	7,684.29	7,684.29	36 Months	10.00%
NCD 18	KFLRS04	10/12/2019	09/12/2022	5,668.38	5,128.83	36 Months	10.52%
NCD 15	KFLOS05	31/01/2019	30/01/2023	2,367.86	2,139.57	48 Months	10.67%
NCD 20	KFLTS02	14/10/2020	13/04/2023	2,960.56	-	30 Months	9.50%
NCD 20	KFLTS03	14/10/2020	13/04/2023	3,853.62	-	30 Months	9.34%
NCD 13	KFLMS07	23/04/2018	21/04/2023	4,902.47	4,902.47	60 Months	10.00%
NCD 16	KFLPS05	06/05/2019	05/05/2023	2,592.19	2,342.27	48 Months	10.67%
NCD 21	KFLUS02	23/01/2021	22/07/2023	1,260.07	-	30 Months	9.25%
NCD 21	KFLUS03	23/01/2021	22/07/2023	3,518.66	-	30 Months	9.34%
NCD 17	KFLQS05	21/08/2019	19/08/2023	4,019.04	3,631.55	48 Months	10.67%
NCD 19	KFLSS03	29/05/2020	28/08/2023	10,367.79	-	39 Months	10.00%
NCD 19	KFLSS04	29/05/2020	28/08/2023	3,971.33	-	39 Months	10.54%
NCD 14	KFLNS06	24/09/2018	22/09/2023	201.56	201.61	60 Months	10.25%
NCD 18	KFLRS05	10/12/2019	09/12/2023	3,401.65	3,073.68	48 Months	10.67%
NCD 20	KFLTS04	14/10/2020	12/01/2024	9,708.93	-	39 Months	10.00%
NCD 15	KFLOS06	31/01/2019	30/01/2024	439.63	439.63	60 Months	10.00%
NCD 9	KFLIS08	01/02/2017	31/01/2024	2,808.19	2,543.42	84 Months	10.41%
NCD 20	KFLTS05	14/10/2020	12/04/2024	969.65	-	42 Months	9.87%
NCD 21	KFLUS04	23/01/2021	22/04/2024	14,897.62	-	39 Months	10.00%
NCD 16	KFLPS06	06/05/2019	04/05/2024	383.84	383.84	60 Months	10.00%
NCD 19	KFLSS05	29/05/2020	28/05/2024	3,430.32	-	48 Months	10.67%
NCD 17	KFLQS06	21/08/2019	20/08/2024	642.34	642.34	60 Months	10.00%
NCD 20	KFLTS06	14/10/2020	13/12/2024	2,131.76	-	50 Months	10.22%
NCD 11	KFLKS08	29/08/2017	27/12/2024	1,875.98	1,706.84	88 Months	9.91%
NCD 21	KFLUS05	23/01/2021	22/01/2025	3,750.64	-	48 Months	10.67%
NCD 18	KFLRS06	10/12/2019	09/06/2025	577.31	521.46	66 Months	10.71%
NCD 13	KFLMS08	23/04/2018	22/08/2025	2,193.10	1,995.36	88 Months	9.91%
NCD 19	KFLSS06	29/05/2020	28/11/2025	912.32	-	66 Months	10.71%
NCD 21	KFLUS06	23/01/2021	22/07/2026	1,203.98	-	66 Months	10.71%
NCD 18	KFLRS07	10/12/2019	09/12/2026	1,029.30	1,029.30	84 Months	10.25%
NCD 18	KFLRS08	10/12/2019	09/12/2026	2,661.22	2,410.31	84 Months	10.41%
NCD 20	KFLTS07	14/10/2020	13/10/2027	1,330.15	-	84 Months	10.25%
NCD 20	KFLTS08	14/10/2020	13/10/2027	1,894.97	-	84 Months	10.41%
NCD 10	KFLJS05	09/05/2017	08/05/2020	-	3,201.53	36 Months	9.75%
NCD 10	KFLJS04	09/05/2017	08/05/2020	-	7,980.65	36 Months	10.00%
NCD 7	KFLGS06	09/06/2016	08/06/2020	-	972.17	48 Months	10.67%
NCD 2	KFLBS07	13/08/2014	12/06/2020	-	2,588.12	70 Months	12.62%
NCD 15	KFLOS01	31/01/2019	30/07/2020	-	3,296.69	18 Months	9.50%
NCD 11	KFLKS04	29/08/2017	28/08/2020	-	4,300.31	36 Months	9.75%
NCD 11	KFLKS05	29/08/2017	28/08/2020	-	3,066.24	36 Months	9.75%
NCD 14	KFLNS01	24/09/2018	23/09/2020	-	2,460.65	24 Months	9.75%
NCD 14	KFLNS02	24/09/2018	23/09/2020	-	6,774.52	24 Months	10.00%
NCD 17	KFLQS01	21/08/2019	24/09/2020	-	6,588.50	400 Days	9.25%
NCD 8	KFLHS06	29/09/2016	28/09/2020	-	2,132.95	48 Months	10.67%
NCD 16	KFLPS01	06/05/2019	05/11/2020	-	3,596.71	18 Months	8.81%
NCD 5	KFLES06	01/12/2015	30/11/2020	-	917.93	60 Months	11.25%
NCD 12	KFLLS04	08/01/2018	07/01/2021	-	6,139.59	36 Months	9.50%
NCD 12	KFLLS05	08/01/2018	07/01/2021	-	4,202.22	36 Months	9.75%
NCD 4	KFLDS07	17/03/2015	16/01/2021	-	3,553.97	70 Months	12.62%
NCD 15	KFLOS02	31/01/2019	30/01/2021	-	6,057.19	24 Months	10.00%
NCD 9	KFLIS06	01/02/2017	31/03/2021	-	1,417.48	50 Months	10.22%
Sub Total				**2,28,828.47**	**2,02,542.89**		
Less: EIR impact of transaction cost				(505.48)	(483.02)		
Total				**2,28,322.99**	**2,02,059.87**		

Note 16: Borrowings (other than debt securities)

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
	Amortized Cost	Amortized Cost
(a) Term loan		
(i) from banks		
Term loan (Secured)	29,996.14	3,460.47
(b) Loans repayable on demand		
(i) from banks		
Working Capital Demand Loan from Banks (Secured)	39,008.97	27,049.73
Cash Credit/Overdraft facilities from banks (Secured)	16,255.91	21,678.17
Total (A)	**85,261.02**	**52,188.37**
I) Secured	85,261.02	52,188.37
II) Unsecured	-	-
Total (B)	**85,261.02**	**52,188.37**
Borrowings in India	85,261.02	52,188.37
Borrowings outside India	-	-
Total (C)	**85,261.02**	**52,188.37**

Our Term loans, Cash Credits and Working Capital demand Loans are secured by paripassu floating charge on movable assets, current assets, book debts, loans & advances including cash and bank balances along with the existing Secured Creditors. The loans are also guaranteed by the personal guarantee of Mr. Mathew K Cherian - Managing Director of the Company, Mrs. Laila Mathew - Whole Time Director of the Company, Mrs. Jilu Saju Varghese - Director of the Company, Mrs. Milu Mathew and Mrs. Bala Mathew – Relative of director as per the terms mutually agreed with the respective lender bank. In addition to the properties of the Company, the properties of the Directors of the Company -Mr. Mathew K Cherian, Mrs. Laila Mathew and Mrs. Jilu Saju Varghese, Properties of relatives of Directors of the Company - Mrs. Milu Mathew and Mrs. Bala Mathew and the properties of Kosamattam Builders – A partnership firm where Mrs. Jilu Saju Varghese and Mrs. Milu Mathew are partners have also been provided to State Bank of India, South Indian Bank and Dhanlaxmi Bank as collateral Security, on the basis of agreement created with the respective banks..

Terms of repayment -Term Loan

Currency: ₹ in Lakhs

Tenure (from the date of Balance Sheet)	Rate of Interest	March 31, 2021	March 31, 2020
Less than 1 year	9.75 -10.40%	8,621.60	1,339.26
1 to 2 years	9.75 -10.40%	8,721.15	1,272.73
2 to 3 years	9.75 -10.40%	7,356.00	848.48
3 to 4 years	9.75 -10.40%	3,194.89	-
4 to 5 years	9.75 -10.40%	2,102.50	-
Above 5 year	9.75 -10.40%	-	-
Total		**29,996.14**	**3,460.47**

Note 17: Subordinated Liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021			
	Amortized Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
Perpetual Debt Instrument (Refer note 17.1)	1,381.00	-	-	1,381.00
Preference Share Other than those that qualify as equity				
1,20,000 3% Compulsorily Convertible Cumulative Preference Shares of ₹1000/- each (Refer note 17.2)	1,200.00	-	-	1,200.00
Subordinated Debt- Listed** (Refer note 17.3)	29,406.38	-	-	29,406.38
Total (A)	**31,987.38**	-	-	**31,987.38**
Subordinated Liabilities in India	31,987.38	-	-	31,987.38
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**31,987.38**	-	-	**31,987.38**

Currency: ₹ in Lakhs

Particulars	As at March 31, 2020			
	Amortized Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
Perpetual Debt Instrument (Refer note 17.1)	1,265.55	-	-	1,265.55
Preference Share Other than those that qualify as equity				
1,20,000 3% Compulsorily Convertible Cumulative Preference Shares of ₹1000/- each (Refer note 17.2)	1,200.00	-	-	1,200.00
Subordinated Debt- Listed** (Refer note 17.3)	27,287.31	-	-	27,287.31
Total (A)	**29,752.86**	-	-	**29,752.86**
Subordinated Liabilities in India	29,752.86	-	-	29,752.86
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**29,752.86**	-	-	**29,752.86**

**Includes EIR impact of transaction cost

Note 17.1: Perpetual Debt Instrument

The Company had privately placed Perpetual Debt Instrument with a principal amount outstanding of ₹ 1,190.00 Lakhs (March 31, 2020: ₹1,190.00 Lakhs)

Currency: ₹ in Lakhs

Issue No	Date of Allotment	As at March 31, 2021	As at March 31, 2020	Redemption Period	Interest Rates %
1	Oct 2011- Oct 2012	761.57	681.38	120 Months	13.94%- 14.86%
2	Oct 2012- Mar 2013	159.68	147.26	120 Months	13.94%- 14.86%
3	Jul 2013- Mar 2014	459.75	436.90	120 Months	13.00%- 14.86%
Total		1,381.00	1,265.55		

Note 17.2: 3 % Compulsorily Convertible Cumulative Preference Shares

Each Compulsorily Convertible Cumulative Preference shares (C.C.P.S) shall carry preferential right with respect to the payment of dividend. C.C.P.S shall be carrying 3% dividend on a cumulative basis. They shall be non-participating in surplus assets and profits on winding-up which may remain after the entire capital has been repaid. C.C.P.S shall be convertible after 5 years of allotment into such number of equity shares of ₹1000.00 each at a higher of:

(i) Fair market value determined as on the date of the conversion; or

(ii) ₹1000.00 per equity share.

Currency: ₹ in Lakhs

Issue Size	Date of Issue	Conversion
1,200.00	30/11/2016	29/11/2021
1,200.00		

3 % Compulsorily Convertible Cumulative Preference Shares

Name of Shareholder	March 31, 2021		March 31, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Rinsel Technologies (India) Private Limited	93,000	77.50%	93,000	77.50%
Mathew K Cherian	27,000	22.50%	-	-
Raj Lakshmi Auto Finance Private Limited	-	-	27,000	22.50%
TOTAL	**1,20,000**	**100.00%**	**1,20,000**	**100.00%**

Note 17.3: Subordinated Debt - Public & Listed

The principal amount of outstanding Unsecured Redeemable Non- Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued through Public Issue stood at ₹24,241.47 Lakhs (March 31, 2020: ₹22,218.80 Lakhs).

Currency: ₹ in Lakhs

NCD	Series	Date of Allotment	Maturity Date	As at March 31, 2021	As at March 31, 2020	Redemption Period	Interest Rate %
NCD 5	KFLES07	01/12/2015	28/02/2022	982.01	982.01	75 MONTHS	11.50%
NCD 5	KFLES08	01/12/2015	28/02/2022	3,647.54	3,264.61	75 MONTHS	11.73%
NCD 8	KFLHS07	29/09/2016	28/03/2023	1,059.54	1,059.54	78 MONTHS	11%
NCD 8	KFLHS08	29/09/2016	28/03/2023	2,294.38	2,062.36	78 MONTHS	11.25%
NCD 10	KFLJS08	09/05/2017	08/07/2024	1,821.47	1,653.48	86 MONTHS	10.16%
NCD 12	KFLLS08	08/01/2018	07/05/2025	1,540.23	1,401.36	88 MONTHS	9.91%
NCD 12	KFLLS07	08/01/2018	07/05/2025	1,864.91	1,864.91	88 MONTHS	10%
NCD 14	KFLNS07	24/09/2018	23/09/2025	726.82	726.82	84 MONTHS	10.25%
NCD 14	KFLNS08	24/09/2018	23/09/2025	2,715.92	2,459.85	84 MONTHS	10.41%
NCD 15	KFLOS07	31/01/2019	30/01/2026	499.37	499.37	84 MONTHS	10.25%
NCD 15	KFLOS08	31/01/2019	30/01/2026	1,835.22	1,662.19	84 MONTHS	10.41%
NCD 16	KFLPS07	06/05/2019	05/05/2026	412.78	412.78	84 MONTHS	10.25%
NCD 16	KFLPS08	06/05/2019	05/05/2026	1,573.96	1,425.56	84 MONTHS	10.41%
NCD 17	KFLQS07	21/08/2019	20/08/2026	532.89	532.89	84 MONTHS	10.25%
NCD 17	KFLQS08	21/08/2019	20/08/2026	2,252.02	2,039.69	84 MONTHS	10.41%
NCD 19	KFLSS07	29/05/2020	28/05/2027	930.53	-	84 MONTHS	10.25%
NCD 19	KFLSS08	29/05/2020	28/05/2027	1,951.13	-	85 MONTHS	10.41%
NCD 21	KFLUS07	23/01/2021	22/01/2028	1,204.37	-	86 MONTHS	10.25%
NCD 21	KFLUS08	23/01/2021	22/01/2028	1,622.22	-	87 MONTHS	10.41%
NCD 3	KFLCS06	08/11/2014	07/05/2020	-	674.11	66 MONTHS	13%
NCD 3	KFLCS07	08/11/2014	07/05/2020	-	3,605.61	66 MONTHS	13.43%
NCD 4	KFLDS08	17/03/2015	16/01/2021	-	1,000.00	70 MONTHS	13%
Sub Total				**29,467.31**	**27,327.14**		
Less: EIR impact of transaction cost				(60.93)	(39.83)		
Total				**29,406.38**	**27,287.31**		

Note 18: Other Financial Liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Auction surplus refundable	86.57	64.61
Unclaimed Matured Non-Convertible Debentures and interest thereon	61.15	61.15
Unclaimed Matured Subordinate debt and interest thereon	11.10	11.10
Dividend payable on CCPS	36.00	144.71
Total	**194.82**	**281.57**

Note 19: Provisions

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits – Gratuity (Refer Note 34)	210.31	140.52
Provisions for other assets (Refer Note 19.1)	220.75	-
Total	**431.06**	**140.52**

19.1 The movement in Provisions for other assets during 2020-21 and 2019-20 are as follows

Currency: ₹ in Lakhs

Particulars	Amount
As at April 01, 2019	-
Additions	-
Reversed	-
As at March 31, 2020	-
Additions	220.75
Reversed	-
As at March 31, 2021	**220.75**

Note 20: Other Non-financial liabilities

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	156.65	80.59
Total	**156.65**	**80.59**

Note 21: Equity Share Capital

21.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Authorized		
50,00,00,000 (March 31, 2020: 50,00,00,000) Equity shares of ₹10/- each	50,000.00	50,000.00
Issued, subscribed, and fully paid up		
20,25,00,547 (March 31, 2020: 19,16,01,770) Equity shares of ₹ 10/- each fully paid up	20,250.05	19,160.18
Total Equity	**20,250.05**	**19,160.18**

21.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. Upon a show of hands, every member entitled to vote and present in person shall have one vote, and upon a poll, every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

21.3 Details of Equity shareholders holding more than 5% Equity shares in the company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
Mathew K Cherian	12,54,52,270	61.95%	12,54,52,270	65.48%
Laila Mathew	3,01,48,300	14.89%	3,01,48,300	15.73%
Kosamattam Ventures Private Limited	3,60,00,200	17.78%	3,60,00,200	18.78%

Head Office Kottayam

21.4 Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the year

Currency: ₹ in Lakhs

Particulars	In Numbers	Amount
As at April 01, 2019	**19,16,01,770**	**19,160.18**
Add: Shares issued during the year	-	-
As at March 31, 2020	**19,16,01,770**	**19,160.18**
Add: Shares issued on rights issue basis (June 30, 2020)*	64,12,814	641.28
Add: Shares issued on rights issue basis (November 13, 2020)*	23,79,688	237.97
Add: Shares issued on rights issue basis (February 23, 2021)*	21,06,275	210.62
As at March 31, 2021	**20,25,00,547**	**20,250.05**

* The Company allotted fully paid-up 1,08,98,777 Equity Shares of the face value of ₹10/- each to the eligible equity shareholders at an issue price of ₹32/- per Equity Share (including premium of ₹22/- per Equity Share) in the Rights Issue.
The entire proceeds of the Rights Issue have been utilized as per the objects stated in the offer document for the Rights issue.
The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by ₹1,089.87 Lakhs and securities premium reserve by ₹2,397.73 Lakhs

21.5 The Company has not allotted any share pursuant to contracts without payment being received in cash or as bonus shares nor has it bought back any shares during the preceding period of 5 financial years.

Note 22: Other Equity

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Reserve		
Balance at the beginning of the year	5,349.28	4,396.68
Add: Transfer from Retained Earnings	1,330.30	952.60
Balance at the end of the year	**6,679.58**	**5,349.28**
Capital Reserve		
Balance at the beginning of the year	9.07	9.07
Balance at the end of the year	**9.07**	**9.07**
Revaluation Reserve		
Balance at the beginning of the year	2.86	2.86
Balance at the end of the year	**2.86**	**2.86**
Securities Premium		
Balance at the beginning of the year	357.30	357.30
Add: Shares issued on rights issue basis	2,397.73	-
Balance at the end of the year	**2,755.03**	**357.30**
Debenture Redemption Reserve		
Balance at the beginning of the year	-	11,660.97
Add: Amount transferred to General Reserve	-	(11,660.97)
Balance at the end of the year	-	-
Impairment Reserve		
Balance at the beginning of the year	2,591.42	2,419.29
Add: Amount transferred from Retained Earnings	811.71	172.13
Balance at the end of the year	**3,403.13**	**2,591.42**
General Reserve		
Balance at the beginning of the year	11,660.97	-
Add: Amount transferred from Debenture Redemption Reserve	-	11,660.97
Balance at the end of the year	**11,660.97**	**11,660.97**

Retained Earnings		
Balance at the beginning of the year	2,888.68	(749.60)
Add: Profit for the year (net of taxes)	6,531.58	4,763.01
Less: Appropriation :-		
Transfer to Statutory Reserve	1,330.30	952.60
Transfer to Impairment Reserve	811.71	172.13
Total appropriations	**2,142.01**	**1,124.73**
Balance at the end of the year	**7,278.25**	**2,888.68**
Other Comprehensive Income		
Balance at the beginning of the year	26.88	23.51
Add: Other Comprehensive Income (OCI) for the year (net of taxes)	(6.97)	3.37
Balance at the end of the year	**19.91**	**26.88**
Total	**31,808.80**	**22,886.46**

Note 22.1: Nature and purpose of reserve

Statutory reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly, an amount of ₹1,330.30 Lakhs (March 31, 2020, ₹952.60 Lakhs) representing 20% of Profit for the period is transferred to the fund for the year.

Securities Premium

This Reserve represents the premium on the issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Debenture Redemption Reserve

As per section 71 of the Companies Act, 2013 read with Rule 16(7) of the company's Share Capital and Debentures) Rules 2014, including amendment thereof, No listed Non-Banking Financial companies registered with RBI under section 45-1A of the RBI Act, 1934 shall comply with the requirement of Debenture Redemption Reserve for debentures issued via both public issue and Pvt-placement

Further, the Company shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in the manner mentioned in Rule 18(7)(c). Accordingly, the Company has deposited ₹9,313.80 Lakhs in the deposit account for debenture redemption

Impairment Reserve

In accordance with RBI circular no. RBI/2019-20/170 dated March 13, 2020, the company has provided for impairment allowances as required by Ind AS. In parallel, the company has also determined the asset classification and computed the impairment provisions as per extant prudential norms on Income Recognition, Asset Classification, and Provisioning (IRACP). A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 has been disclosed in Note No. 46.

Further, since impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP the difference has been appropriated from net profit after tax to 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital.

No withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI. The requirement for 'Impairment Reserve' shall be reviewed, going forward as per further instructions from RBI

General Reserve

Under the erstwhile Companies Act 1956, the general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to the general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilized only in accordance with the specific requirements of the Companies Act, 2013.

Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Other Comprehensive Income

Remeasurement of defined benefit plans

It represents the gain/(loss) on re-measurement of Defined Benefit Obligation and Plan assets

Note 23: Interest Income

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On Financial assets measured at fair value through OCI	On Financial assets measured at amortized cost	Interest income on financial assets classified at fair value through profit or loss	On Financial assets measured at fair value through OCI	On Financial assets measured at amortized cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans						
Gold loans	-	51,455.02	-	-	46,721.81	-
Other loans	-	1,390.55	-	-	1,898.66	-
Interest on deposits with banks	-	900.58	-	-	794.59	-
Interest on fair value of deposit	-	94.87	-	-	95.37	-
Total	-	**53,841.02**	-	-	**49,510.43**	-

Note 24: Fees and commission Income

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Ancillary Charges on Loan	308.80	297.89
Commissions	12.44	13.55
Demat Services	13.75	19.57
Insurance Services	13.57	7.60
Money Transfer Services	23.55	45.75
Net gain on foreign currency transaction and translation	6.76	19.44
Others	3.94	9.19
Total	**382.81**	**412.99**

Note 25: Other Income

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit on sale of property, plant, and equipment	2.14	10.00
Total	**2.14**	10.00

Note 26: Finance Cost

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortized cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortized cost
Interest on debt securities	-	21,636.58	-	19,508.81
Interest on borrowings (other than debt securities)	-	5,959.38	-	4,849.65
Interest on subordinated liabilities	-	3,074.20	-	3,174.63
Interest on lease liability	-	578.02	-	202.60
Bank charges	-	333.16	-	327.77
Dividend on CCPS	-	11.22	-	43.52
Total	-	**31,592.56**	-	**28,106.98**

Note 27: Impairment on financial instruments

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortized cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortized cost
Loan Assets	-	512.03	-	80.18
Bad Debts Written Off	-	-	-	119.76
Other Assets	-	220.75	-	-
Total	-	732.78	-	199.94

Note 28: Employee Benefits Expenses

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	6,656.56	6,195.29
Contribution to Provident and Other Funds	301.00	223.23
Provision for Gratuity(Refer Note 34)	64.83	47.84
Staff Welfare Expense	377.14	142.96
Total	**7,399.53**	**6,609.32**

Note 29: Depreciation, amortization and impairment

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	1,004.59	1,066.58
Depreciation on Right of use assets	1,430.22	1,430.27
Amortization of intangible assets	38.76	41.15
Less: Depreciation adjusted against Windmill Income	(55.53)	(63.63)
Less: Depreciation adjusted against Estate Income	(8.73)	(8.53)
Total	**2,409.31**	**2,465.84**

Note 30: Other Expenses

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Advertisement	324.18	858.24
Annual Maintenance Charges	44.93	36.25
Auction Surplus Paid	38.92	194.25
Auditors' fees and expenses (Refer note 30.1)	27.74	25.08
CSR Expenses (Refer note 30.2)	162.17	84.29
Donation	75.58	32.76
Electricity & Water Charges	176.92	172.26
GST	244.04	244.34
Insurance Charges	30.00	24.95
Legal Charges	11.04	22.73
Office Expenses	96.02	97.02
Printing and Stationery	213.21	157.66
Professional Charges	240.86	340.56
Rates and Taxes	30.24	30.50
Rating Fee	72.69	57.87
Repairs & Maintenance	127.33	181.34
Remuneration to Non-executive Directors	3.10	3.35
Security Charges	105.65	100.20
Telephone & Communication	161.02	259.12
Travelling Expenses	149.19	217.11
Trustee Remuneration	21.84	15.87
Vehicle Expenses	13.81	30.89
Estate (Income) / Expenses, net	101.65	92.83
Windmill (Income) / Expenses, net	20.30	25.97
Total	**2,492.43**	**3,305.44**

Note 30.1: Auditor's fees and expenses

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
For Statutory Audit	19.47	17.70
For Other Services	8.27	7.38
For Reimbursement of Expenses	-	-
Total	**27.74**	**25.08**

Note 30.2: Expenditure on Corporate Social Responsibility

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Gross amount required to be spent by the Company during the year	162.17	112.84
b) Amount spent during the period	162.17	84.29
i) Construction/acquisition of any asset		
- In cash	-	12.00
- Yet to be paid in cash	-	-
ii) On purpose other than (i) above -		
- In cash	162.17	72.29
- Yet to be paid in cash	-	-
Total	**162.17**	**84.29**

The Company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII of the Companies Act, 2013.

Note 31.1: Income Tax

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	2,529.52	2,387.31
Adjustment in respect of income tax of earlier year	309.73	2,478.79
Deferred tax relating to origination and reversal of temporary differences	228.53	(383.21)
Income tax expense reported in statement of profit and loss	**3,067.78**	**4,482.89**
Income tax recognized in other comprehensive income (OCI)		
Deferred tax related to items recognized in OCI during the period:		
- Actuarial (gain)/loss moved from Profit and Loss	2.35	(1.14)
- Remeasurement of defined benefit plans	-	-
Income tax charged to OCI	**2.35**	**(1.14)**

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all the profits had been charged at India's corporate tax rate.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021, and the year ended March 31, 2020, is, as follows:

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	9,599.36	9,245.90
Applicable tax rate	25.168%	25.168%
Computed tax for the year	**2,415.97**	**2,327.01**
Rate Difference	-	192.26
Tax paid for earlier periods	309.73	2,478.79
DTA not recognised earlier	274.08	(567.60)
Dividend on CCPS	2.82	10.95
Exempt income	23.39	21.22

Donation and CSR	40.72	17.03
Others	1.07	3.23
Income tax expense reported in the Statement of Profit and Loss	3,067.78	4,482.89
Effective Income Tax Rate	31.96%	48.49%

As per amendment u/s 115BAA of Income Tax Act 1961, existing Domestic companies are provided with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The company, vide the provisions of this section, has irreversibly opted for the new tax rate of 25.168% inclusive of surcharge @ 10% and cess @ 4%.

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income-tax expense:

Currency: ₹ in Lakhs

Deferred Tax Assets/(Liabilities)	As at March 31, 2021	As at March 31, 2020
Depreciation and Amortisation	679.01	655.64
Provision against loans	294.16	512.68
Fair value gain/(loss) on security deposits	55.26	47.69
Right of use assets / (liability)	32.18	(12.13)
Provision for retirement benefits	52.93	35.37
Amortisation of processing fees expenses as per EIR	(270.42)	(169.94)
Deferred Tax Assets (net)	843.13	1,069.31

Reconciliation of deferred tax assets/(liabilities)

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	1,069.31	695.30
Tax income/(expense) during the year recognized in Statement of Profit and Loss	(228.53)	383.21
MAT utilized for tax payment	-	(8.06)
Tax income/(expense) during the year recognized in OCI	2.35	(1.14)
Closing balance	843.13	1,069.31

31.2 Notes on Goods & Services Tax

Currency: ₹ in Lakhs

Particulars	Andhra Pradesh	Delhi	Gujarat	Karnataka	Kerala	Maharashtra	Puducherry	Tamil Nadu	Telangana	Total
Interest Income	4,351.79	585.09	230.67	10,746.76	11,627.85	682.68	272.43	23,564.08	691.42	52,752.77
Auction Proceeds of Gold *	11.99	-	203.53	80.85	136.43	-	-	-	-	432.80
Commissions	0.38	0.32	0.06	1.62	7.98	0.21	0.08	1.72	0.08	12.45
Demat Services	0.01	0.01	-	0.15	13.16	0.03	0.01	0.37	0.01	13.75
Insurance Services	-	-	-	-	13.57	-	-	-	-	13.57
Money Transfer Services	-	-	-	-	23.55	-	-	-	-	23.55
PAN Card Services**	-	-	-	0.17	3.75		-	0.37	-	4.29
Ticket Booking Services**	-	-	-	-	13.40	-	-	-	-	13.40
Ancillary Charges on Loan	23.13	3.04	0.93	58.74	75.97	1.78	1.42	141.78	2.01	308.80
Interest on Bank Deposit	-	-	-	-	900.58	-	-	-	-	900.58
Foreign Exchange Services***	-	-	-	-	1.74	-	-	-	-	1.74
Income From Power Generation**	-	-	-	-	46.68	-	-	-	-	46.68
Agriculture Income**	-	-	-	-	114.65	-	-	-	-	114.65
Sale / Transfer of Fixed Assets	-	-	-	0.02	34.33	-	-	0.50	-	34.85
Total	4,387.30	588.46	435.19	10,888.31	13,013.64	684.70	273.94	23,708.82	693.52	54,673.88

Note:

***Auction proceeds of Gold has been netted off with the outstanding value of such loan and shown as Interest Income in the Profit and Loss A/c**

****Costs related to the particular income has been netted off in the Profit and Loss A/c**

*****Taxable value is taken as 1% of the gross amount of Indian Rupees provided/received (transactions with authorized dealers are excluded as it is exempted) while foreign exchange gain has been shown in the Profit and Loss A/c**

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Note 32: Earnings per share

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net profit attributable to ordinary equity holders	6,531.58	4,763.01
Weighted average number of equity shares for basic earnings per share	19,75,23,433	19,16,01,770
Earnings per share:		
Basic earnings per share (₹)	3.31	2.49

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net profit attributable to ordinary equity holders	6,531.58	4,763.01
Add : Dividend on CCPS	11.22	43.52
Adjusted profit for diluted earnings per share	6,542.80	4,806.53
Weighted average number of equity shares for basic earnings per share	19,75,23,433	19,16,01,770
Effect of dilution:	1,20,00,000	1,20,00,000
Weighted average number of equity shares for diluted earnings per share	20,95,23,463	20,36,01,770
Earnings per share:		
Diluted earnings per share (₹)	3.12	2.36

Note 33: Assets pledged as security

The carrying amounts of assets pledged as security for debt securities as well as secured borrowings are as below

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Cash and cash equivalents	16,358.86	3,493.19
Bank Balance other than above	17,041.44	11,395.58
Receivables	29.70	48.12
Loans	3,47,826.38	2,97,247.02
Other Financial assets	719.93	182.65
Non-financial Assets		
Other non-financial assets	971.30	836.02
Total	**3,82,947.61**	**3,13,202.58**

Above assets have been provided as security on first pari-passu floating charge basis for secured debt securities as well as for secured borrowings other than debt securities.

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Land	5,347.16	5,591.03
Building	164.06	292.72
Vehicle *	108.13	124.57
Furniture & Fixtures *	2,018.51	1,959.51
Electrical Fittings *	533.02	522.77
Computer and Accessories *	322.11	245.30
Total	**8,492.99**	**8,735.90**

Land and Building as above have been provided as collateral Security to the South Indian bank Ltd. for the limit provided as Cash credit to the company and to Vistra ITCL (India) Limited for the Public issue of Non-Convertible Debentures by the Company.

Furniture & Fixtures include an amount of ₹1080.92 Lakhs, with respect to which the Income Tax Department has first charge u/s 281 of the Income Tax Act, 1961.

*These assets (Excluding Furniture & Fixtures amounts to ₹1080.92 Lakhs) have been provided as security on first pari-passu floating charge basis for secured debt securities as well as for secured bank borrowings.

Note 34: Retirement Benefit Plan

Defined Contribution Plan

The Company makes contributions to Provident Fund which is a defined contribution plan for qualifying employees. The Company recognized ₹ 301.00 Lakhs (March 31, 2020: ₹ 223.23 Lakhs) for Provident Fund contributions in the statement of profit and loss.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service. Gratuity liability is unfunded.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Net liability/(assets) recognized in the Balance Sheet

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of obligations	210.31	140.52
Fair value of plan assets	-	-
Defined Benefit obligation/(asset)	**210.31**	**140.52**

Net benefit expense recognized in the statement of profit and loss

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	52.33	38.92
Past service cost	-	-
Net Interest on net defined benefit liability/ (asset)	12.50	8.92
Net benefit expense	**64.83**	**47.84**

Details of changes in the present value of defined benefit obligations as follows:

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation at the beginning of the year	140.52	99.48
Current service cost	52.33	38.92
Past Service Cost		
Interest cost on benefit obligations	12.50	8.92
Re-measurements:	-	-
a. Actuarial loss/(gain) arising from changes in demographic assumptions	-	-
b. Actuarial loss/ (gain) arising from changes in financial assumptions	-	-
c. Actuarial loss/ (gain) arising from experience over the past years	9.32	(4.51)
Benefits paid	(4.36)	(2.29)
Present value of defined benefit obligation at the end of the year	**210.31**	**140.52**

Remeasurement gain/ (loss) in other comprehensive income (OCI)

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Re-measurements on defined benefit obligation		
Actuarial gain/(loss) arising from changes in financial assumptions	-	-
Actuarial gain/(loss) arising from experience over the past years	-	-
Re-measurements on plan assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	9.32	(4.51)
Actuarial gain /(loss) (through OCI)	**9.32**	**(4.51)**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown as below:

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Salary Growth Rate	5.00%	5.00%
Discount Rate	7.50%	7.50%
Mortality	Indian Lives Mortality (1994-96) Ultimate Table	
Attrition Rate	Modified q(x) values as per above Mortality Table	
Withdrawal Rate	Modified version of above Table	
Expected weighted average remaining working life	24.60	24.06

A quantitative sensitivity analysis for significant assumptions as at March 31, 2021, and March 31, 2020, are as shown below:

Currency: ₹ in Lakhs

Assumptions	Sensitivity Level	As at March 31, 2021	As at March 31, 2020
Discount Rate	Increase by 1%	176.59	117.85
Discount Rate	Decrease by 1%	252.44	168.87
Salary Increase	Increase by 1%	250.72	167.72
Salary Increase	Decrease by 1%	177.26	118.30
Employee Turnover	Increase by 1%	319.84	213.71
Employee Turnover	Decrease by 1%	100.77	67.33

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

The principal assumptions used in determining retirement benefit obligations for the Company's plans are shown below:

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments, mortality, withdrawals, and other relevant factors.

Note 35: Maturity analysis of assets and liabilities

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	16,358.86	-	16,358.86	3,493.19	-	3,493.19
Bank Balance other than above	12,616.57	4,583.69	17,200.26	10,386.74	1,008.84	11,395.58
Trade receivables	7.37	-	7.37	11.36	-	11.36
Other receivables	22.33	-	22.33	36.76	-	36.76
Loans	3,50,371.01	604.88	3,50,975.89	2,96,282.70	3,601.81	2,99,884.51
- Adjustment on account of EIR/ECL	-	-	(3,149.51)	-	-	(2,637.49)
Other financial assets	719.93	824.98	1,544.91	182.65	1,204.47	1,387.12
Non-financial Assets				-	-	-
Current tax assets (net)	-	1,095.74	1,095.74	-	981.63	981.63
Deferred tax assets (net)	-	843.13	843.13	-	1,069.31	1,069.31
Property, plant, and equipment	-	12,278.28	12,278.28	-	12,242.33	12,242.33
Right of use assets	-	3,650.13	3,650.13	-	2,785.69	2,785.69
Other intangible assets	-	261.14	261.14	-	285.67	285.67
Other non financial assets	971.30	495.33	1,466.63	836.02	23.84	859.86
Total Assets	**3,81,067.37**	**24,637.30**	**4,02,555.16**	**3,11,229.42**	**23,203.59**	**3,31,795.52**

Currency: ₹ in Lakhs

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Trade payables	364.40	-	364.40	463.31	-	463.31
Debt Securities	68,578.17	1,60,250.30	2,28,828.47	71,292.38	1,33,294.80	2,04,587.18
- Adjustment on account of EIR			(505.48)			(483.02)
Borrowings (other than debt securities)	63,886.48	21,374.54	85,261.02	50,067.16	2,121.21	52,188.37
Subordinated Liabilities	6,568.98	25,479.33	320,48.31	5,355.27	24,437.42	29,792.69
- Adjustment on account of EIR			(60.93)			(39.83)
Lease Liabilities	1,366.86	2,411.13	3,777.99	1,268.12	1,469.38	2,737.50
Other Financial liabilities	194.82	-	194.82	281.57	-	281.57
Non-financial Liabilities						
Provisions	3.97	427.09	431.06	2.46	138.06	140.52
Other non-financial liabilities	156.65	-	156.65	80.59	-	80.59
Total Liabilities	**1,41,120.33**	**2,09,942.39**	**3,50,496.31**	**1,28,637.77**	**1,61,633.96**	**2,89,748.88**
Net	**2,39,947.04**	**(1,85,305.09)**	**52,058.85**	**1,82,591.65**	**(1,38,430.37)**	**42,046.64**

Note 36: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement

Currency: ₹ in Lakhs

Particulars	As at March 31, 2020	Cash Flows	Others	As at March 31, 2021
Debt Securities	2,04,104.16	24,089.48	129.35	2,28,322.99
Borrowings other than debt securities	52,188.37	33,072.65	-	85,261.02
Subordinated Liabilities	29,752.86	1,997.12	237.40	31,987.38
Lease Liabilities	2,737.50	1,707.26	(666.77)	3,777.99
Total liabilities from financing activities	**2,88,782.89**	**60,866.51**	**(300.02)**	**3,49,349.38**

Currency: ₹ in Lakhs

Particulars	As at April 01, 2019	Cash Flows	Others	As at March 31, 2020
Debt Securities	1,76,314.74	24,668.41	3,121.01	2,04,104.16
Borrowings other than debt securities	47,803.34	4,385.03	-	52,188.37
Subordinated Liabilities	30,689.83	434.54	(1,371.51)	29,752.86
Lease Liabilities	4,002.97	1,660.63	(2,926.10)	2,737.50
Total liabilities from financing activities	**2,58,810.88**	**31,148.61**	**(1,176.60)**	**2,88,782.89**

Note 37: Contingent liabilities, commitments, and leasing arrangements

Contingent Liabilities

Currency : ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt		
(i) Income Tax Demands	2,166.86	1741.15
(ii) Service Tax Demands	4,279.62	4,279.69
(iii) Sales Tax Demands	83.36	83.36
Total	**6,529.84**	**6104.20**

Note 38: Related Party Disclosures

Names of Related parties

(A) Subsidiaries

1 NIL

	(B) Key Managerial Personnel	Designation
1	Mathew K Cherian	Chairman cum Managing Director
2	Laila Mathew	Whole time Director
3	Jilu Saju Varghese	Non-Executive Director
4	C. Thomas John	Independent Director
5	Paul Jose Maliakal	Independent Director
6	Kavil Viswambharan Raveendravilasam	Independent Director
7	Annamma Varghese C.	Chief Financial Officer
8	Sreenath Palakkattillam	Company Secretary

(C) Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives

1 Kosamattam Builders Private Limited
2 Kosamattam Ventures Private Limited
3 Kosamattam Builders
4 Kosamattam Security Systems
5 Kosamattam Enterprises LLP
6 Kosamattam Cherian Foundation
7 Kosamattam Nidhi Limited

(D) Relatives of Key Managerial Personnel (The parties with whom transactions were entered)

1 Milu Mathew D/o Mathew K Cherian
2 Saju Varghese John H/o Jilu Saju Varghese
3 George Thomas Son in Law of Mathew K Cherian and Laila Mathew
4 Sreekanth P B/o Sreenath Palakkattillam
5 Krishnan P F/o Sreenath Palakkattillam

Related Party transactions during the year:

Currency : ₹ in Lakhs

Particulars	Key Managerial Personnel		Relatives of Key Managerial Personnel	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Interest paid on Subordinated debts	-	-	2.23	2.23
Interest paid on NCD - Listed	0.18	0.12	7.31	2.38
Director's Remuneration	757.00	276.00	-	-
Salaries and Allowances	21.10	21.95	14.54	13.50
Loans repaid	1,269.00	-	-	-
Purchase of Equity Shares of the Company	-	-	12.50	-
Purchases of CCPS of the Company	270.00	-	-	-
Purchase of Listed NCD of the Company	1.18	1.49	31.21	35.70
Redemption of Listed NCD of the Company	-	3.20	2.05	8.00
Interest received on Loan	177.66	178.15	-	-
Rent paid	47.58	12.54	-	-
Rent Deposit	55.27	-	-	-

Related Party transactions during the year:

Currency : ₹ in Lakhs

Particulars	Entities over which Key Managerial Personnel and their relatives can exercise significant influence		Subsidiaries	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
CSR Expenses	51.90	-	-	-
Purchase of Fixed Asset	42.37	68.54	-	-

Related Party transactions during the year:
Balance outstanding as at the year-end: Asset/ (Liability)

Currency: ₹ in Lakhs

Particulars	Key Managerial Personnel		Relatives of Key Managerial Personnel	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Investments in Equity Shares	15,560.10	15,560.10	12.54	0.04
Investments in CCPS	270.00	-	-	-
NCD - Listed	2.70	1.52	88.38	59.22
Rent Deposit	76.27	21.00	-	-
Subordinated Liabilities	-	-	15.00	15.00
Loans	-	1,269.00	-	-
Amounts payable (Net) to related parties	**15,909.07**	**16,851.62**	**115.92**	**74.26**

Note:

a) Related parties have been identified based on the declaration received by the management and other records available.

Related Party transactions during the year:
Balance outstanding as at the year-end: Asset/ (Liability)

Currency: ₹ in Lakhs

Particulars	Entities over which Key Managerial Personnel and their relatives can exercise significant influence		Subsidiaries	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Investments in Equity Shares	3,600.02	3,600.02	-	-
Amounts payable (Net) to related parties	3,600.02	3,600.02		-

Note:

a) Related parties have been identified based on the declaration received by the management and other records available.

Compensation of Key Managerial Personnel of the Company:

Key Managerial Personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors, Company Secretary, and Chief Financial Officer to be Key Managerial Personnel for the purposes of Ind AS 24 Related Party Disclosures

Note 39: Capital Management

Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and requirements of the financial covenants. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies, and processes from the previous years. However, they are under constant review by the Board.

Currency: ₹ in Lakhs

Regulatory Capital	As at March 31, 2021	As at March 31, 2020
Tier 1 capital	49,938.55	40,487.37
Tier 2 capital	18,456.48	15,765.32
Total capital	68,395.03	56,252.69
Risk weighted assets	3,67,633.55	3,14,747.18
Tier 1 capital ratio	13.58%	12.86%
Tier 2 capital ratio	5.02%	5.01%
Total capital ratio	18.60%	17.87%

Regulatory capital consists of Tier1 capital which comprises share capital, share premium, and retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is Tier 2 capital instruments.

Note 40: Fair Value Measurement

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are initially measured at fair value and subsequently carried at amortized cost in the financial statements.

Currency: ₹ in Lakhs

Particulars	Level	Carrying Value		Fair Value	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets					
Cash and cash equivalents	1	16,358.86	3,493.19	16,358.86	3,493.19
Bank Balance other than Above	1	17,200.26	11,395.58	17,200.26	11,395.58
Receivable	3	29.70	48.12	29.70	48.12
Loans	3	3,47,826.38	2,97,247.02	3,47,826.38	2,97,247.02
Other Financial assets	3	1,544.91	1,387.12	1,544.91	1,387.12
Financial assets		3,82,960.11	3,13,571.03	3,82,960.11	3,13,571.03
Financial Liabilities					
Trade Payable	3	364.40	463.31	364.40	463.31
Debt securities	2	2,28,322.99	2,04,104.16	2,28,322.99	2,04,104.16
Borrowings (other than debt securities)	2	85,261.02	52,188.37	85,261.02	52,188.37
Subordinated liabilities	2	31,987.38	29,752.86	31,987.38	29,752.86
Other financial liabilities	3	194.82	281.57	194.82	281.57
Financial Liabilities		3,46,130.61	2,86,790.27	3,46,130.61	2,86,790.27

Valuation techniques

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include cash and cash equivalents, trade receivables, balances other than cash and cash equivalents, and trade payables without a specific maturity. Such amounts have been classified as Level 2/Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default, and loss has given default estimates. Since comparable data is not available, credit risk is derived using historical experience, management view, and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the

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entire portfolio using an Effective interest rate model that incorporates interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating the probability of defaults and loss given defaults.

Financial liability at amortized cost
The fair values of financial liability held to maturity are estimated using an effective interest rate model based on contractual cash flows using actual yields.

Note 41: Risk Management
The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the company's operations. The Company's principal financial assets include loans, cash, and cash equivalents, and other receivables that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to the lending business and the operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company's Risk Management Committee of the Board of directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee for review.

Risk Management Committee shall be responsible for the following:
a) Identifying the various risks associated with the activities of the Company and assessing their impact on the business.
b) Measuring the risks and suggesting measures to effectively mitigate the risks. However, the primary responsibility for managing the various risks on a day-to-day basis will be with the heads of the respective business units of the Company.

The Company is generally exposed to credit risk, liquidity risk, and market risk

I) Credit Risk
Credit Risk arises from the risk of loss that may occur from the default of the Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses.

The Company addresses credit risk through the following processes:
a) Credit risk on a Gold loan is considerably reduced as collateral in the form of Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to the adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the Credit risk is normally low.
b) Sanctioning powers for Gold Loans are delegated to various authorities at branches/controlling offices. Sanctioning powers is used only for granting loans for legally permitted purposes. The maximum Loan to Value stipulated by the Reserve Bank of India does not exceed under any circumstances.
c) Gold ornaments brought for the pledge is the primary responsibility of the Branch Manager. Extra care is taken if the gold jewellery brought for a pledge by any customer at any one time or cumulatively is more than 20 gm.
d) Auctions are conducted as per the Auction Policy of the Company and the guidelines issued by the Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds the realizable value of gold. After the reasonable time is given to the customers for release after the loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

Impairment Assessment
The Company is mainly engaged in the business of providing gold loans. The tenure of the loans generally is up to 9 months. The Company also provides other secured and unsecured loans. The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies.

Definition of default and cure
The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may

indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2, as appropriate.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage 1
Standard grade	1-30 DPD	Stage 2
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61- 90 DPD	Stage 2
Individually impaired	91 DPD or More	Stage 3

Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD. PD is calculated using the Incremental 91 DPD approach considering fresh slippage using historical information.

Particulars	As at March 31, 2021			As at March 31, 2020		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
i) Gold Loan	1.89%	9.49%	100.00%	1.73%	14.14%	100.00%
ii) Mortgaged Loan	100.00%	100.00%	100.00%	41.52%	98.53%	100.00%
iii) Rental Loan	14.51%	14.51%	100.00%	12.86%	100.00%	100.00%
iv) Staff Loan	-	-	-	12.86%	100.00%	100.00%
v) Micro Finance Loans	100.00%	100.00%	100.00%	22.47%	100.00%	100.00%
vi) Business Loans	14.51%	14.51%	100.00%	12.86%	100.00%	100.00%
vii) Other Loans	14.51%	14.51%	100.00%	12.86%	100.00%	100.00%

Based on the review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine the qualitative impact on its PD's as at March 31, 2021, and March 31, 2020.

Loss Given Default (LGD)

LGD is the estimated loss that the Company might bear if the borrower defaults. The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value, and expected proceeds from the sale of an asset.

Particulars	As at March 31, 2021			As at March 31, 2020		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
i) Gold Loan	12.95%	12.95%	12.95%	12.95%	12.95%	12.95%
ii) Mortgaged Loan	19.36%	19.36%	19.36%	12.40%	12.40%	12.40%
iii) Rental Loan	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
iv) Staff Loan	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
v) Micro Finance Loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
vi) Business Loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
vii) Other Loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Collateral and other credit enhancements

The amount and type of collateral required to depend on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also show the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

The main types of collateral are as follows: -

Management provides gold loans against the security of gold. The gold is pledged with the company and based on the company policy of loan to value ratio, the loan is provided.

Fair value of collateral and credit enhancements held

Currency: ₹ in Lakhs

As at March 31, 2021	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory, and other working capital items	Surplus collateral	Total collateral	Net exposure	Associated ECLs
Financial assets										
Cash and cash equivalents	16,358.86	16,358.86	-	-	-	-	-	16,358.86	-	-
Bank Balance other than Cash and cash equivalents	17,200.26	17,200.26	-	-	-	-	-	17,200.26	-	-
Loans (Gross):								-	-	
i) Gold Loan	3,43,218.54	-	-	-	3,43,218.54	-	1,13,778.86	4,56,997.40	-	1,459.80
ii) Mortgage Loan	5,806.26	-	5,806.26	-	-	-	7,748.78	13,555.04	-	1,124.04
iii) Rental Loan	20.33	-	-	-	-	-	-	-	20.33	19.96
iv) Micro Finance Loans	147.57	-	-	-	-	-	-	-	147.57	147.57
v) Business Loan	1,634.99	-	-	-	-	-	-	-	1,634.99	249.94
vi) Other Loans	148.20	-	-	-	-	-	-	-	148.20	148.20
Trade receivables	7.37	-	-	-	-	-	-	-	7.37	-
Other receivables	22.33	-	-	-	-	-	-	-	22.33	-
Other financial assets	1,544.91	-	-	-	-	-	-	-	1,544.91	-
Total financial assets at amortised cost	**3,86,109.62**	**33,559.12**	**5,806.26**	**-**	**3,43,218.54**	**-**	**1,21,527.64**	**5,04,111.56**	**3,525.72**	**3,149.51**
Financial assets at FVTPL*	-	-	-	-	-	-	-	-	-	-
Total financial instruments at fair value through profit or loss*	-	-	-	-	-	-	-	-	-	-
Equity instrument at fair value through OCI	-	-	-	-	-	-	-	-	-	-
Total equity instrument at fair value through OCI	-	-	-	-	-	-	-	-	-	-
	3,86,109.62	33,559.12	5,806.26	-	3,43,218.54	-	**1,21,527.64**	**5,04,111.56**	**3,525.72**	3,149.51
Other commitments	-	-	-	-	-	-	-	-	-	-
	3,86,109.62	**33,559.12**	**5,806.26**	**-**	**3,43,218.54**	**-**	**1,21,527.64**	**5,04,111.56**	**3,525.72**	**3,149.51**

*** Including Equity Instruments**

Currency: ₹ in Lakhs

Fair value of collateral and credit enhancements held

As at March 31, 2020	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory, and other working capital items	Surplus collateral	Total collateral	Net exposure	Associated ECLs
Financial assets										
Cash and cash equivalents	3,493.19	3,493.19	-	-	-	-	-	3,493.19	-	-
Bank Balance other than Cash and cash equivalents	11,395.58	11,395.58	-	-	-	-	-	11,395.58	-	-
Loans (Gross):										
i) Gold Loan	2,90,876.23	-	-	-	2,90,876.23	-	1,75,952.90	4,66,829.13	-	1,342.73
ii) Mortgage Loan	6,463.48	-	6,463.48	-	-	-	9,284.71	15,748.19	-	657.70
iii) Rental Loan	24.09	-	-	-	-	-	-	-	24.09	18.97
iv) Staff Loan	0.14	-	-	-	-	-	-	-	0.14	0.02
v) Micro Finance Loans	273.85	-	-	-	-	-	-	-	273.85	235.97
vi) Business Loan	2,148.73	-	-	-	-	-	-	-	2,148.73	284.11
vii) Other Loans	97.99	-	-	-	-	-	-	-	97.99	97.99
Trade receivables	11.36	-	-	-	-	-	-	-	11.36	-
Other receivables	36.76	-	-	-	-	-	-	-	36.76	-
Other financial assets	1,387.12	-	-	-	-	-	-	-	1,387.12	-
Total financial assets at amortised cost	**3,16,208.52**	**14,888.77**	**6,463.48**	-	**2,90,876.23**	-	**1,85,237.61**	**4,97,466.09**	**3,980.04**	**2,637.49**
Financial assets at FVTPL*	-	-	-	-	-	-	-	-	-	-
Total financial instruments at fair value through profit or loss*	-	-	-	-	-	-	-	-	-	-
Equity instrument at fair value through OCI	-	-	-	-	-	-	-	-	-	-
Total equity instrument at fair value through OCI	-	-	-	-	-	-	-	-	-	-
	3,16,208.52	14,888.77	6,463.48	-	2,90,876.23	-	1,85,237.61	4,97,466.09	3,980.04	2,637.49
Other commitments	-	-	-	-	-	-	-	-	-	-
	3,16,208.52	**14,888.77**	**6,463.48**	-	**2,90,876.23**	-	**1,85,237.61**	**4,97,466.09**	**3,980.04**	**2,637.49**

*** Including Equity Instruments**

II) Liquidity risk

Asset Liability Management (ALM)

The table below shows the maturity pattern of the assets and liabilities. In the case of loans, the contracted tenure of the gold loan is a maximum of 9 months. However, on account of a high incidence of prepayment before contracted maturity, the below maturity profile has been prepared by the management on the basis of the historical pattern of repayments. In the case of loans other than gold loans, the maturity profile is based on contracted maturity.

Maturity pattern of assets and liabilities as on March 31, 2021:

Currency: ₹ in Lakhs

Particulars	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM*	Total
Financial assets										
Cash and cash equivalents	16,358.86	-	-	-	-	-	-	-	-	16,358.86
Bank Balance other than Cash and cash equivalents	515.01	1,843.64	957.58	1,531.39	7,768.95	3,253.30	1,330.39	-	-	17,200.26
Loans	77,668.92	43,272.69	29,312.29	1,12,812.82	87,304.29	602.37	2.51	-	(3,149.51)	3,47,826.38
Total	**94,542.79**	**45,116.33**	**30,269.87**	**1,14,344.21**	**95,073.24**	**3,855.67**	**1,332.90**	-	**(3,149.51)**	**3,81,385.50**
Financial Liabilities										
Debt Securities	5,932.75	3,026.54	5,948.86	18,619.18	35,050.84	1,20,365.82	31,764.86	8,119.62	(505.48)	2,28,322.99
Borrowings (other than Debt Securities)	13,558.45	731.06	19,245.98	14,226.08	16,124.91	16,077.15	5,297.39	-	-	85,261.02
Subordinated Liabilities	-	-	-	-	6,568.98	3,995.48	11,003.94	10,479.91	(60.93)	31,987.38
Total	**19,491.20**	**3,757.60**	**25,194.84**	**32,845.26**	**57,744.73**	**1,40,438.45**	**48,066.19**	**18,599.53**	**(566.42)**	**3,45,626.59**

***represents adjustments on account of EIR/ECL**

Maturity pattern of assets and liabilities as on March 31, 2020:

Currency: ₹ in Lakhs

Particulars	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	3,493.19	-	-	-	-	-	-	-	-	3,493.19
Bank Balance other than Cash and cash equivalents	294.06	950.03	817.44	1,079.50	7,245.71	769.83	239.01	-	-	11,395.58
Loans	65,082.21	41,587.77	36,718.14	1,05,927.28	46,967.29	3,601.81	-	-	(2,637.49)	2,97,247.01
Total	**68,869.46**	**42,537.80**	**37,535.58**	**1,07,006.78**	**54,213.00**	**4,371.64**	**239.01**	**-**	**(2,637.49)**	**3,12,135.78**
Financial Liabilities										
Debt Securities	-	11,178.85	3,904.75	30,013.39	26,195.39	1,07,471.41	19,867.66	5,955.73	(483.02)	2,04,104.16
Borrowings (other than Debt Securities)	13,047.88	20,953.08	3,106.06	9,732.76	3,227.37	2,121.22	-	-	-	52,188.37
Subordinated Liabilities	-	4,279.72	-	-	1,075.55	9,343.52	2,068.48	13,025.42	(39.83)	29,752.86
Total	**13,047.88**	**36,411.65**	**7,010.81**	**39,746.15**	**30,498.31**	**1,18,936.15**	**21,936.14**	**18,981.15**	**(522.85)**	**2,86,045.39**

***represents adjustments on account of EIR/ECL**

III) Market risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factors. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Company is exposed to two types of market risk as follows:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. The majority of our borrowings are at fixed rates. However, borrowings at floating rates give rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation, and other factors. In order to manage interest rate risk, the company seeks to optimize the borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize the stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and the Asset Liability Management Committee supervises an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenures.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Currency: ₹ in Lakhs

Impact on Profit before taxes	As at March 31, 2021	As at March 31, 2020
On Floating Rate Borrowings		
0.5 % increase in interest rates	292.41	226.18
0.5 % decrease in interest rates	(292.41)	(226.18)

Price risk

The Company's exposure to price risk is not material.

Note 42: Segment reporting

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the management to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by Ind AS 108 on "Operating Segment".

Note 43: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The company has during the year raised through public issue ₹ 8,6762.39 Lakhs of Secured Redeemable Non-Convertible Debentures and ₹ 5,522.67 Lakhs of Subordinated Debt. As at March 31, 2021, the company has utilized the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

Note 44: Disclosure required as per Reserve Bank of India Notification No. DNBS.CC.PD.NO. 265/03.10.01/2011-12 dated March 21, 2012

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Gold Loans granted against collateral of gold jewellery (principal portion)	3,14,609.59	2,64,495.77
Total assets of the Company	4,02,555.16	3,31,795.52
Percentage of Gold Loans to Total Assets	78.15%	79.72%

Note 45: Disclosures required as per Reserve Bank of India Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Currency: ₹ in Lakhs

Sl No.	Particulars	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
1	**Liabilities:**				
	Loans and advances* availed by the non-banking financial company inclusive of interest accrued thereon but not paid:-	As at March 31, 2021		As at March 31, 2020	
	(a) Debentures				
	: Secured	2,28,828.47	-	2,,04,587.18	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits)				
	: Perpetual Debt Instrument	1,381.00	-	1,265.55	-
	(b) Deferred credits	-	-	-	-
	(c) Term Loans	29,996.14	-	3,460.47	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Other Loans (specify nature)				
	Loan from Directors/ Relatives of Directors	-			
	Subordinated Debt	29,467.31	-	27,327.14	-
	Borrowings from Banks/FI	55,264.88	-	48,727.90	-
	Overdraft against Deposit with Banks	-	-	-	-

*Principal amounts of loans and advances availed

Currency: ₹ in Lakhs

Sl No.	Assets	As at March 31, 2021	As at March 31, 2020
2	**Break-up of Loans and Advances including bills receivables (other than those included in (3) below):-**		
	(including interest accrued)		
	(a) Secured	3,49,024.80	2,97,339.71
	(b) Unsecured	1,951.09	2,544.80

Currency: ₹ in Lakhs

SL No	Assets	As at March 31, 2021	As at March 31, 2020
3	**Break up of Investments :**		
	Current Investments:		
	1. Quoted:		
	(i) Shares (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others (specify)	Nil	Nil
	2. Unquoted:		
	(i) Shares (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others (specify)	Nil	Nil
	Long Term Investments		
	1. Quoted:		

(i) Shares (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others (specify)	Nil	Nil
2. Unquoted:		
(i) Shares (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others (specify)	Nil	Nil

Currency: ₹ in Lakhs

Sl No.	Assets	As at March 31, 2021	As at March 31, 2020
4	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities:-**		
	(i) Lease assets including lease rentals under sundry debtors:-		
	(a) Financial lease	Nil	Nil
	(b) Operating lease	Nil	Nil
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire	Nil	Nil
	(b) Repossessed Assets	Nil	Nil
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil

5 Borrower Group-wise Classification of Assets Financed* as in Sl No. (2) and (3) above:-

Currency: ₹ in Lakhs

Category	As at March 31, 2021		
	Amount (Principal, Net of provisioning)		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	-	-	-
2. Other than related parties	3,15,178.76	1,592.38	3,16,771.14
Total	**3,15,178.76**	**1,592.38**	**3,16,771.14**

***Principal amounts of assets financed**

Currency: ₹ in Lakhs

Category	As at March 31, 2020		
	Amount (Principal, Net of provisioning)		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	1,263.92	-	1,263.92
2. Other than related parties	2,65,644.55	2,332.04	2,67,976.59
Total	**2,66,908.47**	**2,332.04**	**2,69,240.51**

***Principal amounts of assets financed**

6 Other Information

Currency: ₹ in Lakhs

Particulars	Amount Outstanding	
	As at March 31, 2021	As at March 31, 2020
(i) Gross Non-Performing Assets		
(a) With Related parties	Nil	Nil
(b) With Others	4,642.11	4,330.32
(ii) Net Non-Performing Assets		
(a) With Related parties	Nil	Nil
(b) With Others	2,757.91	2,880.76
(iii) Assets acquired in satisfaction of the debt		
(a) With Related parties	Nil	Nil
(b) With Others	Nil	Nil

7 Details of the Auctions conducted with respect to Gold Loan

The Company auctioned 1,087 loan accounts (March 31, 2020: 14,079 accounts) during the financial year. The outstanding dues on these loan accounts were ₹614.34 Lakhs (March 31, 2020: ₹4,096.69 Lakhs) till the respective date of auction. The Company realized ₹ 432.80 Lakhs (March 31, 2020: ₹ 4,170.74 Lakhs) on auctioning of gold jewellery taken as collateral security on these loans. The company confirms that none of its sister concerns participated in the above auctions.

8 a) Capital

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
i) CRAR (%)	18.60%	17.87%
ii) CRAR-Tier I capital (%)	13.58%	12.86%
iii) CRAR-Tier II capital (%)	5.02%	5.01%
iv) Amount of subordinated debt raised as Tier-II capital	17,194.38	14,581.83
v) Amount raised by the issue of Perpetual Debt Instruments during the year	-	-
vi) Amount raised by the issue of Perpetual Debt Instruments	1,190.00	1,190.00
vii) Percentage of PDI to Tier I Capital	2.38%	2.94%

8 b) Derivatives

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
(i) The notional principal of swap agreements	Nil	Nil
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
(iii) Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv) Concentration of credit risk arising from swaps	Nil	Nil
(v) The fair value of the swap book	Nil	Nil

Exchange-traded interest rate (IR) derivatives

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Exchange-traded interest rate (IR) derivatives	Nil	Nil

8 c) Disclosure relating to securitization

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
i) Disclosure relating to securitization	Nil	Nil

Asset Liability Management

8 d) Maturity pattern of certain items of assets and liabilities

Currency: ₹ in Lakhs

As at 31.03.2021	1 to 30/ 31 days (one month)	Over one month to 2 months	Over 2 month to 3 months	Over 3 month to 6 months	Over 6 month to 1 year	Over 1 Year to 3 year	Over 3 to 5 years	Over 5 years	Non-sensitive to ALM **	Total
Liabilities										
Debt Securities	5,932.75	3,026.54	5,948.86	18,619.18	35,050.84	1,20,365.82	31,764.86	8,119.62	(505.48)	2,28,322.99
Subordinated Liabilities	-	-	-	-	6,568.98	3,995.48	11,003.94	10,479.91	(60.93)	31,987.38
Borrowings	13,558.45	731.06	19,245.98	14,226.08	16,124.91	16,077.15	5,297.39	-	-	85,261.02
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-
Assets										-
Advances*	77,668.92	43,272.69	29,312.29	1,12,812.82	87,304.29	602.37	2.51	-	(3,149.51)	3,47,826.38
Investments (other than investment in the foreign subsidiary)	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets (Investment in the foreign subsidiary)	-	-	-	-	-	-	-	-	-	-

*Contracted tenure of the gold loan is a maximum of 9 months. However, on account of the high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of a historical pattern of repayments. In the case of loans other than gold loans, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

Currency: ₹ in Lakhs

As at 31.03.2020	1 to 30/ 31 days (one month)	Over one month to 2 months	Over 2 month to 3 months	Over 3 month to 6 months	Over 6 month to 1 year	Over 1 Year to 3 year	Over 3 to 5 years	Over 5 years	Non-sensitive to ALM **	Total
Liabilities										
Debt Securities	-	11,178.85	3,904.75	30,013.39	26,195.39	1,07,471.41	19,867.66	5,955.73	(483.02)	**2,04,104.16**
Subordinated Liabilities	-	4,279.72	-	-	1,075.55	9,343.52	2,068.48	13,025.42	(39.83)	**29,752.86**
Borrowings	13,047.88	20,953.08	3,106.06	9,732.76	3,227.37	2,121.22	-	-	-	**52,188.37**
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-
Assets										-
Advances*	65,082.21	41,587.77	36,718.14	1,05,927.28	46,967.29	3,601.81	-	-	(2,637.49)	**2,97,247.01**
Investments (other than investment in the foreign subsidiary)	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets (Investment in the foreign subsidiary)	-	-	-	-	-	-	-	-	-	-

*Contracted tenure of the gold loan is maximum of 9 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of a historical pattern of repayments. In the case of loans other than gold loans, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

8 e) Exposure

i) Exposure to Real Estate Sector

Currency: ₹ in Lakhs

Category	As at March 31, 2021	As at March 31, 2020
a) Direct exposure (Net of Advances from Customers)		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:	Nil	Nil
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development, and construction, etc.). Exposure would also include non-fund based (NFB) limits;	Nil	Nil
(iii) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -		
a. Residential	Nil	Nil
b. Commercial Real Estate	Nil	Nil
Total Exposure to Real Estate Sector	0.00	0.00

ii) Exposure to Capital Market

Currency: ₹ in Lakhs

	Particulars	As at March 31, 2021	As at March 31, 2020
i)	Direct investment in equity shares, convertible bonds, convertible debentures, and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	Nil	Nil
ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	Nil	Nil
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds are taken as a primary security	Nil	Nil
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds i.e. where the primary security other than shares / convertible bonds /convertible debentures/units of equity-oriented mutual funds does not fully cover the advances	Nil	Nil
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
vi)	Loans sanctioned to corporates against the security of shares /bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
vii)	Bridge loans to companies against expected equity flows /issues	Nil	Nil
viii)	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Markets	0.00	0.00

iii) Details of financing of parent company products	Not Applicable
iv) Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the Company	Nil
v) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken and which is to be classified as Unsecured Advances	Nil

8 f) Registration obtained from financial sector regulators

The company has obtained a certificate of registration dated December 19, 2013, bearing registration no. B-16.00117 issued by the Reserve Bank of India ("RBI") to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934.

The company holds a full-fledged money changers license bearing license number FE. CHN.FFMC.40/2006 dated February 7, 2006, issued by the RBI which is valid up to February 28, 2023. Currently, Company has 62 authorized service centers.

The company holds a Certificate of Registration dated March 30, 2016, bearing Registration Number - CA0179 issued by IRDA to commence/carry business in the capacity of a Corporate Agent (Composite) under the Insurance Regulatory and Development Authority Act, 1999, renewed up to 31, March 2022

The company holds a Certificate of Registration dated May 22, 2019, bearing registration number IN–DP–415-2019 issued by the SEBI to act as Depository Participant in terms of Regulation 20 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.

The company has obtained registration with Financial Intelligence Unit – India (FIU-IND) and was assigned registration No FINBF12988.

Our Company has obtained registration with Legal Entity Identifier India Limited (LEIL) and was assigned a LEI Code - 335800F7BYBNG38B4A84.

The company has obtained registration under the Goods and Service Tax Act, 2017 for various States as below.

SL No	STATE	GSTIN
1	ANDRAPRADESH	37AACCK4277A1ZQ
2	DELHI	07AACCK4277A1ZT
3	GUJARAT	24AACCK4277A1ZX
4	KARNATAKA	29AACCK4277A1ZN
5	KERALA	32AACCK4277A2ZZ
6	KERALA (ISD)	32AACCK4277A3ZY
7	MAHARASHTRA	27AACCK4277A1ZR
8	PUDUCHERRY	34AACCK4277A1ZW
9	TAMILNADU	33AACCK4277A1ZY
10	TELANGANA	36AACCK4277A1ZS

8 g) Penalties levied by the above Regulators Nil

8 h) Ratings assigned by Credit rating agencies

Currency: ₹ in Lakhs

Rating Agency	Facilities	Amount Rated	Outstanding as on	Rating as on		Rating Definition
			March 31, 2021	March 31, 2021	March 31, 2020	
CARE	Non-Convertible Debenture	1,50,000.00	7,435.47	CARE BBB [CARE Triple B]	CARE BBB- [CARE Triple B Minus]	Instruments with this rating are considered to have a moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. Modifiers {"+" (plus) / "-"(minus)} reflect the comparative standing within the category.
	Subordinated Debt	11,500.00	5,478.59			
India Ratings & Research	Non-Convertible Debenture	3,22,500.00	1,74,448.83	IND BBB[IND Triple B]		
	Subordinated Debt	17,500.00	15,965.94			
	Bank Facilities	1,00,000.00	14,578.50			
BrickWork Ratings	Non-Convertible Debenture	30,000.00	29,762.39	BWR BBB+[BWR Triple B+]	NA	
	Subordinated Debt	5,000.00	2,796.94			
	Bank Facilities	1,00,000.00	70,682.52			

8 i)Provisions and Contingencies

Currency: ₹ in Lakhs

Sl No.	Break up of Provisions and Contingencies shown under the head Expenses in the Statement of Profit and Loss	As at March 31, 2021	As at March 31, 2020
1	Provisions for depreciation on Investment	Nil	Nil
2	Provision towards NPA (Expected Credit Loss)	512.03	80.18
3	Provision made towards Income Tax	3,070.13	4,481.75
4	Other Provision and Contingencies (with details)		
	Provision for Gratuity	64.83	47.84
	Provision for Other Assets	220.75	-
5	Provision for Leave Encashment	Nil	Nil

8 j) Concentration of Advances

Currency: ₹ in Lakhs

Sl No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Total Advances to twenty largest borrowers	4,764.01	6,404.81
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.49%	2.36%

8 k) Concentration of Exposures

Currency: ₹ in Lakhs

Sl No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Total Exposures to twenty largest borrowers/customers	4,764.01	6,404.81
2	Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/Customers.	1.49%	2.36%

8 l)Concentration of NPAs

Currency: ₹ in Lakhs

Sl No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Total Exposures to top four NPA accounts	1,622.03	1,580.55

8 m) Sector-wise NPAs

Currency: ₹ in Lakhs

Sl No.	Sector	Percentage of NPAs to Total Advances in that sector as on March 31, 2021	Percentage of NPAs to Total Advances in that sector as on March 31, 2020
1	Agriculture & allied activities	Nil	Nil
2	MSME	Nil	Nil
3	Corporate borrowers	52.01%	46.03%
4	Services	Nil	Nil
5	Unsecured personal loans	Nil	Nil
6	Auto loans (commercial vehicles)	Nil	Nil
7	Other loans	1.06%	1.14%

8 n) Movement of NPAs

Currency: ₹ in Lakhs

Sl No.	Particulars	As at March 31, 2021	As at March 31, 2020
	(i) Net NPAs to Net Advances (%)	0.86%	1.07%
	(ii) Movement of NPAs (Gross)		
	(a) Opening balance	4,330.32	4,840.32
	(b) Additions during the year	1,362.28	2,007.61
	(c) Reductions during the year	1,050.49	2,517.61
	(d) Closing balance	4,642.11	4,330.32
	(iii) Movement of Net NPAs		
	(a) Opening balance	2,880.76	2,979.88
	(b) Additions during the year	668.58	1,524.73
	(c) Reductions during the year	791.43	1,623.85
	(d) Closing balance	2,757.91	2,880.76
	(iv) Movement of provisions for NPAs (excluding Provisions on Standard Assets)		
	(a) Opening balance	1,449.56	1,860.44
	(b) Provisions made during the year	693.70	482.88
	(c) Write-off / write -back of excess provisions	259.06	893.76
	(d) Closing balance	1,884.20	1,449.56

Additions/ Reductions to NPA (Gross and Net) stated above during the year are based on year-end figures.

8 o) Overseas Assets as at March 31, 2021

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

8 p) Off-balance Sheet SPVs sponsored

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms

8 q) Customer Complaints

Currency: ₹ in Lakhs

Sl No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	No. of complaints pending as at the beginning of the year	3	-
2	No. of complaints received during the year	12	8
3	No. of complaints redressed during the year	12	5
4	No. of complaints pending as at the end of the year	3	3

Note 46: Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated 13 March 2020 pertaining to Asset Classification as per RBI Norms

Currency: ₹ in Lakhs

Appendix
Template for Disclosure in Notes to Financial Statements
As at March 31, 2021

Asset Classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5)-(3)-(4)	Provisions required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7) = (4)-(6)
Performing Assets						
Standard	Stage 1	3,11,238.13	1,085.59	3,10,152.54	1,154.77	(69.18)
	Stage 2	31,688.29	397.19	31,291.10	106.32	290.87
Subtotal		**3,42,926.42**	**1,482.78**	**3,41,443.64**	**1,261.09**	**221.69**
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,021.35	339.81	1,681.54	206.26	133.55
Doubtful - up to 1 year	Stage 3	206.70	101.89	104.81	104.91	(3.02)
1 to 3 years	Stage 3	126.68	83.89	42.79	89.69	(5.80)
More than 3 years	Stage 3	1,612.60	315.82	1,296.78	808.55	(492.73)
Subtotal for doubtful		**1,945.98**	**501.60**	**1,444.38**	**1,003.15**	**(501.55)**
Loss	Stage 3	4,082.14	825.32	3,256.82	4,082.14	(3,256.82)
Subtotal for NPA		**8,049.47**	**1,666.73**	**6,382.74**	**5,291.55**	**(3,624.82)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification, and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**3,11,238.13**	**1,085.59**	**3,10,152.54**	**1,154.77**	**(69.18)**
	Stage 2	**31,688.29**	**397.19**	**31,291.10**	**106.32**	**290.87**
	Stage 3	**8,049.47**	**1,666.73**	**6,382.74**	**5,291.55**	**(3,624.82)**
	Total	**3,50,975.89**	**3,149.51**	**3,47,826.38**	**6,552.64**	**(3,403.13)**

Currency: ₹ in Lakhs

Appendix
Template for Disclosure in Notes to Financial Statements
As at March 31, 2020

Asset Classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5)=(3)-(4)	Provisions required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7) = (4)-(6)
Performing Assets						
Standard	Stage 1	2,67,791.62	978.92	2,66,812.70	1,071.16	(92.24)
	Stage 2	25,160.22	521.30	24,638.92	111.04	410.26
Subtotal		**2,92,951.84**	**1,500.22**	**2,91,451.62**	**1,182.20**	**318.02**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,979.47	377.86	1,601.61	527.95	(150.09)
Doubtful - up to 1 year	Stage 3	310.41	76.42	233.99	152.45	(76.03)
1 to 3 years	Stage 3	2,329.03	301.96	2,027.07	1,340.63	(1,038.67)
More than 3 years	Stage 3	1,249.10	158.13	1,090.97	961.02	(802.89)
Subtotal for doubtful		**3,888.54**	**536.51**	**3,352.03**	**2,454.10**	**-1,917.59**
Loss	Stage 3	1,064.66	222.90	841.76	1,064.66	(841.76)
Subtotal for NPA		**6,932.67**	**1,137.27**	**5,795.40**	**4,046.71**	**(2,909.44)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification, and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**2,67,791.62**	**978.92**	**2,66,812.70**	**1,071.16**	**(92.24)**
	Stage 2	**25,160.22**	**521.30**	**24,638.92**	**111.04**	**410.26**
	Stage 3	**6,932.67**	**1,137.27**	**5,795.40**	**4,046.71**	**(2,909.44)**
	Total	**2,99,884.51**	**2,637.49**	**2,97,247.02**	**5,228.91**	**(2,591.42)**

IND AS ECL Provisioning is lower compared to RBI IRACP Norms and hence there is a transfer made to impairment reserve of ₹ 811.71 Lakhs (March 31, 2020: ₹ 172.13 Lakhs)
The Board of Director's of the Company has approved the ECL Policy in its meeting held on June 28, 2021

Note No.47. Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020, pertaining to Asset Classification and Provisioning in terms of COVID19 Regulatory Package

Currency: ₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
i. Amounts in SMA/overdue categories where moratorium/deferment was extended	497.98	737.76
ii. Respective amount where asset classification benefit is extended	497.98	737.76
iii. Provisions made during the quarter in terms of paragraph 5 of the above circular*	-	10.30
iv. Provisions adjusted against the respective accounting periods for slippages and residual provisions in terms of paragraph 6 of the above circular	Not applicable	

Note No.48. Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020, pertaining to Resolution Framework for COVID-19-related Stress

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), the aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	Nil	Nil	Nil	Nil	Nil
Corporate persons	Nil	Nil	Nil	Nil	Nil
Of which, MSMEs	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil

Note 49: Provision for the impact of COVID-19

The 'severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)', generally known as COVID-19, which was declared as a global pandemic by the World Health Organisation on 11 March 2020, continues to spread across the globe and in India. Globally countries and businesses are under lockdown. On March 24, 2020, the Government of India announced a 21 days lockdown initially, which was extended by 19 days across the country to contain the spread of the virus. Considering the severe health hazard associated with the COVID-19 pandemic, certain parts of the country have further extended the lockdown.

Reserve Bank of India has announced certain regulatory measures in the wake of the disruptions on account of the COVID-19 pandemic. In accordance with the RBI guidelines relating to the COVID-19 Regulatory Package, the lending institutions have been permitted to grant a moratorium on payment of all instalments and/or interest, as applicable, to eligible borrowers in accordance with the Board approved policy. The company has not availed any moratorium from the lenders. In accordance with the regulatory package announced by the Reserve Bank of India, the company has offered an optional moratorium to eligible customers. As per the guidelines issued by the Reserve bank of India on August 06, 2020, regarding the Resolution framework for Covid-19-related stress, the lending institutions have been permitted to implement a resolution plan in respect of eligible borrowers in accordance with the Board approved policy. Since the majority of our customers are short-term-gold loan customers and other eligible customers also were not there, the number of accounts where the resolution plan has been implemented under this window is 'NIL'.

India entered the second year of the pandemic together with the rest of the globe. The beginning of the year rang in positivity, with declining daily cases, the hope of the vaccines around the corner, and the successful management of the first wave of Covid-19. Businesses started picking up, and across sectors, reports started coming in from companies touching Pre-Covid levels. However, the much-dreaded second wave of the coronavirus came in, bringing with it more deadly variants as compared to the previous cycle. While the country felt it was geared to tackle this, this could not be further from the truth on the ground. However, since the majority of our loan book consists of gold loans there has no significant impact on the operations and financial position of the Company on account of the outbreak of the COVID-19 pandemic, during the period.

Note 50: Previous Year Figures

Previous year figures have been regrouped/reclassified/readjusted, wherever necessary, to conform to the current year's classification

For and on behalf of the Board of Directors

Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Laila Mathew

Laila Mathew
Whole-time Director
DIN: 01286176

Annamma Varghese C
Chief Financial Officer

Sreenath Palakkattillam
Company Secretary

Place: Kottayam
Date: June 28, 2021

As per our report of even date attached

For Vishnu Rajendran & Co
Chartered Accountants
Firm Reg No . 004741S

CA Meslin Z Abraham FCA, DISA
Partner
Membership No. 208529
UDIN: 21208529AAAAAR2145

MATERIAL DEVELOPMENTS

There have been no material developments since September 30, 2023 and there haven't arisen any circumstances that would materially or adversely affect the operations, or financial condition or profitability of our Company or the value of its assets or its ability to pay its liabilities within the next 12 months, except as stated below.

1. The following events that occurred from October 01, 2023 may have an impact on above calculation:

a) The Company allotted 38,67,437 Equity shares as Right Issue on October 30, 2023. The issue of equity shares of ₹10 each were made at a premium of ₹50 and ₹2,320.46 Lakhs (share capital + securities premium) was received by the Company.

b) Following loans were sanctioned for the Company:

- *New Working Capital Demand Loan Sanctioned for f 1,000 lakhs from Axis Bank on September 08,2023*
- *New Term Loan Sanctioned for f 2,000 lakhs from Axis Bank on September 08, 2023.*
- *New Term Loan Sanctioned for f 5,000 lakhs from Oxyzo Financial Services Ltd on October 10, 2023*
- *New Working Capital Demand Loan Sanctioned for f 1,000 lakhs from DCB Bank on September 27,2023.*
- *New Working Capital Demand Loan Sanctioned for f 3,500 lakhs from HDFC Bank on November 22, 2023.*
- *New Working Capital Demand Loan Sanctioned for f 2,500 lakhs from Vivriti Capital Ltd on November 22,2023.*

FINANCIAL INDEBTEDNESS

As on September 30, 2023, our Company had outstanding secured borrowings of ₹ 4,57,476.62 lakhs and unsecured borrowings of ₹ 24,795.09 lakhs. A summary of all the outstanding secured and unsecured borrowings of our Company together with a brief description of certain significant terms of such financing arrangements are as under:

A. Secured loan facilities

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2023 (in ₹ lakhs)	Security	Repayment date/ Schedule
The South Indian Bank Limited *Cash Credit Open Loan (CCOL)/Overdraft (OD)/ WCDL (Sublimitof CCOL)* Sanction letter dated March 18, 2013 Credit facility agreement dated February 25, 2013 Agreement of hypothecation dated February 25, 2013 Renewed sanction letter dated July 18, 2014 Agreement of Hypothecation dated July 18, 2014 Renewed sanction letter dated October 6, 2016 Renewed sanction letter dated April 28, 2017 Adhoc limit of ₹20 crore sanctioned *vide* letter dated April 25, 2018	*CCOL- 12,500* *Term Loan 5,000* *Bank Guarantee (Financial) – 26*	Present effective rate is 10.90% Present effective rate is 10.50%	15,990.25	Primary Security: First ranking *pari passu* charge on all present and future movable assets (excluding written down value of furniture and fixtures to the extent of ₹10,80,91,696/- on which the Income Tax Department shall have the first charge), including book debts and receivables, cash and bank balance, loans and advances, of the company, along with other charge holders. **Collateral Security:** a. 29.43 acres of commercial plot with building of 1,700 sq ft under Re Sy No.13/1, (Old Sy. No. 9/3, 9/5/9/3A, 9/5/1/, 9/6) Kottayam Village, Kerala in the name of Kosamattam Finance Limited. b. 200 cents (80.94 ares) of landed property at Re Sy No.253/9/3 of blokc no. 18 of Nattakom village, Kottayam Taluk and District in name of M/s Kosamattam Builders rep. by Jilu Mathew alias Jilu Saju. c. 4.80 ares of land with residential building (4,300 sq. ft) in Re Sy No.121/19 (Old Sy. No. 281/13/3), Block No. 23 Vijayapuram Village, Kottayam Taluk, Kottayam District in the name of Mathew K. Cherian. d. 5.10 ares of land with residential plot with building of 3990 sq.ft in Re. Sy. No. 121/20 (Old Sy. No. 281/13), Block No. 23, Vijayapuram Village, Kottayam Taluk, Kottayam District in the name of Mathew K. Cherian.	On demand Repayable in 48 installemts

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2023 (in ₹ lakhs)	Security	Repayment date/ Schedule
Revised letter dated July 6, 2018 for regularisation and closure of the adhoc CCOL limit Sanction letter dated January 31, 2019 for WCDL of ₹150 Crore as sub limit to CCOL Santion letter dated September 24, 2020 for renewing the credit facility Agreement of Hypothecation dated September 24, 2020 Sanction letter dated March 20, 2021 for renewing the credit facility Sanction letter dated November 23, 2021 Sanction letter dated June 29, 2022 Renewal Sanction letter dated January 02, 2023				e. 30.95 ares of house plot at Re. Sy. No. 14, 99, 71 of Block No. 146, Kottayam Village, Kottayam Taluk, Kottayam District in the name of M/s Kosamattam Builders rep. by Milu George alias Milu Mathew. f. 3.87 ares of commercial plot with building at Re Sy No 93/14/2 and 93/18 of Block No. 12, Kumarakom Village, Kottayam Taluk, Kottayam District in the name of Laila Mathew. g. 89.40 acres of land -Cardamom estate with 6100 sq ft old building in Old Sy.No.196/1, 91/1, 91, 92, 212 Re-Sy. No. 501, 500/2, 502,500/1 of Block No. 58, Kattappana, Village, Udumbanchola Thaluk, Idukki District in the name of Kosamattam Finance Limited h. 11.60 ares of land-Cardamom Estate in Sy. No 91/1,91,92 in Chakkupallom Village, Udummbanchola Thaluk, Idukki District in the name of M/s Kosamattam Finance Limited. i. 10.26 ares of vacant land in Sy. No. 279/4A/1, 279/4A/2, 279/4B/ 1, C/1, 157/21, 158/1, 158/2 Re Sy No.117/9-11-4 in Block no. 23, Muttambalam Village, Kottayam Taluk and Distirct in the name of Kosamattam Finance Limited. j. 13.99 ares of land with building in Old Sy No. 243, Re Sy No 7, Vellor Village, Kottayam Taluk, Kerala. **First Pari passu charge on below properties with SBI on reciprocal basis:**	

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2023 (in ₹ lakhs)	Security	Repayment date/ Schedule
				1. EM over 10.60 ares of land and building thereon in the name of Mathew K Cherian under Re Sy No 12/4 in Kottayam Village, Kottayam taluk, Kottayam district 2. EM over 6.10 ares of land and building thereon in the name of Mathew K Cherian under Re Sy No 13 in Kottayam Village, Kottayam taluk, Kottayam district 3. EM over 8.47 ares of land and building thereon in the name of Mathew K Cherian under ReSy No 12/3 Old Sy No 8/17 in Kottayam Village, Kottayam taluk, Kottayam district Personal guarantee of promoter directors – Mathew K. Cherian, Laila Mathew, Jilu Mathew and Milu Mathew. Corporate Guarantee – M/s Kosamattam Builders	
State Bank of India *Fund Based Working Capital (CC) – Book Debts/ Term Loan – Working Capital* Sanction letter dated March 28, 2015 Credit facility agreement dated June 11, 2015 Renewed sanction letter dated April 27, 2016	*Cash Credit (WCDL) - 18,000* *Term loan (working capital) – 19,449*	Pricing at 210 bps above 6-month MCLR (MCLR w.e.f. 15.08.2022 is 7.65%) (present effective rate 10.55%, 9.30% p.a.) Pricing at 225 bps above 6-month MCLR (MCLR w.e.f. 15.08.2022 is	32,321.02	First charge over entire current assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future, of the Company, on *pari passu* basis with the Secured Creditors including debenture trustees and other banks/Financial Institutions in the Multiple Banking Arrangement. Equitable mortgage over 1.85 ares of land and building thereon in the name of Mathew K. Cherian under Re Sy No 30, Old Sy No 38/26A in Changanacherry Village, Changanacherry Taluk, Kottayam District Equitable mortgage over 8.47 ares of land and	On demand 11 quarterly instalments of ₹4.25 crores and last quarterly instalment of ₹3.25 crores 18 Quarterly instalments ₹ 3.20 Crores and 1 Quarterly Installment of ₹ 2.40 Crores.

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2023 (in ₹ lakhs)	Security	Repayment date/ Schedule
Renewed sanction letter dated February 8, 2017 Renewal sanction letter dated March 1, 2019 Renewed sanction letter dated April 29, 2020 Sanction letter dated June 22, 2020 Supplemental agreement of loan for increase in the over all limit dated June 26, 2020 Supplemental agreement of hypothecation of goods and assets for increase in the over all limit dated June 26, 2020 Sanction letter dated September 08, 2021 Agreement dated September 28, 2021 Sanction letter dated September 28, 2022		7.65%) (present effective rate 10.65% p.a)		building thereon in the name of Mathew K. Cherian under Re Sy No 12/3, Old Sy No 8/17 in Kottayam Village, Kottayam Taluk, Kottayam District on pari passu first charge basis with The South Indian Bank Limited Equitable mortgage over 10.60 ares of land and building thereon in the name of Mathew K Cherian under Re Sy No. 12/4, Kottayam Village, Kottayam Taluk, Kottayam Dist on parri passu first charge basis with The South Indian Bank Limited. EM over 6.10 ares of Land and building thereon in the name of Mathew k. Cherian under Re Sy. No. 13 in Kottayam village, Kottayam taluk, Kottayam District on pari passu first charge basis with the South Indian Bank Limited. Cash collateral of ₹63.25 crores secured by lien on term deposit exclusively for cash credit. Personal guarantee of Managing Director – Mathew K. Cherian and Whole Time Director – Laila Mathew.	10 quarterly instalments of ₹ 10.50 crores and 1 quarterly instalment of ₹ 15 crores
Dhanlaxmi Bank Limited *Fund Based Working Capital - Cash Credit Facility (with sublimit of WCDL)* Sanction letter dated February 12,	*Cash Credit - (with sublimit of WCDL) - 5,000*	10.20% p. a. (presently one year MCLR 8.90% +1.30%) Floating with annual reset	4,974.24	First ranking *parri passu* charge on all movable assets (excluding the charge on the written down value of furniture and fixture of the our Company to the extent of ₹10,80,91,696/- on which Income Tax Department would be having the first charge) and current assets including book debts and receivables, cash and bank balance, loans and	On demand

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2023 (in ₹ lakhs)	Security	Repayment date/ Schedule
2016 Credit facility agreement dated February 15, 2016. Revised sanction letter dated February 17, 2017 Letter reducing rate of interest dated November 1, 2016 Enhancement Sanction letter dated October 11, 2018 for ₹5,000 lakhs Letter dated December 17, 2018 for modification of primary security for cash credit of ₹5,000 lakhs *vide* Enhancement Sanction letter dated October 11, 2018 Renewal sanction letter dated September 23, 2019 Renewal sanction letter dated September 4, 2020 Renewal Sanction letter dated September 15, 2021 Renewal Sanction letter dated July 20, 2022		Present effective rate is 10.70%, 10.50% p.a.		advances, both present and future of our Company thereon with the secured creditors including debenture trustees and other banks/financial institutions in the multiple banking arrangements with 25% margin Equitable mortgage over 11.465 cents of land under R. Sy. No 55/2, 55/3 and 55/4 of block no. 89 at Kodimatha Kara, Kottayam District Equitable mortgage over 10.52 ares 26 cents of commercial land under R Sy No 38/3 and 2.30 ares nilam land under Sy No 36 of block 27 and 109 at Panayakazhippu Kara, Kottayam District Equitable Mortgage over 145.789 cents of land under R Sy No 188/3 of block no. 6 at Arpookara Kara, Kottayam District. Personal guarantee of promoter directors – Mathew K. Cherian, Laila Mathew, Jilu Saju Varghese and Bala Mathew.	

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2023 (in ₹ lakhs)	Security	Repayment date/ Schedule
Renewal sanction letter dated August 17, 2023					
Union Bank of India *Cash Credit Facility (WCDL)* Sanction letter dated October 26, 2016 Hypothecation agreement of goods and debts dated December 23, 2016. Revised sanction letter dated December 14, 2017 Hypothecation agreement of goods and debts dated December 20, 2017. Hypothecation (Book Debts) Agreement dated December 20, 2017 Sanction letter dated December 27, 2018 Hypothecation agreement of goods and debts dated December 28, 2018. Hypothecation (Book debt) agreement dated December 28, 2018	*Cash Credit (WCDL) - 7,500* *Term Loan – 5,000*	Present rate for Cash Credit, WCDL and Term Loan is 10.75%, 10.95%, and 11.15% respectively	10,218.54	First Pari passu charge on current assets of the Company including book debts, loans and advances and receivables including gold loan receivables along with existing charge holders. Cash collateral of 25% by way of fixed deposit with the lien marked in favour of Union Bank of India. Margin- 25% Personal guarantee of promoter directors – Mathew K. Cherian, Laila Mathew and Jilu Saju Varghese.	On demand Repayable in 33 equal monthly instalments of 1.52 crores

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2023 (in ₹ lakhs)	Security	Repayment date/ Schedule
Renewed sanction letter dated June 2, 2020 Composite Hypothecation Deed (SD-20) dated July 4, 2020 Hypothecation (Book Debts) Agreement (SD-05) dated July 4, 2020 Renewal Sanction letter dated August 06, 2021 Term Loan sanction letter dated January 04, 2022 Renewal Sanction letter July 18, 2022 Renewal Sanction letter dated September 11, 2023					
CSB Bank Limited *Term Loan* Sanction letter dated November 6, 2019 Common Hypothecation Agreement dated November 14, 2019 Sanction letter dated April 01, 2020	*WCDL – 1,00,000* *Term Loan – 2,500*	Present effective rate is 9.75% p.a. for WCDL and 9.50% for Term loan	9,644.45	**Primary Security**: Pari passu first charge over entire current assets including gold loan receivables (present and future) which are standard assets along with other existing lenders under multiple banking arrangements. **Collateral Security** (WCDL): Lien noted Cash Collateral equitant to 15% of the aggregate limit. **Personal Guarantee**: Mathew K. Cherian, Managing Director, Laila Mathew, Whole time Director and Jilu Saju Varghese, Non Executive	On demand 36 monthly instalments of .69 crores

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2023 (in ₹ lakhs)	Security	Repayment date/ Schedule
Rupee Term Loan (RTL) Sanction letter dated December 31, 2020 Common Hypothecation Agreement dated December 31, 2020 Sanction letter dated March 26, 2021 on conversion of existing ODBD limit to WCDL and renewal of existing WCDL Common Hypothecation agreement dated May 26, 2021 Sanction letter dated February 01, 2022. **Sanction Letter dated February 01, 2022 and addendum sanction letter dated May 25, 2023.**				Director	
Canara Bank *Over draft against Bank Deposit (Working Capital Demand Loan)* Sanction letter dated September 26, 2017 Common Hypothecation Agreement dated September 27,	*Term Loan – 4,000.00*	Present effective rate is 9.50%, 9.75% and 9.85%.	9,950.34	**Primary Security:** First charge over all movable assets and current assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future, of the Company, (excluding value of furniture and fixtures to the extent of Rs.10.81 crores on which Income Tax Department shall have first charge) on pari-passu basis with all working capital lenders and debenture holders with ACR of not less than 1.33 times.	To be repaid in 45 instalments of ₹ 0.89 Crores each for first 44 months and remaining 45th instalment of ₹ 0.84 Crores

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2023 (in ₹ lakhs)	Security	Repayment date/ Schedule
2017 Guarantee Agreement dated September 27, 2017 Enhancement sanction letter dated November 30, 2018				**Collateral:** Cash margin in the form of fixed deposits to the extent of 25 % of the exposure. **Personal Guarantee:** 1. Mathew K. Cherian, 2. Laila Mathew and 3. Jilu Saju Varghese.	
Rupee Term Loan (RTL)					
Sanction letter dated November 6, 2019 Common Hypothecation Agreement dated November 14, 2019				First charge over all movable assets and current assets, including book debts and receivables, cash and bank balancs, both present and future of the company on pari passu basis with all working capital lenders and debenture holders with ACR of 1.33 times.	
Sanction letter dated April 01, 2020 Sanction letter dated December 31, 2020 Common Hypothecation Agreement dated December 31, 2020	*Term Loan – 5,000*			**Primary Security:** First charge over all movable assets and current assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future, of the Company, (excluding value of furniture and fixtures to the extent of Rs.10.81 crores on which Income Tax Department shall have first charge) on pari-passu basis with all working capital lenders and debenture holders with ACR of not less than 1.33 times. **Collateral:** Cash margin in the form of fixed	To be repaid in 45 intallments of ₹1.11 crores each for first 44 months and remaining 45th instalments of ₹1.16 crores.

Name of the lender, facility and details of documentation	**Amount sanctioned (in ₹ lakhs)**	**Rate of interest**	**Amount outstanding as on September 30, 2023 (in ₹ lakhs)**	**Security**	**Repayment date/ Schedule**
Sanction Letter dated October 20, 2021	*Term Loan - 4,000*			deposits to the extent of 25 % of the exposure. **Personal Guarantee**: 1. Mathew K. Cherian, 2. Laila Mathew and 3. Jilu Saju Varghese	To be repaid in 35 installments of ₹ 1.11 crores and one instalment of ₹ 1.15 crores.
Hypothecation Agreement dated October 29, 2021				**Primary Security:** First charge over all movable assets and current assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future, of the Company, (excluding value of furniture and fixtures to the extent of Rs.10.81 crores on which Income Tax Department shall have first charge) on pari-passu basis with all working capital lenders and debenture holders with ACR of not less than 1.33 times.	
	Term Loan – 2,500				
Sanction letter dated September 29, 2022	*Term Loan – 5,000*				
Sanction letter dated March 18, 2023.				**Collateral:** Cash margin in the form of fixed deposits to the extent of 25 % of the exposure. **Personal Guarantee**: 1. Mathew K. Cherian, 2. Laila Mathew and 3. Jilu Saju Varghese **Primary Security:** First charge over all movable assets and current assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future, of the Company, (excluding value of furniture and fixtures to the extent of Rs.10.81 crores on which Income Tax Department shall have first charge) on pari-passu basis with all working capital lenders and debenture holders with ACR of not less than 1.33 times.	To be repaid in 35 monthly Installemts of ₹ 0.70 crores and 1 installment of ₹ 0.50 crores

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2023 (in ₹ lakhs)	Security	Repayment date/ Schedule
				Collateral: Cash margin in the form of fixed deposits to the extent of 25 % of the exposure. **Collateral:** Cash margin in the form of fixed deposits to the extent of 15 % of the exposure.	To be repaid in 35 monthly instalments of ₹1.39 Cr. and 1 instalment of ₹1.35 Cr.
The Karur Vysya Bank Limited *Cash Credit Facility against Bank Deposit (Working Capital Demand Loan) – as sublimit to CCBD* Sanction letter dated September 13, 2017 Agreement of Guarantee dated September 15, 2017 Working Capital Demand Loan Agreement dated August 15, 2017 Hypothecation agreement for cash credit overdraft dated September 15, 2017 Hypothecation Agreement for cash credit/overdraft dated April 02, 2019. Renewal sanction letter dated April 2, 2019 Enhancement of facilities *vide*	*CCBD (WCDL) - 5,000* *Term Loan - 2,500 lakhs* *Term Loan - 5,000 lakhs*	Present effective rate for CCBD and WCDL is 10.75%, 10.80% and 10.30% p.a., respectively	10,519.16	First *pari passu* charge on current assets, booked debts, loans and advances and receivables including gold loan receivables with a margin of 15% 25% cash margin (value of ₹ 1,875 lakhs) 15% by way of cash margin and immovable property as below:- Land and Commercial Building situated at S F No.122 Part and 123 Part, New Ward.AL (AK) ,Block NO.10 , New T S NO.42 ,Karumandapam , K.Abhishekapuram Village ,Tiruchirappalli West Taluk. Tiruchirapalli- 620001 admeasuring 2290 sq ft with builtup area of 1989 sq.ft standing in the name of Kosamattam Finance Limited Personal guarantee of promoter directors – Mathew K. Cherian, Laila Mathew and Jilu Saju Varghese.	On demand 12 equal instalments of ₹ 2.08 Crores Repayable in 11 quarterly instalments

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2023 (in ₹ lakhs)	Security	Repayment date/ Schedule
Sanction letter dated December 2, 2020 Sanction letter dated December 13, 2021 Facility Agreement dated December 23, 2021 Facility Agreement dated December 21, 2023 and Addendum sanction letter dated February 23, 2023					
Bank of Baroda *Cash Credit Facility with sublimit for Working Capital Demand Loan* Sanction letter dated December 18, 2017 Composite Hypothecation Agreement dated December 27, 2017 Letter dated October 31, 2018 for increasing interest rate. Renewal sanction letter dated April 10, 2019 Sanction letter issued by Vijaya Bank dated March 16, 2018.	*Cash Credit facility – 7,500* *Term Loan* – 13,333.00	2.20% over one year MCLR (applicable on the date of review) + Strategic Premium i.e.9.90%, 10.60%,and 10.30% p.a. at present. 2.20% Over one year MCLR + SP i.e. 9.85% p.a. at	19,366.93	First *pari passu* charge over the loan assets or book debts funded out of the bank loan with a minimum cover of 1.33 times. Cash collateral of 25% of the sanctioned limit. Cash collateral of 25% of the sanctioned loan limit in the form of term deposit to be kept for the tenure of the loan along with interest credited to the deposit account and lien marked in favour of the bank. Personal guarantee of promoter directors – Mathew K. Cherian, Laila Mathew and Jilu Saju Varghese. First pari-passu charge by way of hypothecation of all chargeable current assets, book. debts, loans and advances and receivables includes gold loan receivables of the Company both present and future along with other fenders including NCD holders.	12 months subject to annual review 36 months subject to annual review 12 quarterly instalments

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2023 (in ₹ lakhs)	Security	Repayment date/ Schedule
Agreement for hypothecation of supply bills and book executed with Vijaya Bank dated June 19, 2018. Agreement for demand cash credit against hypothecation of stocks and book executed with Vijaya Bank dated June 19, 2018. Sanction letter dated December 31, 2020 Composite Hypothecation Agreement dated December 31, 2020 Sanction letter dated March 30, 2022 Sanction letter dated July 24, 2023		present with reset of MCLR annually		Any underlying / receivables classified as NPA / overdue receivables respectively should be replaced / excluded. Minimum Security Coverage of 1.33 times to be maintained. **Collateral:** Cash Collateral of minimum 25% of the sanctioned limit in the form of Term Deposit to be kept in the form of the tenure of the loan. **Personal Guarantee:** Mr. Mathew K. Cherian , Mrs. Laila Mathew and Mrs. Jilu Saju Varghese	
Punjab National Bank *Cash Credit Facility with sublimit for Working Capital Demand Loan* Sanction letter dated January 5, 2018. Agreement of Hypothecation of Assets dated January 20, 2018	*Cash Credit (Book Debt)-* *-* *1,000* *Working Capital Demand Loan - 1,500*	Benchmark 1 year MCLR of the bank plus spread of 2.00% chargeable on monthly rests. Present effective rate being 10.95 and 11.25% p.a	2,481.72	First *pari passu* charge with the existing secured creditors on entire current assets and all movable assets, including book debt and receivables, cash and bank balances, loan and advances, both present and future of the Company. Margin 25%, Minimum asset coverage – 1.33 times Collateral – Duly discharge term deposit of ₹6.25 crores. Personal guarantee of promoter directors – Mathew	For a period of one year.

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2023 (in ₹ lakhs)	Security	Repayment date/ Schedule
Renewal sanction letter dated July 7, 2019 Renewal sanction letter dated October 17, 2020 Renewal Sanction letter dated February 08, 2022				K. Cherian (₹45.40 crores) and Laila Mathew (₹6.67 crore).	
DCB Bank Limited Sanction letter dated August 05, 2019 Deed of hypothecation by borrower dated August 19, 2019 Agreement for revolving WCDL facility dated August 19, 2019 Deed of hypothecation dated July 29, 2020 Enhancement of facilities *vide* sanction letter dated March 23, 2021 Sanction letter dated June 13, 2022	*Working capital demand loan (WCDL) -4,000*	Present effective rate is 9.5% p.a.	3,989.06	Pari-passu charge on entire current assets including entire loan receivables of the Company along with other participating banks & secured debenture holders. Minimum asset cover of 1.10 times of the loan outstanding with DCB Bank at all times. Cash margin @ 10% Guarantee: Mathew K. Cherian, Laila Mathew and Jilu Saju Varghhse	On 89 days of disbursement and rollover in 2 days
The Federal Bank Limited Agreement for working capital facility dated December 31, 2020 Sanction letter dated December 31, 2020	*LDS Working Capital Loan – 120* *Cash Credit – 80*	Repo+4.35% Present effective Rate is 10.60% Present effective	15,155.64	**Primary:** First pari passu charge by way of hypothecation over the Gold Loan receivables along with debenture trustees and other Banks/ Multiple Banking Arrangement. **Collateral**: 25% of the total limit sanctioned to the company in the form of term Deposit.	For 12 months Repayment in 18 equal instalments Repayment in 14 equal instalments

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2023 (in ₹ lakhs)	Security	Repayment date/ Schedule
Sanction letter dated September 29, 2021 Loan Agreement dated September 29, 2021 Sanction Letter dated September 27, 2022 Foreign currency term loan vide sanction letter dated June 26, 2023 Sanction letter dated September 29, 2023	*WCDL – 6,000* FCTL – 4,000 Term Loan - 5,000	Rate is 10.40% Present effective rate is 10.50% Present effective rate is 10.50%		Collateral:- 15% of the total limit sanctioned to the company in the form of term Deposit. Collateral:- 15% of the total limit sanctioned to the company in the form **Personal Guarantee**: Mathew K. Cherian and Laila Mathew.	Repayment in 18 equal instalments
Bank of Maharashtra Sanction letters dated March 03, 2021 and March 04, 2021. Deed of Hypothecation for all facilities dated March 31, 2021 **Sanction letter dated April 24, 2023**	*Term Loan-10,000* *Term Loan-10,000*	. 1 year MCLR+1.60% Present effective rate is 10.10% p.a.	15,217.03	**Primary:** First Pari-Passu charge by way of Hypothecation of standard loan receivables of the company to the extent of 125 times of outstanding loan. **Collateral Security:** 20% of the sanctioned amount in the form of fixed deposit **Personal Guarantee:** 1. Mr. Mathew K. Cherian, Managing Director 2. Laila Mathew, Whole-Time Director	Span of Repayment- Door –To-Door: 60 Months Moratorium-3 months Repayment of Principal: 57 Months Repayment Commercial Date: After the Moratorium period of 3 months Repayment end date: within 5 years from first disbursement Repayment in 57 installments of `1.577 Cr.
IDFC First Bank Limited	*Term Loan -*	10.25% p.a.	12,446.25	First Pari-passu charge of present and future book	Door to door 24

Name of the lender, facility and details of documentation	**Amount sanctioned (in ₹ lakhs)**	**Rate of interest**	**Amount outstanding as on September 30, 2023 (in ₹ lakhs)**	**Security**	**Repayment date/ Schedule**
Sanction letter dated November 20, 2021 Deed of Hypothecation dated December 10, 2021 Facility Agreement dated December 10, 2021 New Term Loan sanction letter dated September 03, 2022 Sanction letter dated September 25, 2023	*5,000* *Term Loan – 10,000* *CC – 500*	10.50% p.a. 12 months MCLR plus a spread of 1.55% Present effective Rate is 10.64% Present effective Rate is 10.95%		debts and receivables with a security cover of 1.15x Collateral :15% cash deposit Personal guarantee of Mr. Mathew K. Cherian and Mrs. Laila Mathew	months. Equal monthly repayment from the date of disbursement. Door to door 30 months. Equal monthly repayment from the date of disbursement
Tata Capital Financial Services Limited Sanction letter dated September 20, 2021 Deed of Hypothecation dated September 28, 2021 Loan agreement dated September 28, 2021 New Term Loan sanction letter dated September 16, 2022	*Term Loan - 2,500 lakhs* *Term Loam – 1,607 lakhs*	Present effective rate is 11%	2,098.00	First pari passu charge by way of hypothecation of Standard loan receivables of the company, with a minimum asset cover of 1.33x (Standard Assets) of outstanding loan Collateral :15% cash deposit Personal guarantee of Mr. Mathew K. Cherian and Mrs. Laila Mathew	36 months including 3 months moratorium Repayment in 36 equal installments
Indian Bank Sanction letter dated November 15, 2021 Agreement of Hypothecation	*Term Loan - 2,500* *CC/WCDL - 1,000*	1 year MCLR (7.30%) +3.25% Present effective rate -11.45%	3,500.16	Pari-passu charge by way of hypothecation/assignment over specific standard receivables/book debts in respect of specific loans (excluding assets ineligible for bank financing, asset securitised and pertaining to group concerns) disbursed by the company to individual borrowers	Repayment in 30 monthly instalments after moratorium period of 6 months I year

Name of the lender, facility and details of documentation	**Amount sanctioned (in ₹ lakhs)**	**Rate of interest**	**Amount outstanding as on September 30, 2023 (in ₹ lakhs)**	**Security**	**Repayment date/ Schedule**
dated December 10, 2021 Term Loan Agreement dated December 10, 2021 Term Loan Sanction letter dated October 13, 2022	Term loan – 2,500	1 year MCLR (7.85%) + 2.25% Present effective rate is 10.10%		with 1.20 times coverage of loan outstanding at any point of time by replacing the closed loans/NPA loans with fresh loans. Collateral :15% cash deposit Personal guarantee of Mr. Mathew K. Cherian , Mrs. Laila Mathew and Mrs. Jilu Saju Varghese	
Northern Arc Capital Sanction letter dated September 27, 2022 Sanction letter dated March 16, 2023 Sanction letter dated August 28, 2023	*Term Loan 4,000.00* *Term Loan 2,500.00* Term Loan 2,500	Present effective Rate -11.00%	5,689.63	First pari-passu charge on all existing and future movable assets including intangibles, book debts, and current assets of the Borrower (including gold loan receivables, book debts, stock in trade etc.) subject to the charge the Income Tax Department has in terms of applicable law on the furniture and fixtures of written down value of Rs. 10,80,91,696 indicated in the Order u/s.281 dated 26/12/2018 to be excluded from the permission granted thereunder under clause (ii) of section 281 of the Income Tax Act, 1961. Personal guarantee of Mr. Mathew K. Cherian and Mrs. Laila Mathew	18 monthly instalments. Repayable in 15 monthly instalments Repayable in 15 monthly instalments
HDFC Bank Limited Sanction letter dated February 28, 2022 Sanction letter dated July 15, 2023	*WCDL – 5000.00 lakhs*	Present effective rate – 9.50%	10,000.00	First Pari-passu charge over entire current assets of the company including gold loan receivables (Present and future) which are standard assets along with other existing lenders under MBA with 15% margin. Collateral: 15% cash margin Personal Guarantee of Mr. Mathew K.Cherian and Mrs. Laila Mathew	On demand

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2023 (in ₹ lakhs)	Security	Repayment date/ Schedule
ESAF Small Finance Bank Limited Sanction letter dated March 09, 2022 Sanction letter dated February 02, 2023	*Term Loan – 3,000 lakhs* *Term Loan – 3,000 lakhs*	Repo Rate + 6.50% Present effective Rate – 11% and 12%	3,191.00	First pari-passu charge on current assets, book debt, loans and advances and receivables including gold loan receivables (excluding investment made by way of NCDs and loans given to group companies/related parties) with 15% Margin. Collateral: 10% Cash Deposit Personal Guarantee of Mr. Mathew K.Cherian and Mrs. Laila Mathew	In 8 quarterly Installments Repayable in 21 monthly instalments
Bandhan Bank Limited Sanction letter dated August 26, 2022 Sanction letter dated August 28, 2023	*Term Loan 10,000* *Overdraft – 100* Term Loan 14,900	Present effective Rate -11.60 % Present effective rate -11.30% Present effective rate -11.00%	8,861.99	1st paripassu charge over the receivables of the company (Standard) with security coverage ratio of 1.10x times 1st paripassu charge over the receivables of the company (Standard) with security coverage ratio of 1.10x times Personal Guarantee of Mr. Mathew K.Cherian and Mrs. Laila Mathew	12 equal monthly instalments with a moratorium of 3 months. On demand 15 equal monthly instalments
Equitas Small Finance Bank Limited Sanction letter dated September 16, 2022	*Term loan – 1500*	11.10% p.a	400.00	First paripassu charge by way of hypothecation of all chargeable current assets, book debts, loans and advances and receivables including gold loan receivables of the company both present and future with a cover of 1.10x Collateral: 10% Cash Deposit Personal Guarantee of Mr. Mathew K.Cherian, Mrs. Laila Mathew and Mrs. Jilu Saju Varghese	15 equal monthly instalments
Jana Small Finance Bank Sanction letter dated December 20, 2022	*Term loan – 5,000 lakhs* *Term loan –*	ELBR + Spread of 4.70%	8,289.00	A paripassu first charge by way of hypothecation over the entire receivables of the company. Personal Guarantee of Mr. Mathew K.Cherian and Mrs. Laila Mathew	15 equal monthly instalments

Name of the lender, facility and details of documentation	**Amount sanctioned (in ₹ lakhs)**	**Rate of interest**	**Amount outstanding as on September 30, 2023 (in ₹ lakhs)**	**Security**	**Repayment date/ Schedule**
Sanction letter dated June 22, 2023	*6,500 lakhs*	Present effective rate – 11.00% p.a, 11.80%			24 equal monthly instalments
Uco Bank Sanction letter dated November 28, 2022	*Term loan – 2,000*	MCLR for one year (7.95% p.a. at present) + 2.20% Present effective rate is 10.15% p.a.	1,499.00	Paripassu first charge over gold loan receivables and standard other current assets both present and future. Collateral : 10% Cash Deposit Personal Guarantee of Mr. Mathew K.Cherian and Mrs. Laila Mathew	Door-to-Door tenor is 36 months
Vivriti Capital Private Limited Sanction letter dated November 28, 2022 Sanction letter dated June 23, 2023	*Term loan – 4,000* Term loan – 1,500	Present VCPL 6 month Index rate + Spread Present effective rate is 11.00% p.a.	3,917.00	First paripassu charge of present and future entire book debts and receivables of the borrower. Personal Guarantee of Mr. Mathew K.Cherian and Mrs. Laila Mathew	24 equal monthly instalments 24 equal monthly instalments
IndusInd Bank Limited Sanction letter dated December 16, 2022 and Addendum to the sanction letter dated December 16, 2022	*WCDL – 5,000* *Cash Credit – 2,000 (Sublimit of WCDL)*	As mutually agreed	**5,000.00**	First paripassu change on receivables including gold loan receivables with banks under MBA and NCD holders Personal Guarantee of Mr. Mathew K.Cherian, Mrs. Laila Mathew and Mrs. Jilu Saju Varghese	Maximum up to 12 months
City Union Bank	WCTL – 1000	One year MCLR + 1.60% Present effective rate is 10.00%	768.00	First paripassu charge on standard book debts, Receivables, and current assets along with existing paripassu charge holders. Personal Guarantee of Mr. Mathew K Cherian and Mrs. Laila Mathew.	24 equal monthly installments
Indian Overseas Bank	Term Loan – 2,500	One year MCLR + SP .20% + RP 3.05%	2,057.48	First paripassu charge by way of assignment/ hypothecation of Book Debts pertaining to Standard/ regular underlying Assets. Collateral:- 20% Cash Deposit	24 equal monthly installments

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2023 (in ₹ lakhs)	Security	Repayment date/ Schedule
		Present effective Rate is 10.40% p.a		Personal Guarantee of Mr. Mathew K Cherian and Mrs. Laila Mathew.	
Karnataka Bank	Fresh DPN Loan – 2,500	Present effective rate is 10.25%	2,274.96	Paripassu first charge on the Standard receivables/Book Debts of the Company with Minimum Asset Cover of 1.10 times of the outstanding loan amount at any point of time. Personal Guarantee of Mr. Mathew K Cherian and Mrs. Laila Mathew.	Repayable in 32 equal monthly instalments
STCI Finance Limited	Term Loan – 2,500	Present effective rate is 11%	2,500.00	Hypothecation of current assets. Personal Guarantee of Mr. Mathew K Cherian and Mrs. Laila Mathew.	₹ 5 crores each in the 10th and 11th month post disbursement and ₹ 15 crores at the end of 12th month post disbursement.
Woori Bank	Term Loan – 4,000 lakhs	Effective rate is 9.00%	3,500.00	Paripassu first charge bt way of hypothecation of gold loan and other current receivables.	24 Equal intallments
Yes Bank	WCDL – 5,000	Effective Rate is 10.15%	5,000.00	First Paripassu first charge on standard book debts, receivables and Current assets with 1.15x cover in line with existing paripassu charge holders. Collateral: - 15% Cash Deposit Personal Guarantee of Mr. Mathew K Cherian, Mrs. Laila Mathew and Mrs. Jilu Saju Varghese	12 months
Kotak Mahindra Bank	WCDL – 3,000	Effective Rate is 10.65%	3,000.00	First paripassu charge on standard receivables including gold loan receivables Personal Guarantee of Mr. Mathew K Cherian, and Mrs. Laila Mathew	Maximum 180 days tranche

As on September 30, 2023, our Company’s total outstanding bank borrowing was 2,33,820.85 lakhs.

- **Secured Non-Convertible Debentures**

Our Company has issued, on private placement basis, secured redeemable non-convertible debentures under various series of which ₹ 9.40 lakhs was cumulatively outstanding as on September 30, 2023, the details of which are set forth below.

Debenture Series	Date of Allotment	Coupon (in %)	Amounts outstanding as on September 30, 2023 (in ₹ lakhs)	Tenure	Redemption Date	Security
Kosamattam Secured Bonds*	August 18, 2010 to January 24, 2014	10% to 12.75%	9.40	36 months to 66 Months	July 01, 2019	First ranking *pari passu* charge over all movable assets including book debts and receivables, cash and bank balances; loans and advances, both present and future of the Company pertaining to loans granted by the Company
Total			**9.40**			

**Redemption date is expired and pending for disbursement because of the existence of pending suit between the heirs.*

Our Company has issued, on private placement basis, secured redeemable non-convertible debentures of which ₹ 2,500 lakhs outstanding as on September 30, 2023, the details of which are set forth below.

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2023 (in ₹ lakhs)	Date of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Unlisted Privately placed Secured Redeemable Non-Convertible Debenture	15 Months	11%	2,500	30 August,2023	30 November, 2024	NA	2,500

Restrictive Covenants

Our financing agreements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the lenders before carrying out such activities. For instance, our Company, *inter-alia*, is required to obtain the prior written consent in the following instances:

- to declare dividend other than from the profits for the current year;

- for any change in the management/constitution, takeovers/mergers etc. or any expansion, new project/investment/acquiring assets under lease/enter into borrowing arrangements;

- to undertake any new project, or diversification, modernisation or substantial expansion of the project, or alter the financing plans or the scope of the project whether by way of any reduction or increase to its size, layout, specification or quality or otherwise;

- engage in any business or activities other than those which the borrower is currently engaged in, either alone or in partnership or joint venture with any other person, nor acquire any ownership interest in any other entity or person or enter into any profit sharing or royalty agreement or other similar arrangement whereby the borrower's income or profits are, or might be shared with any other entity or person, or enter into any management contract or similar arrangement whereby its business or operations are managed by any other person;

- to contract, create, incur, assume or suffer to exist any indebtedness in any manner whatsoever except as otherwise permitted under the credit facility agreement. This provision shall not apply to normal trade guarantees;

- to prepay any indebtedness incurred by the borrower. If the bank permits the borrower to prepay any such indebtedness the borrower shall if so required by the bank, make proportionate prepayment to the bank subject to such conditions (including payment of prepayment charges) as may be stipulated by the bank;

- to pay any commission to its promoters, directors, trustees, members, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability in connection with any indebtedness incurred by the borrower or in connection with any other obligation undertaken for or by the borrower;

- to create any subsidiary or permit any company/other entity to become its subsidiary;

- to undertake or permit any merger, de-merger, consolidation, reorganisation, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction or change its constitution;

- make any investments whether by way of deposits, loans, or investments in share capital or otherwise, in any concern or provide any credit or give any guarantee, indemnity or similar assurance except as otherwise permitted under the credit facility agreement. This provision shall not apply to loans and advances granted to staff or contractors or suppliers in the ordinary course of business;

- to create or permit to subsist any encumbrance (save and except for securing borrowings for working capital requirements in the ordinary course of business, up to the limit approved by the bank) or any type of preferential arrangement (including retention arrangements or escrow arrangements having the effect of granting security), in any form whatsoever on any of its assets including Intellectual Property and Intellectual Property Rights, or (b)(whether voluntarily or involuntarily) sell, transfer, grant lease or otherwise dispose of or deal with (or agree to do any of the foregoing at any future time), all or any of its assets including Intellectual Property and Intellectual Property Rights;

- carry out or permit any material amendment, termination or cancellation of any (i) project document including any agreements with its machinery suppliers, collaborators, technical consultants and suppliers of raw materials, or (ii)agreements, documents or arrangements entered into with, or executed in favour of, any other bank or providers of funds;

- declare or pay any dividend or authorise or make any distribution to its shareholders: (a) unless it has paid all the dues in respect of the facilities up to the date on which the dividend is proposed to be declared or paid, or has made satisfactory provisions therefor, and/or (b) if an event of default has occurred and is subsisting or would occur as a result of such declaration or payment of dividend or authorisation or making of distribution;

- (a) buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any of its share capital now or hereafter outstanding, or set aside any funds for the foregoing purposes, or (b) issue any further share capital whether on a preferential basis or otherwise or change its capital structure in any manner whatsoever;

- change such of the financial year-end which has been intimated to the bank (or such other date as may be approved by the bank);

- change the accounting method or policies currently followed by the borrower;

- amend or modify its Memorandum and Articles of Association/Bye Laws/Trust Deeds;

- the borrower shall not compound or release any of the book-debts/receivables nor do anything whereby the recovery of the same may be impeded, delayed or prevented without obtaining prior consent in writing of the bank;

- the borrower shall not undertake guarantee obligation on behalf of any third party or any other company/firm etc. without the prior written consent of the bank

- the borrower shall not alienate or dispose of or charge or encumber any of the securities provided to the bank without the written consent of the bank;

- the moneys brought in by the borrowers/partners/friends/relatives/principal shareholders/directors/ depositors/other associate firms/group companies for financing the needs of the borrower will not be allowed to be withdrawn, during the currency of the said credit facility, without the permission of the bank.

B. Public issue of secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 1,859.19 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	Tenure	Coupon	Amounts outstanding a on Septembe 30, 2023 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD IX)	84 months	10.41%	1,859.19	February 01, 2017	January 31, 2024	IND A-/ Stable by India Ratings	30,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

Our Company *vide* a public offer, issued secured and unsecured, redeemable, non-convertible debentures of which ₹ 1,249.07 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2023 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Unsecured Subordinated Redeemable Non-Convertible Debenture (NCD X)	86 months	10.16%	1,249.07	May 09, 2017	July 08, 2024	IND A-/ Stable by India Ratings	2,500.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 1,336.08 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	**Tenure**	**Coupon**	**Amounts outstanding as on September 30, 2023 (in ₹ lakhs)**	**Dates of Allotment**	**Redemption Date**	**Credit Rating**	**Total Issue Size (Principal amount) (in ₹ lakhs)**
Secured Redeemable Non-Convertible Debenture (NCD XI)	88 months	9.91%	1,336.08	August 29, 2017	December 27, 2024	IND A-/ Stable by India Ratings	22,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

Our Company *vide* a public offer, issued secured and unsecured, redeemable, non-convertible debentures of which ₹ 3,000.00 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	**Tenure**	**Coupon**	**Amounts outstanding as on September 30, 2023 (in ₹ lakhs)**	**Dates of Allotment**	**Redemption Date**	**Credit Rating**	**Total Issue Size (Principal amount) (in ₹ lakhs)**
Unsecured Subordinated Redeemable Non-Convertible Debenture (NCD XII)	88 months	10% and 9.91%	3,000.00	January 08, 2018	May 07, 2025	IND A-/ Stable by India Ratings	3,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 1,660.76 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2023 (in ₹ lakhs)	Date of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XIII)	88 months	9.91%	1,660.76	April 23, 2018	August 22, 2025	IND A-/ Stable by India Ratings	30,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

Our Company *vide* a public offer, issued secured and unsecured, redeemable, non-convertible debentures of which ₹ 2,842.80 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2023 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Unsecured Subordinated Redeemable Non-convertible Debenture (NCD XIV)	84 months	10.25% to 10.41	2,842.80	September 24, 2018	September 23, 2025	IND A-/ Stable by India Ratings	3,000.00

The principal amount of the Secured NCDs with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon and first ranking *pari passu* charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. No.(OLD No.41/18C) New F/18C-1 Full extent in 150 sq. meters.

Our Company *vide* a public offer, issued secured and unsecured, redeemable, non-convertible debentures of which ₹ 2,419.76 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2023 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XV)	60 months	10.00%	439.63	January 31, 2019	January 30, 2024	IND A-/ Stable by India Ratings	26,000.00
Unsecured Subordinated Redeemable Non-Convertible Debenture (NCD XV)	84 months	10.25% to 10.41%	1,980.13	January 31, 2019	January 30. 2026	IND A-/ Stable by India Ratings	4,000.00

The principal amount of the Secured NCDs with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon and first ranking *pari passu* charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. No.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. meters.

Our Company *vide* a public offer, issued secured and unsecured, redeemable, non-convertible debentures of which ₹ 2,099.74 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2023 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XVI)	60 months	10.47%	383.84	May 06, 2019	May 04, 2024	IND A-/ Stable by India Ratings	27,500.00
Unsecured Subordinated Redeemable Non-Convertible Debenture (NCD XVI)	84 months	10.25% to 10.41%	1,715.90	May 06, 2019	May 05, 2026	IND A-/ Stable by India Ratings	2,500.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured and unsecured, redeemable, non-convertible debentures of which ₹ 3,094.65 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	**Tenure**	**Coupon**	**Amounts outstanding as on September 30, 2023 (in ₹ lakhs)**	**Dates of Allotment**	**Redemption Date**	**Credit Rating**	**Total Issue Size (Principal amount) (in ₹ lakhs)**
Secured Redeemable Non-Convertible Debenture (NCD XVII)	60 months	10.00%	642.34	August 21, 2019	August 20, 2024 to August 20, 2024	IND A-/ Stable by India Ratings	27,500.00
Unsecured Subordinated Redeemable Non-Convertible Debenture (NCD XVII)	84 months	10.25% to 10.41%	2,452.31	August 21, 2019	August 20. 2026	IND A-/ Stable by India Ratings	2,500.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 6,850.83 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	**Tenure**	**Coupon**	**Amounts outstanding as on September 30, 2023 (in ₹ lakhs)**	**Dates of Allotment**	**Redemption Date**	**Credit Rating**	**Total Issue Size (Principal amount) (in ₹ lakhs)**
Secured Redeemable Non-Convertible Debenture (NCD XVIII)	48, 66 and 84 months	10.25% to 10.71%	6,850.83	December 10, 2019	December 09, 2023 to December 09, 2026	IND A-/ Stable by India Ratings	35,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 6713.15

lakhs was outstanding as on September 30, 2023:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2023 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XIX)	48 and 66 months	10.67% to 10.71%	3,987.42	29 May, 2020	28 May, 2024 to 28 November 2025	IND A-/ Stable by India Ratings	27,000.00
Unsecured Subordinated Redeemable Non-Convertible Debenture (NCD XIX)	84 months	10.25% to 10.41%	2,725.73	29 May 2020	28 May 2027	IND A-/ Stable by India Ratings	3,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 15,815.26 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2023 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ` lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XX)	39, 42, 50, 84 months	10.00% to 10.75%	15,815.26	14 October, 2020	12 January 2024 to 13 October 2027	IND A-/ Stable by India Ratings	30,000.00

The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of creating security over on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹ 10,80,91,696/-), including book debts and receivables, cash and bank balances, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 22,556.39 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2023 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XXI)	39, 48 and 66 months	10.47% to 10.75%	19,759.45	January 23, 2021	22 April, 2024 to 22 July, 2026	BWR BBB+ outlook stable by Brickwork Ratings	32,000.00
Unsecured Subordinated Redeemable Non-Convertible Debenture (NCD XXI)	84 months	10.25% to 10.41%	2,796.94	January 23, 2021	22 January 2028	BWR BBB+ outlook stable by Brickwork Ratings	3,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 20,728.86 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2023 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XXII)	36, 42 and 48 months.	9.25% to 10.67%	18,143.60	29 April 2021	28 April 2024 to 28 April 2025	BWR BBB+ outlook stable by Brickwork Ratings	31,000.00
Unsecured Subordinated Redeemable Non-Convertible Debenture (NCD XXII)	66 and 84 months	10.25% to 10.41%	2,585.26	29 April 2021	28 October 2026 and 28 April 2028	BWR BBB+ outlook stable by Brickwork Ratings	4,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 22,116.89 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	**Tenure**	**Coupon**	**Amounts outstanding as on September 30, 2023 (in ₹ lakhs)**	**Date of Allotment**	**Redemption Date**	**Credit Rating**	**Total Issue Size (Principal amount) (in ₹ lakhs)**
Secured Redeemable Non-Convertible Debenture (NCD XXIII)	36, 42, 50, 72 and 84 months.	9% to 10.41%	22,116.89	30 September 2021	29 September 2024 to 29 September 2028.	BWR BBB+ outlook stable by Brickwork Ratings	30,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹ 10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 38,377.56 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	**Tenure**	**Coupon**	**Amounts outstanding as on September 30, 2023 (in ₹ lakhs)**	**Date of Allotment**	**Redemption Date**	**Credit Rating**	**Total Issue Size (Principal amount) (in ₹ lakhs)**
Secured Redeemable Non-Convertible Debenture (NCD XXIV)	18, 36, 42, 48, 54, 60 and 88 months.	8.04% to 10.00%	38,377.56	18 April 2022	17 October 2023 to 17 August 2029.	'IND A-/ Stable', by India Ratings & Research Private Limited	40,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹ 10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 25,148.02 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2023 (in ₹ lakhs)	Date of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XXV)	36, 42, 48, 54, 60 and 88 months.	8.50% to 9.91%	25,148.02	August 11, 2022	10 August, 2025 to 10 December 2029.	BWR BBB+ outlook stable by Brickwork Ratings	35,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹ 10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 27,362.04 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2023 (in ₹ lakhs)	Date of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XXVI)	18, 24, 30, 36, 39, 48, 54 and 88 months.	8.00% to 9.91%	27,362.04	January 16, 2023	15 July 2024 to 15 May 2030.	'IND A-/Stable', by India Ratings & Research Private Limited	40,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹ 10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 17,263.46 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	**Tenure**	**Coupon**	**Amounts outstanding as on September 30, 2023 (in ₹ lakhs)**	**Date of Allotment**	**Redemption Date**	**Credit Rating**	**Total Issue Size (Principal amount) (in ₹ lakhs)**
Secured Redeemable Non-Convertible Debenture (NCD XXVII)	15, 24, 30, 36, 39, 48, 54 and 88 months.	8.50% to 9.91%	17,263.46	April 29, 2023	28 July 2024 to 28 August 2030.	'IND A-/Stable', by India Ratings & Research Private Limited	30,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹ 10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company vide a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 20,000 lakhs was outstanding as on September 30, 2023:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2023 (in ₹ lakhs)	Date of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XXVIII)	20, 24, 30, 36, 39, 48, 54 and 88 months.	8.52% to 10.00%	20000	September 28, 2023	27 May 2025 to 27 January 2031.	'IND A-/Stable', by India Ratings & Research Private Limited	20,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹ 10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Unsecured facilities

- **Unsecured Non-Convertible Debentures**

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2023 (in ₹ lakhs)	Date of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Unsecured Non-Convertible Debentures in the nature of Subordinated Debt	61 months.	10.00%	790.25	30 April, 2022	30 May, 2027	NA	2,500.00
Unsecured Non-Convertible Debentures in the nature of Subordinated Debt	61 months.	10.00%	1,118.25	21 September, 2022	20 October, 2027	NA	2,000.00
Unsecured Non-Convertible Debentures in the nature of Subordinated Debt	61 Months	9 &10%	796.75	5 July, 2023	4 August, 2028	NA	3,000
Unsecured Non-Convertible Debentures in the nature of Subordinated Debt	61 Months	9%	400	17 August,2023	16 September, 2028	NA	4,00

As on September 30, 2023, our Company has an unclaimed privately placed subordinated debts and the same are pending for disbursement of ₹ 1.70 lakhs due the dispute between the legal heirs of the original bondholders.

- **Perpetual Debt Instruments**

Debenture series	Tenor	Coupon	Amounts outstanding as on September 30, 2023 (in ₹ lakhs)	Dates of Allotment	Redemption date	Total issue size (principal amount) (in ₹ lakhs)
Kosamattam Mega Bond 3		9% to 14 %	340.00	July 08, 2013 to March 31, 2014	Perpetual	1,000.00
Total			**340.00**			

Commercial Papers

Our Company has not issued any commercial papers.

Loan from Directors and Relatives of Directors

Our Company has not taken any loan from our directors or any relative of our directors.

Inter Corporate Loans

Our Company has not borrowed any amount in the nature of demand loans from Companies under same management.

Servicing behaviour on existing debt securities, payment of interest on due dates on financing facilities or securities

Our Company has not defaulted upon or delayed in payment of any interest and/or principal for the existing term loan and the non-convertible debentures during the last three years. Our Company has not issued any corporate guarantee.

SECTION VI - ISSUE RELATED INFORMATION

ISSUE STRUCTURE

(Term Sheet)

The key common terms and conditions of the NCDs are as follows:

Issuer	Kosamattam Finance Limited
Lead Manager	SMC Capitals Limited
Security Name/ Type and nature of Instrument	Secured redeemable non-convertible debentures.
Seniority	Senior (the claims of the Debenture Holders holding the NCDs shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The NCDs would constitute secured obligations of our Company and shall rank *pari passu* with the Existing Secured Creditors, on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹ 10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon.
Mode of Issue	Public issue
Debenture Trustee	Vistra ITCL (India) Limited
Registrar to the Issue	KFIN Technologies Limited
Face Value of NCDs (₹/NCD)	₹1,000
Tenor	Please see refer *"Issue Structure – Terms of the NCDs"* on page 182
Redemption Date	Please see refer *"Issue Structure – Terms of the NCDs"* on page 182
Redemption Amount	Please see refer *"Issue Structure – Terms of the NCDs"* on page 182
Redemption Premium/ Discount	Please see refer *"Issue Structure – Terms of the NCDs"* on page 182
Issue Price (₹/NCD)	₹1,000
Minimum Application	10 NCDs i.e., ₹10,000 (across all options of NCDs)
In multiples, of	One NCD after the minimum application
Mode of Allotment	In dematerialised form only
Mode of Trading	NCDs will be traded in dematerialised form only
Terms of Payment	Full amount on Application
Minimum Subscription	Minimum subscription is 75% of the Base Issue i.e. ₹ 7,500.00 lakhs
Issue	Public Issue by our Company of NCDs aggregating up to ₹ 10,000 lakhs with an option to retain over-subscription up to ₹ 10,000 lakhs aggregating up to ₹ 20,000 lakhs, on the terms and in the manner set forth herein;
Stock Exchange proposed for listing of the NCDs	The NCDs are proposed to be listed on BSE Limited ("**BSE**"), the Designated Stock Exchange
Listing and timeline for Listing	The NCDs shall be listed within 6 Working Days of Issue Closing Date
Depositories	NSDL and CDSL
Day count basis	Actual/ Actual
Description regarding Security (where applicable) including type of security (movable/ immovable/ tangible etc.), type of charge (pledge/ hypothecation/	The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹ ₹ 10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon.

mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this Prospectus	Interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this Prospectus: NA
Security Cover	Our Company shall maintain a minimum 100 percent security cover or higher on the outstanding balance of the NCDs plus accrued interest thereon.
Eligible Investors	The following categories of persons are eligible to apply in the Issue: **Category I** (Institutional Investors) • Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution, which are authorised to invest in the NCDs; • Provident Funds of minimum corpus of ₹2,500 lakhs, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs; • Venture Capital funds and/or Alternative Investment Funds registered with SEBI; subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Insurance Companies registered with the IRDA; • State industrial development corporations; • National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India); • Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India; • Mutual Funds registered with SEBI; and • Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net worth of more than ₹50,000 lakhs as per the last audited financial statements. **Category II** (Non Institutional Investors) • Companies falling within the meaning of Section 2(20) of the Companies Act 2013; • Statutory bodies/ corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Public/private charitable/ religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. **Category III** (High Net-worth Individual Investors) ("**HNIs**")

<table>
<tr><td></td><td>High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹10 lakhs across all series of NCDs in Issue

Category IV (Retail Individual Investors)*

Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lacs across all series of NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism.
<i>*Applications up to a value of ₹ 5 lakhs can be made under the UPI Mechanism</i></td></tr>
<tr><td>Credit Rating</td><td>
<table>
<tr><th>Rating agency</th><th>Instrument</th><th>Rating symbol</th><th>Date of credit rating letter</th><th>Amount rated</th><th>Rating definition</th></tr>
<tr><td>India Ratings & Research Private Limited</td><td>Proposed Issue of NCDs</td><td>IND A-/Stable</td><td>November 24, 2023</td><td>₹ 20,000 lakhs</td><td>Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations and such securities carry low credit risk.</td></tr>
</table>
</td></tr>
<tr><td>Issue Size</td><td>Public Issue by our Company of NCDs aggregating up to ₹10,000 lakhs with an option to retain over-subscription up to ₹10,000 lakhs aggregating up to ₹20,000 lakhs, on the terms and in the manner set forth herein;
Base Issue Size being ₹10,000 lakhs.</td></tr>
<tr><td>Mode of payment</td><td>Please refer to the chapter titled "<i>Issue Procedure – Terms of Payment</i>" on page 220</td></tr>
<tr><td>Application money</td><td>The entire Application Amount is payable on submitting the application.</td></tr>
<tr><td>Issue Schedule</td><td>Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above. Our Company may, in consultation with the Lead Manager, consider closing the Issue on such earlier date or extended date (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of the Issue and subject to not exceeding thirty days from filing Prospectus with ROC, including any extensions), as may be decided by the Board of Directors or a duly constituted committee thereof of the Company, subject to relevant approvals, in accordance with the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of such early closure is given on or before such early date of closure or the initial Closing Date through advertisement/s in an English national daily newspaper and a regional daily newspaper in Kerala where the registered office is located, with wide circulation on or before such earlier date of closure. Application Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

<table>
<tr><th>Particulars</th><th>Date</th></tr>
<tr><td>Issue Opening Date</td><td>Monday, January 1, 2024</td></tr>
<tr><td>Issue Closing Date</td><td>Friday, January 12, 2024</td></tr>
<tr><td>Pay In Date</td><td>Application date. The entire</td></tr>
</table>
</td></tr>
</table>

		Application Amount is payable on Application
	Deemed Date of Allotment	Thursday, January 18, 2024

Objects of the Issue	Please see "*Objects of the Issue*" on page 81.
In case the Issuer is an NBFC and the objects of the Issue entail loan to any entity who is a 'group company'	None
Put/Call Option	None
Details of the utilisation of the proceeds of the Issue	Please see "*Objects of the Issue*" on page 81.
Coupon rate and redemption premium	Please see "*Issue Structure – Terms and Conditions of the NCDs*" on page 182.
Step up/ Step down coupon rate	Not applicable
Coupon payment frequency	Please see "*Issue Structure – Terms and Conditions of the NCDs*" on page 182.
Coupon payment dates	Please see "*Issue Structure – Terms and Conditions of the NCDs*" on page 182.
Coupon type (fixed, floating or other structure)	Please see "*Issue Structure – Terms and Conditions of the NCDs*" on page 182.
Interest on Application money	Company shall not offering interest on application money.
Working Day convention	If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.
Issue Opening Date	Monday, January 1, 2024
Issue Closing Date	Friday, January 12, 2024
Default interest date	In the event of any default in fulfilment of obligations by our Company under the Debenture Trust Deed, the Default Interest Rate payable to the Applicant shall be as prescribed under the Debenture Trust Deed.
Deemed Date of Allotment	The date on which the Board or a duly authorised committee approves the Allotment of NCDs. All benefits relating to the NCDs including interest on NCDs shall be available to Investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.
Settlement Mode	Please see "*Terms of Issue - Payment on Redemption*" on page 200
Depository	National Securities Depository Limited (NSDL) and Central Depository Services(India) Limited (CDSL)
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 10 (ten) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors or the Debentures Committee from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when stock exchanges are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Transaction documents	This Prospectus and the Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trusteeship Agreement, the Debenture Trust Deed and other security documents, if applicable, and various other documents/agreements/

	undertakings, entered or to be entered by the Company with Lead Manager and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trusteeship Agreement, the Public Issue Account and Sponsor Bank Agreement, the Agreement with the Registrar and the Agreement with the Lead Manager. For further details, see "*Material Contracts and Documents for Inspection*" on page 593.
Conditions precedent to disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions precedents to disbursement.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions subsequent to disbursement.
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	Please see "*Terms of Issue*" on page 471.
Event of Default (including manner of voting /conditions of joining inter creditor agreement)	Please see "*Terms of Issue - Events of Default*" on page 474.
Creation of recovery expense fund	The creation of the recovery expense fund will be finalised upon the execution of the Debenture Trust Deed, as applicable in accordance with the applicable provisions of SEBI NCS Regulations and other applicable laws. For further details, please refer to the chapter titled "*Terms of Issue – Recovery Expense Fund*" on page 472
Conditions for breach of covenants (as specified in Debenture Trust Deed)	The conditions for breach of covenants will be finalised upon execution of the Debenture Trust Deed which shall be executed as per Regulation 18 of SEBI NCS Regulations.
Cross Default	Please see "*Terms of Issue - Events of Default*" on page 474.
Roles and responsibilities of the Debenture Trustee	Please see "*Terms of Issue - Debenture Trustees for the NCD Holders*" on page 474.
Risk factor pertaining to the Issue	Please see "*Risk Factors*" on page 16.
Settlement Mode	Please see "*Terms of Issue - Payment on Redemption*" on page 481.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Kottayam.

[*] *Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above. Our Company may, in consultation with the Lead Manager, consider closing the Issue on such earlier date or extended date (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of the Issue), as may be decided by the Board of Directors or a duly constituted committee thereof of the Company, subject to relevant approvals, in accordance with the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of such early closure is given on or before such early date of closure or the initial Closing Date through advertisement/s in an English national daily newspaper and a regional daily newspaper in Kerala where the registered office is located, with wide circulation on or before such earlier date of closure. Application Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

[#] *In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this Issue of NCDs in dematerialised form. However, In terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfil such request through the process of rematerialisation, if the NCDs were originally issued in dematerialised form.*

Terms of the NCDs

Tenor	**18 months**	**24 months**	**30 months**	**36 months**	**39 months**	**48 months**	**54 months**	**88 months**
Nature	**Secured**							
Options	**I**	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**
Frequency of Interest Payment	**Cumulative**	**Monthly**	**Cumulative**	**Monthly**	**Cumulative**	**Monthly**	**Cumulative**	**Cumulative**
Minimum Application	10 NCDs (₹10,000) (across all options of NCDs)							
In multiples, of	1 NCD after the minimum application							
Face Value of NCDs (₹/ NCD)	₹1,000							
Issue Price (₹/ NCD)	₹1,000							
Mode of Interest Payment/ Redemption	Through various options available							
Coupon (%) per annum	NA	8.75	NA	9.25	NA	10.00	NA	NA
Coupon Type	Fixed							
Redemption Amount (₹/ NCD) for NCD Holders	1,130.50	1,000.00	1,240.00	1,000.00	1,333.00	1,000.00	1,500.00	2,000.00
Redemption Premium/Discount	Nil							
Effective Yield (%) (per annum)	8.52	9.11	9.00	9.65	9.25	10.47	9.43	9.91
Redemtion Date (Deemed)	July 17, 2025	January 17, 2026	July 17, 2026	January 17,2027	April 17, 2027	January 17, 2028	July 17, 2028	May 17, 2031
Put and Call Option	Not Applicable							
Deemed Date of Allotment	The date on which the Board or a duly authorised committee approves the Allotment of NCDs. All benefits to the NCDs including interest on the NCDs shall be available to the investors from the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment.							

Interest and Payment of Interest

Interest would be paid monthly under Option II, IV and VI at the following rate of interest in connection with the relevant categories of NCD Holders, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of NCDs:

Category of NCD Holder	**Rate of Interest (p.a.) for the following tenures**		
	24 months	**36 months**	**48 months**
	Option II	**Option IV**	**Option VI**
Category I, II, III and IV (%)	8.75%	9.25%	10.00%

For avoidance of doubt where interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till the last date of every month on an actual/actual basis during the tenor of such NCDs, and paid on the first day of every subsequent month. For the first interest payment for NCDs under the monthly options if the Deemed Date of Allotment is prior to the fifteenth of that month, interest for that month will be paid on first day of the subsequent month and if the Deemed Date of Allotment is post the fifteenth of that month, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month.

Cumulative bond redemption options

Option I, III, V, VII and VIII of the NCDs shall be redeemed as below:

Category of NCD Holder	**Redemption Amount (per NCD)**				
	18 months	**30 months**	**39 months**	**54 months**	**88 months**
	Option I	**Option III**	**Option V**	**Option VII**	**Option VIII**
Category I, II, III and IV (₹)	1,130.50	1,240.00	1,333.00	1,500.00	2,000.00

Our Company shall provide a list of debenture holders of our Company who hold non-convertible debentures in our Company, issued on a private placement basis as on the Issue Opening Date to the Registrar.

Day count convention

Please refer to Annexure I for details pertaining to the cash flows of the Company in accordance with the SEBI Operational Circular.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs subject to such Transferee holding the NCDs on the Record Date.

Terms of Payment

The entire face value per NCDs is payable on application. The entire face value of per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms of specified in "*Terms of Issue – Terms of Payment*" on page 479**.**

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue. For further details, please see the chapter titled "*Issue Procedure*" on page 486.

TERMS OF THE ISSUE

Authority for the Issue

This Issue has been authorised by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on October 27, 2023. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders *vide* their resolution passed at their EGM held on March 09, 2023.

Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulationsand the SEBI Master Circular, the applicable provisions of Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Draft Prospectus, this Prospectus, the Application Forms, the terms and conditions of the Debenture Trusteeship Agreement, the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs being offered through this Issue would constitute direct and secured obligations of the Company and shall rank *pari passu inter se*, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of creating security over on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon. The claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements. We have received necessary consents from the relevant lenders, debenture trustees and security trustees for creating an exclusive charge in favour of the Debenture Trustee in relation to the NCDs.

In terms of the SEBI Master Circular for Debenture Trustees, our Company is required to obtain permissions or consents from or provide intimations to the prior creditors for proceeding with this Issue, if pari passu security is sought to be created. However, exclusive charge by way of hypothecation of identified book debts of the Company is being provided as security for this Issue and these assets have no prior charge by any creditor of our Company.

Security

The Issue comprises of public issue of NCDs of face value of ₹1,000 each.

The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon

Our Company will create the security for the NCDs in favour of the Debenture Trustee for the Debenture Holders holding the NCDs on the assets to ensure 100.00% security cover or higher of the amount outstanding including interest in respect of the NCDs at any time.

In terms of the SEBI Master Circular for Debenture Trustees, our Company has entered into the Debenture Trusteeship Agreement and in furtherance thereof intends to enter into a deed of agreement with the Debenture Trustee for the benefit of the NCD Holders, ("**Debenture Trust Deed**"), the terms of which shall govern the appointment of the Debenture Trustee and the issue of the NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed within three months of the closure of the issue and shall utilise the funds only after the stipulated security has been created. If the Company fails to execute the trust deed within the period as mentioned, without prejudice to any liability arising on account of violation of the provisions of the Act and the SEBI NCS Regulations, the Company shall also pay interest of at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Debenture Holders holding the NCDs the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on the NCDs at the rate specified in the Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security subject to prior written consent of the Debenture Trustee and/or may replace with another asset of the same or a higher value.

Our Company confirms that the Issue proceeds shall be kept in the Public Issue Account until the documents for creation of security i.e. the Debenture Trust Deed, is executed.

Further, in the event our Company fails to execute the Debenture Trust Deed within a timeline specified under Regulation 18 of SEBI NCS Regulations, our Company shall pay interest of at least 2% p.a. to each NCD Holder, over and above the agreed coupon rate, till the execution of the Debenture Trust Deed.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI NCS Regulations, any non-banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Financial Year 2019-20 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR.

Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 3lst day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

A. in deposits with any scheduled bank, free from any charge or lien
B. in unencumbered securities of the Central Government or any State Government;
C. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
D. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Recovery Expense Fund

Pursuant to the SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 ("**SEBI Circular**"), the creation of the recovery expense fund shall be in accordance with the SEBI Circular, as may be amended from time to time. Company has maintained recovery expense fund in the nature of bank guarantee with the BSE Limited.

Face Value

The face value of each NCD to be issued under this Issue shall be ₹ 1,000.

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of the NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum of Association and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136(1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.

2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/ regulatory requirements and terms of Debenture Trust Deed, in case of NCDs held in (i) dematerialised form, the person for the time being appearing in the register of beneficial owners of the Depositories; and (ii) physical form on account of re-materialization, the registered NCD Holders or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the SEBI NCS Regulations and the SEBI Master Circular, provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of the Draft Prospectus this Prospectus, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to this issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. Subject to SEBI circular, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, for NCDs in physical form on account of re-materialization, a register of debenture holders will be maintained in accordance with Section 88 and Section 94 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depositories. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD Holders as given thereunder.

6. Subject to compliance with applicable statutory requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 15 days prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the NCDs, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Prospectus and the Debenture Trust Deed.

Debenture Trustees for the NCD Holders

We have appointed Vistra ITCL (India) Limited to act as the Debenture Trustees for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us within such period as specified under Regulation 18 of the SEBI NCS Regulations and on failure to do the same, we shall pay interest of at least two percent per annum to the NCD Holder(s), over and above the agreed coupon rate, till the execution of the trust deed. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost. It is it the duty of the debenture trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Our Company shall not create any further encumbrances on the Security except with the prior approval of the Debenture Trustee. In the event of such request by our Company, the Debenture Trustee shall provide its approval for creation of further charges provided that our Company provides a certificate from a chartered accountant stating that after creation of such further charges, the required Security cover is maintained.

At any time before the Security constituted hereunder becomes enforceable, the Debenture Trustee, may, at the request of our Company and without any consent of the NCD Holders, do or concur our Company in doing all or any of the things which our Company might have done in respect of the Security as if no security had been created and particularly, but not by way of limitation, the following assent to any modification of any contracts or arrangements which may be subsisting in relation to the Security.

Events of Default

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular Options of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice, *inter alia*, if any of the events listed below occurs. The description below is indicative and a complete list of events of default including cross defaults, if any, and its consequences will be specified in the Debenture Trust Deed:

(i) default is committed in payment of the principal amount of the NCDs on the due date(s); and
(ii) default is committed in payment of any interest on the NCDs on the due date(s).

Market Lot and Trading Lot

The NCDs shall be allotted only in dematerialized form. As per the SEBI NCS Regulations, the trading of the NCDs shall be in dematerialised form only. Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in the Issue will be in Demat form in multiples of one NCD. For details of allotment, see "*Issue Procedure"* beginning on page 486.

Nomination facility to NCD Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") and Section 72 of the Companies Act, 2013, the sole NCD Holder, or first NCD Holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the Form No. SH.13, any one person in whom, in the event of the death of Applicant the NCDs Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in Form No. SH.13 any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in Form No. SH.14, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, the Board may thereafter withhold payment of all interests or redemption amounts or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialised form and since the allotment of NCDs pursuant to this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. The nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialised form.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Kottayam, Kerala India.

Application in the Issue

Applicants shall apply in this Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialised form only.

Form of Allotment and Denomination of NCDs

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD ("**Market Lot**"). Allotment in the Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

Transfer/ Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/ CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Company or Registrar.

Pursuant to the SEBI Listing Regulations, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Title

In case of:

- the NCDs held in the dematerialised form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and

- the NCD held in physical form, pursuant to any rematerialisation, the person for the time being appearing in the Register of NCD Holders as NCD Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the NCD Holder.

Register of NCD Holders

No transfer of title of NCD will be valid unless and until entered on the Register of NCD Holders or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, the Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of the Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased NCD Holder. He shall approach the respective Depository Participant of the NCD Holder for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.

2. Proof that the non-resident Indian is an Indian national or is of Indian origin.

3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for Re-materialization of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose to rematerialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.**

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue except as may be required under RBI requirements and as provided in our Articles of Association. Pursuant to the SEBI Listing Regulations, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018

Period of Subscription

Issue Opening Date	Monday, January 1, 2024
Issue Closing Date	Friday, January 12, 2024
Pay In Date	Application Date. The entire Application Amount is payable on Application
Deemed Date of Allotment	The date on which the Board of Directors or the Committee thereof authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ Committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated in the Prospectus, except that this Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of 10 Working Days from the date of opening of the Issue) as may be decided by the Board of Directors of our Company or the Committee thereof subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure.

Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, on Working Days during the Issue Period. On the

Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information" on page 182 of the Prospectus. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) ("Bidding Period"), during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Manager or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on the basis of date of upload of each application into the electronic book of the Stock Exchange in accordance with the SEBI Master Circular. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

Basis of payment of Interest

Payment of Interest/Maturity Amount will be made to those entitled NCD Holders whose names appear in the register of Debenture Holders (or to first holder in case of joint-holders) as on Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Please see, *" - Manner of Payment of Interest / Refund / Redemption Amounts"* at page 479.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialised form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

If the date of interest payment falls on a Saturday, Sunday or a public holiday in Mumbai or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest would be paid on the next working day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of the Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention:

Interest shall be computed on actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Operational Circular.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the "**Effective Date**"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Operational Circular is disclosed at page 596.

Maturity and Redemption

The NCDs issued pursuant to this Prospectus have a fixed maturity date. The NCDs will be redeemed at the expiry of 18 months from the Deemed Date of Allotment for Option I, 24 months from the Deemed Date of Allotment for Option II, 30 months from the Deemed Date of Allotment for Option III, 36 months from the Deemed Date of Allotment for Option IV, 39 months from the Deemed Date of Allotment for Option V, 48 months from the Deemed Date of Allotment for Option VI, 54 months from the Deemed Date of Allotment for Options VII and 88 months from the Deemed Date of Allotment for Options VIII. There is no put or call option available to any Investor.

Application Size

Each application should be for a minimum of 10 NCDs and multiples of one NCD thereof. The minimum application size for each application would be ₹10,000 (for all kinds of Series I, II, III, IV, V, VI, VII and VIII NCDs either taken individually or collectively) and in multiples of ₹1,000 thereafter.

Applicants can apply for any or all series of NCDs offered hereunder provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹1,000 per NCD is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of this Prospectus.

Manner of Payment of Interest / Refund/ Redemption Amounts

The manner of payment of interest /refund/ redemption in connection with the NCDs is set out below:

For NCDs held in dematerialised form:

The bank details will be obtained from the Depositories for payment of Interest / redemption amount as the case may be. Holders of the NCDs, are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Manager, our Company or the Registrar shall have no any responsibility and undertake no liability for the same.

For NCDs held in physical form on account of re-materialization:

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see " - *Procedure for Re-materialization of NCDs*" on page 477.

The mode of payment of Interest/Redemption Amount shall be undertaken in the following order of preference:

1. **Direct Credit/ NACH/ RTGS**: Investors having their bank account details updated with the Depository shall be eligible to receive payment of Interest / Redemption Amount, through:

    i. **Direct Credit**: Interest / Redemption Amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

    ii. **NACH**: National Automated Clearing House which is a consolidated system of ECS. Payment of Interest / Redemption Amount would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of Interest / Redemption Amount through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the Interest / Redemption Amount through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get Interest / Redemption Amount through NEFT or Direct Credit or RTGS.

    iii. **RTGS**: Applicants having a bank account with a participating bank and whose Interest / Redemption Amount exceeds ₹2 lakhs, or such amount as may be fixed by RBI from time to time, have the option to receive the Interest / Redemption Amount through RTGS. Such eligible Applicants who indicate their preference to receive Interest / Redemption Amount through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrars to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, Interest / Redemption Amount shall be made through NECS subject to availability of complete bank account details for the same as stated above.

    iv. **NEFT**: Payment of interest / redemption shall be undertaken through NEFT wherever the Applicants' bank has been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of the Interest / Redemption Amounts, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of Interest / Redemption Amount will be made to the Applicants through this method.

2. **Registered Post/Speed Post**: For all other NCD Holders, including those who have not updated their bank particulars with the MICR code, the Interest Payment / Redemption Amount shall be paid by way of Interest/ Redemption warrants dispatched through Speed Post/ Registered Post only to Applicants that have provided details of a registered address in India.

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption amount as the case may be. Applicants who are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the Applicant at the Applicant's sole risk, and the Lead Manager, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Printing of Bank Particulars on Interest/ Redemption Warrants

As a matter of precaution against possible fraudulent encashment of Interest/ Redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs held dematerialised form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form on account of rematerialisation, the investors are advised to submit their bank account details with our Company / Registrar at least seven (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCD as available in the records of our Company. Bank account particulars will be printed on the warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Procedure for Redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialization:

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) be surrendered for redemption on maturity and should be sent by the NCD Holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see "Issue Procedure - *Payment on Redemption*" on page 481.

NCDs held in electronic form:

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of re-materialisation:

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s). Dispatch of cheques/pay order, etc. in respect of such payment will be made on the Redemption Date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those NCD Holders whose names stand in the Register of NCD Holders maintained by us/Registrar to the Issue on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us at least 7 (seven) days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 (seven) days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties *inter se* and no claim or action shall lie against us or the Registrar.

Our liability to holder(s) towards their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

NCDs held in electronic form:

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Kerala and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Issue of duplicate NCD Certificate(s)

If any NCD certificate(s), issued pursuant to rematerialisation, if any, is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, *pari passu* or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection.

Impersonation

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹10 lakh or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹10 lakh or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakh or with both.

Period of Subscription

In terms of the SEBI NCS Regulations, a public issue of debt securities shall be kept open for a minimum of three working days and a maximum of ten working days. In the event of a revision in the price band or yield, the issuer shall extend the bidding (issue) period disclosed in the offer document for a minimum period of three working days, however, the overall bidding (issue) period shall not exceed ten working days. In the event of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the bidding (issue) period disclosed in the offer document, however, the overall bidding (issue) period shall not exceed ten working days.

Minimum Subscription

If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹ 7,500.00 lakhs prior to the Issue Closing Date and as prescribed under the Companies Act and any rules thereto, the entire Application

Amount blocked shall be unblocked in the relevant ASBA Account(s) of the Applicants within six working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within six working days from the Iss ue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Utilisation of Issue Proceeds

(a) All monies received out of the Issue shall be credited/ transferred to a separate bank account maintained with a scheduled bank as referred to in section 40(3) of the Companies Act 2013;

(b) Details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue;

(c) Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;

(d) We shall utilize the Issue proceeds only upon allotment of the NCDs, execution of Debenture Trust Deed, receipt of the listing and trading approval from the Stock Exchange;

(e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property; and

(f) Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

Payment of Interest

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For further details, see "*Issue Procedure - Rejection of Applications*" beginning on page 223.

Listing

The NCDs offered through the Prospectus are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter dated December 22, 2023. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within six Working Days from the Issue Closing Date.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Arrangers

No arrangers have been appointed for this Issue.

Monitoring & Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. Our Board shall monitor the utilisation of the proceeds of this Issue. Our Company will disclose in the Company's financial statements for the relevant financial year commencing from the financial year ended March 31, 2023, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of this Issue that have not been utilised thereby also indicating investments, if any of such untilised proceeds of this Issue.

Lien

Not Applicable

Lien on Pledge of NCDs

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

Pre-Issue Advertisement

Subject to Regulation 30(1) of SEBI NCS Regulations, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule V of SEBI NCS Regulations in compliance with Section 30 of Companies Act, 2013. Material updates, if any, between the date of filing of this Prospectus and the Prospectus with RoC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations.

Pre-closure

Our Company, in consultation with the Lead Manager reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in the Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement has been given.

Recovery Expense Fund

Our Company will create a recovery expense fund in the manner as specified by SEBI in circular bearing reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109 titled "Master Circular for Debenture Trustees" dated March 31, 2023 and as updated on July 6, 2023, as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and will inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Settlement Guarantee Fund

Our Company shall be creating a settlement guarantee fund in the manner as specified in the SEBI Master Circular. This fund will be created to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.

ISSUE PROCEDURE

This chapter applies to all Applicants. Pursuant to the SEBI Operational Circular issued by SEBI, all Applicants are required to apply for in the Issue through the ASBA process and an amount equivalent to the full Application Amount as mentioned in the Application Form will be blocked by the Designated Branches of the SCSBs. Further, the UPI Mechanism as a payment mechanism is applicable for the Issue, wherein a UPI Investor, may submit the Application Form with a SCSB or a Designated Intermediary or through the app/web based interface platform of the Stock Exchange and use their bank account linked UPI ID for the purpose of blocking of funds, if the Application being made is for a value is ₹5 lakhs or less. The UPI Mechanism is applicable for public issue of debt securities which open for subscription on or after January 1, 2021. An additional mode for application in public issues of debt securities through an online (app/web) interface to be provided by the stock exchanges. In this regard, SEBI has also stipulated that the stock exchanges formulate and disclose the operational procedure for applying through the app/web based interface developed by them for making applications in public issues through the stock exchange's website. Since, BSE is the Designated Stock Exchange for the Issue, BSE's online platform BSE Direct, shall be available to UPI Investors to make an application under the UPI Mechanism, in accordance with the operational procedures notified by BSE vide notifications dated December 28, 2020.

Applicants should note that they may submit their Application Forms (including in cases where Applications are being made under the UPI Mechanism) at (i) the Designated Branches of the SCSBs or (ii) at the Collection Centres, i.e. to the respective Members of the Consortium at the Specified Locations, the Trading Members at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations or (iii) through BSE Direct, the app/ or web based interface/ platform of the Sotck Exchange, as applicable. For further information, please see "Issue Procedure - Submission of Completed Application Forms" on page 502.

Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in the Prospectus.

Please note that this section has been prepared based on the requirements notified the SEBI Operational Circular and the notifications issued by BSE, in relation to the UPI Mechanism, dated December 28, 2020.

THE DESIGNATED INTERMEDIARIES (OTHER THAN TRADING MEMBERS), SCSBS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATION THROUGH TRADING MEMBERS REGISTERED WITH THE STOCK EXCHANGE.

For purposes of this Issue, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai and/or Kottayam, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in Mumbai. Furthermore, for the purpose of post issue period, i.e. period beginning from the Issue Closure to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays in Mumbai, as per the SEBI NCS Regulations.

The information below is given for the benefit of the investors. Our Company and the Members of Syndicate are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus.

PROCEDURE FOR APPLICATION

Availability of the Abridged Prospectus and Application Forms

The Abridged Prospectus containing the salient features of the Prospectus together with Application Form may be obtained from:

(a) Our Company's Registered Office;
(b) Offices of the Lead Manager/Syndicate Members;

(c) the CRTA at the Designated RTA Locations;
(d) the CDPs at the Designated CDP Locations;
(e) Trading Members at the Broker Centres; and
(f) Designated Branches of the SCSBs.

Electronic copies of the Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Manager, the Stock Exchange, SEBI and the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchange and on the websites of the SCSBs that permit submission of Application Forms electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

UPI Investors making an Application upto ₹5 lakhs, using the UPI Mechanism, must provide the UPI ID in the relevant space provided in the Application Form. Application Forms that do not contain the UPI ID are laible to be rejected. UPI Investors applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Who can apply?

The following categories of persons are eligible to apply in this Issue:

Category I - Institutional Investors

- Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution, which are authorised to invest in the NCDs;
- Provident Funds of minimum corpus of ₹2,500 lakhs, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs;
- Venture Capital funds and/or Alternative Investment Funds registered with SEBI; subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Insurance Companies registered with the IRDA;
- State industrial development corporations;
- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India);
- Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India;
- Mutual Funds registered with SEBI; and
- NBFC-ML

Category II - Non Institutional Investors

- Companies falling within the meaning of Section 2(20) of the Companies Act 2013;
- Statutory bodies/ corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Public/private charitable/ religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III - High Net-worth Individual Investors ("HNIs")

- High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹10 lakhs across all series of NCDs in Issue.

Category IV - Retail Individual Investors*

- Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lacs across all series of NCDs in Issue.

**Applications up to a value of ₹ 5 lakhs can be made under the UPI Mechanism*

For Applicants applying for NCDs, the Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID and where applicable the UPI ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Members of the Syndicate or the Trading Members, as the case may be.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue.

The Lead Manager and its respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in this Issue and any Application from such persons and entities are liable to be rejected:

(a) Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Application by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);

(b) Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;

(c) Persons resident outside India and other foreign entities;

(d) Foreign Portfolio Investors;

(e) Foreign Venture Capital Investors;

(f) Qualified Foreign Investors;

(g) Overseas Corporate Bodies; and

(h) Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Application Forms belonging to an account for the benefit of a minor (under guardianship). In case of such Application, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in this Issue.

Please see "*Issue Procedure - Rejection of Applications*" on page 504 for information on rejection of Applications.

Method of Application

Eligible investor desirous of applying in the Issue can make Applications through the ASBA mechanism only.

Further, the Application may also be submitted through the app or web interface developed by Stock Exchange wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries. Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form (except Bid cum Application Form from a Retail Individual Investor bidding using the UPI mechanism) to respective SCSB, where the Bidder has a bank account and shall not submit it to the non-SCSB bank or any Escrow Bank. Applicants should submit the Application Form only at the Bidding Centers, i.e. to the respective Syndicate Members at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centers, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at https://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms (except a Bid cum Application Form from RIIs using the UPI Mechanism) with the SCSB with whom the relevant ASBA Accounts are maintained. An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

The Sponsor Bank shall provide details of the UPI linked bank account of the Bidders to the Registrar to the Issue for purpose of reconciliation.

RIIs using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

RIIs using UPI Mechanism, submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only the UPI ID is mentioned in the field for Payment Details in the Bid cum Application Form. Application Forms submitted by RIIs using UPI Mechanism to Designated Intermediary (other than SCSBs) with ASBA Account details, are liable to be rejected.

Further, such Bidders including RIIs using the UPI Mechanism, shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of the relevant Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms (except electronic Bid-cum-Application Forms) not bearing such specified stamp may be liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a RII who is not Bidding using the UPI Mechanism.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to the Issue should be made by Applicants directly to the relevant Stock Exchange.

In terms of the SEBI Operational Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

1. **Through Self-Certified Syndicate Bank (SCSB) or intermediaries** (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)

    a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e., investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.

    b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

    c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 lac or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.

2. **Through Stock Exchange**

    a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchange (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism.

    b. BSE extended their web-based platforms i.e. 'BSEDirect' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto ₹ 5 Lac. To place bid through 'BSEDirect' platform/ mobile app the eligible investor is required to register himself/ herself with BSE Direct.

    c. An investor may use the following links to access the web-based interface developed by the Stock Exchange to bid using the UPI Mechanism: BSE: https://www.bsedirect.com.

    d. The BSE Direct mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' on Google Playstore for downloading mobile applications.

    e. For further details on the registration process and the submission of bids through the App or web interface, the Stock Exchange have issued operational guidelines and circulars available at BSE: https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60, and https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61.

Application process through physical Application Form

Applicants opting for the physical mode of Application process, should submit the Application Form (including for Applications under the UPI Mechanism) only at the Collection Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the registered broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available on SEBI's website for Applications under the UPI Mechanism at https://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of Application Forms from ASBA Applicants (including for Applications under the UPI Mechanism), shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit the Application Forms (except Application Forms submitted by UPI Investors under the UPI Mechanism) with the SCSB with whom the relevant ASBA Accounts are maintained. An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB, with the SCSB and can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. For Applicants submitting the physical Application Form who wish to block the funds in their respective UPI linked bank account through the UPI Mechanism, post uploading of the details of the Application Forms into the online platform of the Stock Exchange, the Stock Exchange shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such UPI Investors for blocking of funds.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/014 dated October 1, 2019 ("**SEBI Circular 2019**"), mutual funds are required to ensure that the total exposure of debt scehemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Non-Banking Financial Companies – Middle Layer

Non- Banking Financial Company – Middle Layer, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than one thousand crore rupees as per the last audited financial statements can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s). **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor**.

Application by commercial banks, co-operative banks and regional rural banks

Commercial banks, co-operative banks and regional rural banks can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority of India ("**IRDAI**"), a certified copy of certificate of registration issued by IRDA must be lodged along with Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.**

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time including the IRDAI Investment Regulations.

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of SEBI registration certificate. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Associations of Persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or **regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Public Financial Institutions or Statutory Corporations, which are authorised to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorised person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of incorporation/ registration under any act/rules under which they are incorporated; **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Fund

The application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

The Application must be accompanied by certified true copies of certified copy of certificate of the partnership deed or registration issued under the Limited Liability Partnership Act, 2008, as applicable. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non-Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company and the Lead Manager may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

APPLICATIONS FOR ALLOTMENT OF NCDs

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Manager and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our directors, affiliates, associates and their respective directors and officers, the Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications (including Applications under the UPI Mechanism) accepted by and/or uploaded by and/or accepted but not uploaded by Trading Members, Registered Brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs or failure to block the Application Amount under the UPI Mechanism. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (https://www.sebi.gov.in) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI https://www.sebi.gov.in as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centers, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centers, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Submission of Applications

Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.

In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

(b) Physically through the Designated Intermediaries at the respective Collection Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Collection Center where the Application Form is submitted (a list of such branches is available at https://www.sebi.gov.in/sebiweb).

(c) An UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is upto ₹5 lakhs, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application

Amount will be blocked through the UPI Mechanism.

(d) An UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange. Post which:

for Applications other than under the UPI Mechanism - the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at https://www.sebi.gov.in). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form.

for Applications under the UPI Mechanism – once the Application details have been entered in the bidding platform through Designated Intermediaries or BSE Direct, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. Post uploading of the Application details on the Stock Exchange's platform, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with the Applicants UPI ID, with the Sponsor Bank appointed by our Company. The Sponsor Bank shall then initiate a UPI Mandate Request on the Applicant. The request raised by the Sponsor Bank, would be electronically received by the Applicant as an SMS or on the mobile app, associated with the UPI ID linked bank account. The Applicant shall then be required to authorise the UPI Mandate Request. Upon successful validation of block request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account. The status of block request would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the Designated Intermediary.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

(a) Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries at the respective Collection Centers; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

(b) The Designated Branches of the SCSBs shall accept Application Forms directly from Applicants only during the Issue Period. The SCSBs shall not accept any Application Forms directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 43. **Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.**

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialised form only.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange.

In the event the Direct Online Application facility is implemented by the Stock Exchange, relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number ("**UAN**") and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per the Debt Application Circular issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchange putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- All Applicants need to tick the Series of NCDs in the Application Form that they wish to apply for. Applications for all the Series of the NCDs may be made in a single Application Form only.
- Application Forms must be completed in **BLOCK LETTERS IN ENGLISH**, as per the instructions contained in the Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- It shall be mandatory for subscribers to the Issue to furnish their PAN and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction.
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. The Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.
- Applicants must provide details of valid and active DP ID, Client ID, PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID, PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply

for 10 NCDs of the same series or across different series.

- If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- All Applicants are required to ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/Designated Branch of the SCSB;
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
- Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.
- All Applicants are required to check if they are eligible to apply as per the terms of this Prospectus and applicable law, rules, regulations, guidelines and approvals;
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form;
- All Applicants should correctly mention the ASBA Account number (including bank account number/ bank name and branch) and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected;
- A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be; and
- In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchange, the Applicants should ensure that they have first withdrawn their original Application and submit a fresh Application.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

B. Applicant's Beneficiary Account Details

Applicants must mention their DP ID, Client ID and UPI ID (wherever applicable) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID, PAN and UPI ID (wherever applicable) mentioned in the Application Form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID, PAN and UPI ID (wherever applicable) available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected.

On the basis of the Demographic Details as appearing on the records of the DP, the Registrar to the Issue will take steps towards demat credit of NCDs. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in demat credit and neither our Company, Designated Intermediaries, SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue. Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the demographic details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Registrar to the Issue, Public Issue Account Bank and Sponsor Bank, nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of such Applicants. **Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID, PAN and UPI ID (wherever applicable), then such Application are liable to be rejected.**

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

D. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications all interest / redemption amount payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other series of NCDs, subject to a minimum application size as specified in the Prospectus and in multiples thereafter as specified in the Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹10 lakhs shall be deemed such individual Applicant to be an HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an

Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under this Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of the Prospectus and applicable law, rules, regulations, guidelines and approvals;

2. Read all the instructions carefully and complete the Application Form in the prescribed form.

3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to this Issue.

4. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID, PAN available in the Depository database. Ensure that the DP ID, Client ID, PAN and UPI ID (wherever applicable) are correct and the depository account is active as Allotment of the Equity Shares will be in dematerialized form only. The requirement for providing Depository Participant details is mandatory for all Applicants.

5. Ensure that you have mentioned the correct ASBA Account number in the Application Form (for all Applicants other than UPI Investors applying using the UPI Mechanism) in the Application Form. Further, UPI Investors using the UPI Mechanism must also mention their UPI ID.

6. UPI Investors applying using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking, is certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries.

7. UPI Investors applying using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected.

8. Ensure that the Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) in case the Applicant is not the ASBA account holder. Applicants (except UPI Investors making an Application using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Application Form. UPI Investors applying using the UPI Mechanism should ensure that they have mentioned the correct UPI-linked bank account number and their correct UPI ID in the Application Form.

9. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.

10. UPI Investors making an Application using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to Application Amount and subsequent debit of funds in case of Allotment, in a timely manner.

11. UPI Investors making an Application using the UPI Mechanism shall ensure that details of the Application

are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using their UPI PIN. Upon the authorization of the mandate using their UPI PIN, the UPI Investor may be deemed to have verified the attachment containing the application details of the UPI Investor making and Application using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to issue a request to block the Application Amount mentioned in the ASBA Form in their ASBA Account.

12. UPI Investors making an Application using the UPI Mechanism should mention valid UPI ID of only the Applicants (in case of single account) and of the first Applicant (in case of joint account) in the ASBA Form.

13. UPI Investors making an Application using the UPI Mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in their account and in case of Allotment in a timely manner.

14. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/Designated Branch of the SCSB.

15. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Collection Centre.

16. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form.

17. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

18. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as ‘XYZ Hindu Undivided Family applying through PQR’, where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta.

19. Ensure that the Applications are submitted to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see “*General Information – Issue Programme*” on page 43.

20. **Permanent Account Number:** Each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected.

21. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

22. All Applicants should choose the relevant option in the column “Category of Investor” in the Application Form.

23. Choose and mark the series of NCDs in the Application Form that you wish to apply for.

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.

Don’ts:

1. Do not apply for lower than the minimum application size.

2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.

3. Do not send Application Forms by post. Instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be.

4. Do not submit the Application Form to any non-SCSB bank or our Company.

5. Do not apply through an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.

6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.

7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

8. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (wherever applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.

9. Do not submit the Application Form without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of UPI Investors making and Application using the UPI Mechanism, in the UPI-linked bank account where funds for making the Application are available;

10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.

11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.

13. Do not submit Applications to a Designated Intermediary at a location other than Collection Centers**;**

14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.

15. Do not apply if you are a person ineligible to apply for NCDs under this Issue including Applications by Persons Resident Outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA).

16. Do not make an application of the NCD on multiple copies taken of a single form.

17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue.

18. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 cretified by the NPCI in case of Bids submitted by UPI Investors using the UPI Mechanism.

19. Do not submit more than five Application Forms per ASBA Account.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries, to deposit such Application Forms (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Please see "Issue Procedure - *Rejection of Applications*" on page 504 for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Collection Centers, named by such SCSB to accept such Applications from the

Designated Intermediaries, as the case may be (a list of such branches is available at https://www.sebi.gov.in).

For Applications other than those under the UPI Mechanism, the relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application. For Applications under the UPI Mechanism, i.e., upto ₹5 lakhs, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. The blocking of funds in such case (not exceeding ₹5 lakhs) shall happen under the UPI Mechanism.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs or the Sponsor Bank (as the case maybe) to unblock the excess amount in the ASBA Account.

For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

For Applications submitted under the UPI Mechanism, post the successful validation of the UPI Mandate Request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

An UPI Investor applying through the UPI Mechanism should ensure that, they check the relevant SMS generated for the UPI Mandate Request and all other steps required for successful blocking of funds in the UPI linked bank account, which includes accepting the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchange (except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day), have been completed.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs (in case of Application under the UPI Mechansim) on the basis of the instructions issued in this regard by the Registrar to the respective SCSB or the Sponsor Bank within six Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of this Issue or until rejection of the Application, as the case may be.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms		To whom the Application Form has to be submitted
ASBA Applications	(i)	If using physical Application Form, (a) to the Designated Intermediaries at relevant Collection Centres, or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or
	(ii)	If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available.

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
Application under the UPI Mechanism	(i) Through the Designated Intermediary, physically or electronically, as applicable, or (ii) Through BSE Direct

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slips which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

(a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications (including those under the UPI Mechanism) using the on-line facilities of the Stock Exchange. **The Members of Syndicate, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchange or (vi) any Application made under the UPI Mechanism , accepted or uploaded or failed to be uploaded by a Designated Intermediary or through the app/ web based interface of the Stock Exchange and the corresponding failure for blocking of funds under the UPI Mechanism.**

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

(b) The Stock Exchange will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on this Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 43.

(c) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Series of NCDs applied for
- Number of NCDs Applied for in each series of NCD

- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(d) With respect to Applications submitted to the Designated Intermediaries, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Series of NCDs applied for
- Number of NCDs Applied for in each series of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(e) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**

(f) Applications can be rejected on the technical grounds listed on page 504 or if all required information is not provided or the Application Form is incomplete in any respect.

(g) The permission given by the Stock Exchange to use its network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(h) **Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment**. The Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or a duly constituted committee thereof, reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

(a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Applications by persons prohibited from buying, selling or dealing in securities, directly or indirectly, by SEBI or any other regulatory authority;

(c) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicants' ASBA Account maintained with an SCSB;

(d) Applications not being signed by the sole/joint Applicant(s);

(e) Investor Category in the Application Form not being ticked;

(f) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;

(g) Applications where a registered address in India is not provided for the non-Individual Applicants;

(h) In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);

(i) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;

(j) PAN not mentioned in the Application Form, in case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;

(k) DP ID, Client ID and UPI ID (wherever applicable) not mentioned in the Application Form;

(l) GIR number furnished instead of PAN;

(m) Applications by OCBs;

(n) Applications for an amount below the minimum application size;

(o) Submission of more than five ASBA Forms per ASBA Account;

(p) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

(q) Applications under power of attorney or by limited companies, corporate, trust etc. submitted without relevant documents;

(r) Applications accompanied by Stockinvest/ cheque/ money order/ postal order/ cash;

(s) Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);

(t) Applications by persons debarred from accessing capital markets, by SEBI or any other appropriate regulatory authority;

(u) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant

(v) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;

(w) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediary, as the case may be;

(x) ASBA Applications not having details of the ASBA Account to be blocked or the UPI-linked Account to be blocked;

(y) In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID, UPI ID and PAN;

(z) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

(aa) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

(bb) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;

(cc) Authorization to the SCSB for blocking funds in the ASBA Account not provided;

(dd) Applications by any person outside India;

(ee) Applications not uploaded on the online platform of the Stock Exchange;

(ff) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;

(gg) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, the Prospectus and as per the instructions in the Application Form and the Prospectus;

(hh) Applications by Applicants whose demat accounts have been ‘suspended for credit’ pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

(ii) Applications providing an inoperative demat account number;

(jj) Applications submitted to the Designated Intermediaries other than the Collection Centers or at a Branch of a SCSB which is not a Designated Branch;

(kk) Applications submitted directly to the Public Issue Bank (except in case the ASBA Account is maintained with the said bank as a SCSB;

(ll) Investor Category not ticked;

(mm) In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application;

(nn) A UPI Investor applying through the UPI Mechanism, not having accepted the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the stock exchange except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day; and

(oo) A non-UPI Investor making an Application under the UPI Mechanism, i.e., an Application for an amount more than ₹5 lakhs.

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please see “*Information for Applicants*” below.

Information for Applicants

Upon the closure of the Issue, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID UPI ID (wherever applicable) and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database and prepare list of technical rejection cases. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such Applications or treat such Applications as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchange and determine the valid Application for the purpose of drawing the basis of allocation.

Allocation Ratio

The registrar will aggregate the applications based on the applications received through an electronic book from the Stock exchange and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the following manner:

Grouping of Applications and Allocation Ratio: Applications received from various applicants shall be grouped together on the following basis:

a. *Applications received from Category I applicants:* Applications received from Category I, shall be grouped together, ("**Institutional Portion**");

b. *Applications received from Category II applicants*: Applications received from Category II, shall be grouped together, ("**Non-Institutional Portion**");

c. *Applications received from Category III applicants:* Applications received from Category III, shall be grouped together, ("**High Net Worth Individual Portion**")

d. *Applications received from Category IV applicants:* Applications received from Category IV, shall be grouped together, ("**Retail Individual Investor Portion**")

For removal of doubt, "***Institutional Portion***", "***Non-Institutional Portion***", "***High Net Worth Individual Portion***" and "***Retail Individual Portion***" are individually referred to as "***Portion***" and collectively referred to as "***Portions***"

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Issue up to ₹10,000 lakhs i.e. aggregating up to ₹20,000 lakhs. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the **"*Overall Issue Size*".**

Basis of Allotment for NCDs

Allotments in the first instance:

(i) Applicants belonging to the Category I, in the first instance, will be allocated NCDs up to 10% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Lead Manager and their respective Affiliates/SCSB (Designated Branch or online acknowledgement);

(ii) Applicants belonging to the Category II, in the first instance, will be allocated NCDs up to 10% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement));

(iii) Applicants belonging to the Category III, in the first instance, will be allocated NCDs up to 30% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement));

(iv) Applicants belonging to the Category IV, in the first instance, will be allocated NCDs up to 50% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement))

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with Stock Exchange, in each Portion subject to the Allocation Ratio. However, on the date of oversubscription, the allotments would be made to the applicants on proportionate basis.

(a) Under Subscription:

Under subscription, if any, in any Portion, priority in allotments will be given in the following order:
(i) Retail Individual Investor Portion
(ii) High Networth Individual Portion
(iii) Non-Institutional Portion
(iv) Institutional Portion
on a first come first serve basis

Within each Portion, priority in Allotments will be given on a first-come-first-serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchange.

For each Portion, all Applications uploaded in to the Electronic Book with the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where Applications uploaded into the Platform of the Stock Exchange on a particular date exceeds NCDs to be allotted for each Portion respectively.

Minimum allotment of 1 (one) NCD and in multiples of 1 (one) NCD thereafter would be made in case of each valid Application.

(b) Allotments in case of oversubscription:

In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of NCDs to the valid applicants on a first come first serve basis for forms uploaded up to 5 pm of the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the valid applicants on the date of oversubscription (based on the date of upload of the Application on the Stock Exchange Platform, in each Portion). In case of over subscription on date of opening of the Issue, the Allotment shall be made on a proportionate basis. Applications received for the NCDs after the date of oversubscription will not be considered for allotment.

In view of the same, the Investors are advised to refer to the Stock Exchange website at www.bseindia.com for details in respect of subscription.

(a) Proportionate Allotments: For each Portion, on the date of oversubscription:

(i) Allotments to the applicants shall be made in proportion to their respective application size, rounded off to the nearest integer;
(ii) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher

than the Issue size, not all applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each applicant whose allotment size, prior to rounding off, had the highest decimal point would be given preference;

(iii) In the event, there are more than one applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

(b) Applicant applying for more than one Options of NCDs:

If an applicant has applied for more than one Options of NCDs, and in case such applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for due to such applications received on the date of oversubscription, the option-wise allocation of NCDs to such applicants shall be in proportion to the number of NCDs with respect to each option, applied for by such applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Manager and Designated Stock Exchange.

In cases of odd proportion for allotment made, our Company in consultation with the Lead Manager will allot the residual NCD (s) in the following order:

(i) first with monthly interest payment in decreasing order of tenor i.e. Options VI, IV and II; and
(ii) followed by payment on maturity options in decreasing order of tenor i.e. Options VIII, VII, V, III and I.

Hence using the above procedure, the order of allotment for the residual NCD (s) will be: Options VI, IV, II, VIII, VII, V, III, and I.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Issue shall be taken by our Company in consultation with the Lead Manager, and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus.

Our Company would allot Option I NCDs to all valid applications, wherein the applicants have not indicated their choice of the relevant options of the NCDs.

Valid applications where the Application Amount received does not tally with or is less than the amount equivalent to value of number of NCDs applied for, may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹1,000 in accordance with the pecking order mentioned above.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Issue shall be taken by our Company in consultation with the Lead Manager and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus.

Retention of oversubscription

Our Company shall have an option to retain over-subscription up to the Issue Limit.

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications

The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB or the Sponsor Bank (for Application under the UPI Mechanism), as applicable, to unblock the funds in the relevant ASBA Account/ UPI linked bank account for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants upon approval of Basis of Allotment. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories. Therefore instructions will be given to the Designated Intermediaries to indicate Option I NCD as the Applicant's choice of the relevant NCD Series wherein the Applicants have not indicated their choice.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within six Working Days from the Issue Closing Date.

Application Amount shall be unblocked within six Working Days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the Application Amount shall be unblocked in the ASBA Accounts or the UPI linked bank accounts (for Applications under the UPI Mechanism) of the Applicants forthwith failing which interest shall be due to be paid to the Applicants in accordance with applicable law.

Our Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Applicants can withdraw their Applications until the Issue Closing Date. In case an Applicant wishes to withdraw the Application during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite.

In case of Applications (other than under the UPI Mechanism) were submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and intimating the Designated Branch of the SCSB to unblock of the funds blocked in the ASBA Account at the time of making the Application. In case of Applications (other than under the UPI Mechanism) submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account, directly.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Revision of Applications

Cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary and the Designated Branch of the SCSBs, as the case may be. For Applications made under the UPI Mechanism, an Applicant shall not be allowed to add or modify the details of the Application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the Applicant may withdraw the Application and reapply.

However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/ modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/ or the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed among our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialised form. In this context:

(i) Tripartite agreement dated March 21, 2014 among our Company, the Registrar and CDSL and tripartite agreement dated March 27, 2014 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

(iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(v) Non-transferable Allotment Advice will be directly sent to the Applicant by the Registrar to this Issue.

(vi) It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.

(vii) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue (except the Applications made through the Trading Members of the Stock Exchange) should be addressed to the Registrar to the Issue, quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of the Application Form, name and address of the Designated Intermediary or Designated Branch of the SCSBs, as the case may be, where the Application was submitted.

Applicants may contact our Compliance Officer and Company Secretary or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice or credit of NCDs in the respective beneficiary accounts, as the case may be.

Interest in case of delay

Our Company undertakes to pay interest, in connection with any delay in allotment and demat credit, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Our Company undertakes that:

(a) All monies received pursuant to this Issue shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.

(b) Details of all monies utilised out of this Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(d) Details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;

(e) Undertaking by our Company for execution of the Debenture Trust Deed. Further, as per Regulation 18 of SEBI NCS Regulations, in the event our Company fails to execute the Debenture Trust Deeds within a timeline specified under Regulation 18 of SEBI NCS Regulations, our Company shall pay interest of at least 2% p.a. over and above the agreed coupon rate, to each NCD Holder, till the execution of the Debenture Trust Deed;

(f) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deeds as stated in this Prospectus and the Prospectus, on receipt of the minimum subscription of 75% of the Base Issue i.e., ₹ 7,500.00 lakhs and receipt of listing and trading approval from the Stock Exchange;

(g) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property business, dealing in equity of listed companies or lending/investment in group companies;

(h) Application money shall be unblocked within 6 (six) Working Days from the closure of this Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the Applicants in accordance with applicable law, failing which interest shall be due to be paid to the Applicants for the delayed period, if applicable in accordance with applicable law; and

(i) Details of all monies unutilised out of the previous issues made by way of public offer, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.

Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Prospectus has not been recommended or approved by any regulatory authority in India, including any registrar of companies, stock exchange or SEBI nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of investors is invited to the section '*Risk factors*' on page 18.

Our Company has no side letter with any NCD holder. Any covenants later added shall be disclosed on the stock exchanges' website where the NCDs are listed.

Other undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Trading Members) will be attended to by our Company expeditiously and satisfactorily;

(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;

(c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within six Working Days of this Issue Closing Date;

(d) Funds required for dispatch of Allotment Advice/NCD Certificates (only upon rematerialisation of NCDs at the specific request of the Allottee/ Holder of NCDs) will be made available by our Company to the Registrar to the Issue;

(e) Our Company will forward details of utilisation of the proceeds of this Issue, duly certified by the Statutory Auditor, to the Debenture Trustee required under applicable laws;

(f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of this Issue as contained in this Prospectus;

(g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report;

Our Company shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

SECTION VII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Except as stated in this section there are no outstanding: (i) criminal proceedings; (ii) actions by statutory / regulatory authorities; and (iii) claims for any indirect and direct tax liability, each involving the Company, its Directors, its Promoters and its Group Companies.

Save as disclosed below, there are no:

a) litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory body or regulatory body against the Promoters of the Company during the preceding three years immediately preceding the year of the issue of the Prospectus and any direction issued by such Ministry or Department or statutory body or regulatory body upon conclusion of such litigation or legal action;

b) litigation involving the Company, Promoters, Directors, Group Companies or any other person, whose outcome could have material adverse effect on the financial position of the Company, which may affect the issue or the investor's decision to invest/continue to invest in the debt securities;

c) acts of material frauds committed against our Company in the preceding three financial years and current financial year and the action taken by the Company;

d) default and non-payment of statutory dues by the Company for preceding three financial years and current financial year;

e) pending proceedings initiated against the Company for economic offences and default; and

f) inquiry, inspections or investigations initiated or conducted under the securities laws or Companies Act or any previous companies law in the preceding three years immediately preceding the year of issue of offer document in the case of Company; and if there were any prosecutions filed (whether pending or not); fines imposed or compounding of offences done in the preceding three years immediately preceding the year of the prospectus for the Company.

Further from time to time, we have been and shall continue to be involved in legal proceedings filed by and/or against us, arising in the ordinary course of our business. These legal proceedings are mostly civil in nature. We believe that the number of proceedings in which we are/were involved is not unusual for a company of our size doing business in India.

Unless stated to the contrary, the information provided below is as of the date of this Prospectus.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Litigations against our Company

Tax Litigations

Direct Tax

1. The Commissioner of Income Tax (Central), Kochi ("**CITK**") filed a writ petition (c) bearing no. 23856/2013 dated August 28, 2013 ("**Writ Petition**"), before the High Court of Kerala against the order dated March 25, 2013 ("**Order**") passed by the Income Tax Settlement Commission, Chennai ("**Commission**") for the assessment years 2004-05 to 2010-11, granting immunity to our Company from penalty and prosecution. Aggrieved by the Order, the Writ Petition was filed by CITK *inter-alia* on the ground that the Commission has no authority to grant immunity to our Company from penalty and prosecution unless our Company makes full and true disclosure of its income, manner in which it was derived and cooperates with the Commission in the proceedings. The CITK further alleged that the income admitted by our Company was less than the income quantified by the Commission and hence full and true disclosure wasn't made and thus the Order passed by the Commission was against law. Further, the CITK has prayed for the issuance of writ of certiorari or any other appropriate order quashing the Order to the extent that it granted immunity to our Company

from prosecution and penalty. The matter is currently pending.

2. The Commissioner of Income Tax (Central), Kochi ("**CIT**") passed an order dated November 30, 2016 under Section 263 of the Income Tax Act, 1961 ("**IT Act**") directing the Assistant Commissioner of Income Tax, Central Circle, Kottayam ("**AO**") to verify a deduction amounting to ₹123.07 lakhs claimed by the Company towards discount allowed to debenture holders during the AY 2012-13. The Assistant Commissioner of Income Tax, Central Circle, Kottayam ("**AO**") passed an assessment order dated August 31, 2017 under Section 263 of the IT Act ("**Order**") giving effect to the direction of the CIT in relation to deduction amounting to ₹123.07 lakhs claimed by the Company towards discount allowed to debenture holders during the AY 2012-13. In the Order, the AO disallowed the deduction on the grounds that certain debenture holders (out of the list of entire debenture holders) had not confirmed the debenture subscription in a prescribed proforma sent to them, as notices under Section 133(6) of the IT Act and in certain cases, as summons under Section 131 of the IT Act and some debenture holders who were served notices and summons did not respond at all. Further the Order also states that there was an instance of a cash deposit of ₹20.00 lakhs on November 26, 2011, in the Company's bank account with Kilimanoor branch which has been accounted by the Company towards subscription of debentures. The subscription amount relating to all these debenture holders aggregating to ₹3,366.40 lakhs was added to the income of the Company under Section 68 of the IT Act, and consequently, a demand of ₹1,895.72 lakhs was raised on the Company. The Company has filed an appeal dated September 28, 2017 before the Commissioner of Income Tax (Appeals) ("**CIT – A**") challenging the Order on *inter-alia* grounds that the assessment order is violative of principles of natural justice, additions made under Section 68 were beyond jurisdiction of the AO as well as grounds on merits justifying the claim of deduction of expenditure. Further Company has filed an appeal dated November 14, 2017, before the Income Tax Appellate Tribunal, Cochin against the order under Section 263. Separately, the Company approached the High Court of Kerala ("**High Court**") requesting for stay of demand. The High Court has passed an order dated September 12, 2017 directing the CIT – A to decide the stay application within two months of receipt of a certified copy of the High Court order. The CIT- A passed an order dated December 27, 2017 granting a stay on recovery of the demand amount. Further our Company has received an order dated September 5, 2019 from Income Tax Appellate Tribunal, Cochin by dismissing the appeal filed on November 14, 2017. The AO has completed a fresh assessment for the Assessment Year 2012-13 and passed order dated December 29, 2019 under section 143(3) of the IT Act read with section 153A of the IT Act, raising a demand of ₹1,077.00 lakhs. The demand raised by the AO under section 153A of the IT Act was already covered by the erstwhile Income-tax officer under the regular assessment and had concluded the assessment *vide* his order dated August 31, 2017. Since, there is no fresh addition *vide* the order of AO dated December 29, 2019, the appeal already filed against the order dated August 31, 2017 with the CIT - A on September 28, 2017 shall stand. The matter is currently pending before CIT - A

3. The Assistant Commissioner of Income Tax, Central Circle, Kottayam ("**AO**") has passed an order dated December 29, 2019 under section 143(3) of the Income Tax Act, 1961 ("**Act**") read with section 153A of the Act, raising a demand of ₹1,154.78 lakhs for the Assessment Year 2015-16 ("**Assessment Order**"). Our Company has filed a rectification application on January 09, 2020 with the AO under section 154 of the Act in order to rectify the Assessment Order. Our Company has also filed an appeal before the Commissioner of Income Tax (Appeals) ("**CIT – A**") against the Assessment Order. The matter is currently pending before CIT – A.

4. The Assistant Commissioner of Income Tax, Central Circle, Kottayam ("**AO**") has passed an order dated December 29, 2019 under section 143(3) of the Income Tax Act, 1961 ("**Act**") read with section 153A of the Act, raising a demand of ₹1,426.08 lakhs for the Assessment Year 2016-17 ("**Assessment Order**"). Our Company has filed an application on January 9, 2020 with the AO under section 154 of the Act in order to rectify the Assessment Order. Our Company has also filed an appeal before the Commissioner of Income Tax (Appeals) ("**CIT – A**") against the Assessment Order. On September 30, 2020, CIT – A passed an order under section 154 of the Act based on the rectification filed by our Company and revised the total demand to ₹1,469.92 lakhs. The matter is currently pending before CIT – A.

5. The Commissioner of Income Tax (Central) Kochi filed a writ petition bearing no. 23149/2013 ("**Writ Petition**"), before the High Court of Kerala against the order dated March 25, 2013 ("**Order**") passed by the Income Tax Settlement Commission, Chennai ("**Commission**") for the assessment years 2004-05 to 2010-11, granting immunity to our Group Company, Kosamattam Mathew K. Cherian Financiers Private Limited ("**MKC Finance**") (since then merged with our Company *vide* an order of the NCLT dated June 26, 2018) from penalty and prosecution. Aggrieved by the Order, the Writ Petition was filed by CITK *inter-alia* on the ground that the Commission has no authority to grant immunity to MKC Finance from penalty and

prosecution unless MKC Finance makes full and true disclosure of its income, manner in which it was derived and cooperates with the Commission in the proceedings. The CITK further alleged that the income admitted by MKC Finance was less than the income quantified by the Commission and hence full and true disclosure wasn't made and thus the Order passed by the Commission was against law. Further, the CITK has prayed for the issuance of writ of certiorari or any other appropriate order quashing the Order to the extent that it granted immunity to MKC Finance from prosecution and penalty. The matter is currently pending.

6. A notice for hearing dated April 15, 2016 was issued by the Assistant Commissioner of Income Tax, Central Circle, Kottayam ("**Authority**") to verify the sale consideration of the property purchased by Mathew K. Cherian Financiers Private Limited ("**MKC Finance**") (since then merged with our Company *vide* an order of the NCLT dated June 26, 2018) disclosed in its income tax return, less than the actual sale consideration of the property as reported in the annual returns and the alleged mismatch in the amount paid to related persons under section 40A(2)(b) reported in the audit report and income tax return. Thereafter, MKC Finance submitted a response dated July 10, 2017 stating that tax has been paid at the maximum taxable rate and that there is no mismatch in the amount paid. Subsequently, the Authority issued an order dated October 30, 2017 against MKC Finance initiating proceedings under section 271(1)(c) for concealment of income and demanding payment to the tune of ₹93.79 lakhs for the assessment year 2015-16. Thereafter, MKC Finance filed an appeal dated November 25, 2017 before the Commissioner of Income Tax (Appeals)-III, Kochi. The matter is currently pending.

Indirect Tax

1. The Office of the Commissioner of Central Excise and Customs, Cochin ("**Authority**") issued a Show Cause Notice bearing No. 224/2016/ST, C. No. V/ST/15/190/2016-STAdj dated April 22, 2016 ("**SCN**"). The SCN called upon our Company to show cause as to why a sum of ₹7192.42 lakhs collected in excess of 18% per annum from the gold loan customers, accounted as interest on gold loan account, ₹76.06 lakhs accounted as token charges and ₹53.67 lakhs accounted as postage charges, should not be included in the value of taxable services rendered by them during the period from April 1, 2014 to March 31, 2015 ("**Taxable Period**"). Our Company was asked to show cause as to why a service tax amounting to ₹878.66 lakhs, education cess of ₹17.57 lakhs and secondary higher education cess of ₹8.79 lakhs in the Taxable Period should not be levied. Our Company filed a reply to the SCN, dated May 21, 2016. The matter is currently pending.

2. The Office of the Inspecting Assistant Commissioner (Intelligence Branch), Commercial Taxes, Kottayam ("**Authority**") issued a Show Cause Notice bearing No. IBK/2/1/15-16 dated August 31, 2016 ("**SCN**"). The SCN called our Company to show cause as to a penalty of ₹117.90 lakhs should not be charged for evading Tax Deductible at Source ("**TDS**"), which was allegedly due under The Kerala Value Added Tax Act, 2003 ("**KVAT**") towards work contracts entered into with various dealers toward setting up wind mills. Our Company filed a reply dated October 06. 2016 to this SCN, stating that TDS under Section 10 of the KVAT, as claimed by the Authority, would be applicable only to a works contract. Our Company claims that the contracts entered into with the dealers are in the nature of divisible contracts, not work contracts, and therefore Section 10 of the KVAT would be inapplicable. Our Company also claimed that in case of inter-state transactions, the KVAT would be inapplicable. The State Tax Officer, Kottayam passed an order dated July 19, 2018 **("Penalty Order")** imposing a penalty of ₹83,35,666 under Section 67(1) of the KVAT for evasion of tax. Consequently, our Company on August 31, 2018 had filed a writ petition bearing reference number WP (C) 28524/2018 before the High Court of Kerala at Ernakulum ("**WP 28524/2018**") praying before the High Court to stay all further proceedings pursuant to the Penalty Order, however, the WP 28524/2018 got dismissed on the ground that the issues under WP 28524/2018 stand squarely covered against our Company by a judgment dated January 11, 2019 in W.P. (C) No.11335 of 2018. In this regard, our Company had filed a writ appeal bearing reference number W.A.1068/19 before the High Court of Kerala at Ernakulum challenging the dismissal of the aforesaid WP 28524/2018 and the High Court of Kerala *vide* order dated April 09, 2019 allowed the writ appeal and the aforesaid WP 28524/2018 is restored for fresh consideration and for disposal of the issues as provided in the appeal order.

   Further, a demand notice bearing No. A-2266/19, KTM II (RRC No.84/19-20) under Section 7 of KVAT **("Demand Notice")** was recived by our Company on August 31, 2019 from the office of the Assistant Commissioner, State Goods and Service Taxes of Kottayam informing our Company that if the amount in arrears pursuant to the Penalty Order amounting to ₹83.35 lakhs, notice fee of ₹0.0004 lakhs and all expenses of distress is not paid then the distrained property will be immediately brought to public sale. Consequently, our Company *vide* its letter dated September 20, 2019 requested the Assistant Commissioner, State Goods and Service Taxes of Kottayam, that the demand made under the Demand Notice may be withdrawn/kept in abeyance as the decision of the High Court of Kerala under WP 28524/2018 in connection to the Peanlty Oder is still pending. The matter is currently pending.

3. The Commercial Tax Inspector, Commercial Tax Check Post, Cumbummettu ("**Inspector**"), intercepted a vehicle belonging to our Company, which were loaded with windmill flour foundation parts and found certain discrepancies in the documents presented at the spot. Being dissatisfied the Inspector issued a notice under Section 47 of the Kerala Value Added Tax Act, 2003 questioning the genuineness of the documents provided and alleged an attempt to evade taxation. The Inspector demanded security deposit of ₹2.90 lakhs pending disposal of the matter. Thereafter the matter was transferred to the Office of the Intelligence Officer, Squad No. IV, Commercial Taxes, Kottayam ("**Authority**") who on account of the failure of the consignee to appear before the Authority, passed an order dated November 25, 2016 ("**Order**") converting the security deposit amount of ₹2.90 lakhs into a penalty. Our Company has filed an appeal against the Order before the Deputy Commissioner (Appeals), Department of Commercial Taxes, Kottayam. Consequently, the Deputy Commissioner (Appeals), Department of Commercial Taxes, Kottayam set aside the aforesaid Order of penalty *vide* order dated February 02, 2019 ("**Order I**") and directed our Company to file objection and produce the books of accounts before the assessing Authorithy within three weeks from the date of Order I and remanded back the matter to the Commercial Tax Department for fresh adjudication. The State Tax Officer, State GST Department (Squard IV, Kottayam) issued order dated December 27, 2019 by imposing a penalty of ₹ 0.1 lakhs for the non accompanying of proper documents at the time of transporattion of goods and ordered to refund the balance amount of ₹2.80 lakhs to our Company.

4. The Intelligence Inspector, Commercial Tax Idukki at Kattappana ("**Inspector**"), intercepted a vehicle belonging to our Company, which were loaded with windmill flour foundation parts and found certain discrepancies in the documents presented at the spot. Being dissatisfied the Inspector issued a notice dated May 2, 2017 under Section 47 of the Kerala Value Added Tax Act, 2003 questioning the genuineness of the documents provided and alleged an attempt to evade taxation. The Inspector demanded security deposit of ₹159,450. Subsequently, the Intelligence Officer, Squad No. IV, Commercial Taxes, Kottayam ("**Enquiry Officer**"), converted the security deposit into penalty *vide* order dated 28 June 2017 under Section 47 read with Rule 67 of the KVAT Act ("**Order**"), on grounds that our Company could not produce enough evidence to establish their claim and therefore attempted tax evasion is well proved. Being aggrieved by the Order, our Company filed an appeal dated October 23, 2017, before the Deputy Commissioner (Appeals) Department of Commercial Taxes, Kottayam, against the penalty of ₹1.59 lakhs imposed by the Enquiry Officer. Subsequently, the State Tax Officer *vide* its order, directed to refund the security deposit of ₹1.59 lakhs to our Company. The matter is currently pending.

5. The Commercial Tax Inspector, Commercial Tax Check Post at Kottayam ("**Inspector**"), intercepted three vehicles belonging to our Company, transporting windmill devices to Idukki district and found certain discrepancies in the documents presented. Being dissatisfied, the Inspector issued notices for each vehicle dated March 30, 2015 under Section 47 of the Kerala Value Added Tax Act, 2003 questioning the genuineness of the documents provided and alleged an attempt to evade taxation. The Inspector demanded a security deposits of ₹1.13 lakhs from each vehicle. Subsequently, the Intelligence Officer, Squad No. I, Commercial Taxes, Kottayam ("**Enquiry Officer**") converted the security deposits into penalty *vide* order dated December 5, 2017 ("**Order**") on grounds of attempted tax evasion. Being aggrieved by the Order, our Company filed an appeal dated January 18, 2018 before the Deputy Commissioner (Appeals) Department of Commercial Taxes, Kottayam ("**Court**") against the penalty of ₹1.13 lakhs imposed on each vehicle by the Enquiry Officer. Subsequently, the Court *vide* order dated July 4, 2018 remanded back the penalty orders to the Enquiry Officer for a detailed enquiry and fresh disposal. That, the Enquiry Officer *vide* it's order dated August 21, 2019 reduced the penalty amount to ₹0.1 lakhs and the balance amount of ₹1.03 lakhs was ordered to be refunded to the Company. The matter is currently pending.

6. The Intelligence Inspector, Squad VI, Idukki at Kumily ("**Inspector**"), intercepted two vehicles belonging to our Company, loaded with wind mill devices and found certain discrepancies in the documents in support. Subsequently, the Inspector issued a notice dated May 30, 2016 under Section 47 of the Kerala Value Added Tax Act, 2003 ("**KVAT Act**") pointing out certain defects in the documents and demanded a security deposit of ₹1.4 lakhs each. Subsequently, the Intelligence Officer, Commercial Taxes, Kottayam ("**Enquiry Officer**"), converted the security deposit into penalty *vide* order dated December 20, 2017 under Section 47(6) read with Rule 67 of the KVAT Act ("**Order**"), alleging that the intention of our Company was to resell the goods and evade payment of tax. Aggrieved by the Order passed by the Enquiry Officer, our Company had filed an appeal before the Assistant Commission (Appeals), State Goods and Services Tax Department, Kottayam ("**Assistant Commissioner**"). The Assistant Commissioner *vide* its order dated November 30,

2019 reduced the penalty into a minimum penalty of ₹0.1 lakhs and directed the Enquiry Officer to revise the penalty. The matter is presently pending before the Equiry Officer for revision of the penalty.

7. The Intelligence Inspector, Squad VI, Idukki at Kumily ("**Inspector**"), intercepted a vehicle belonging to our Company, loaded with wind mill devices and found certain discrepancies in the documents in support. Subsequently, the Inspector issued a notice dated June 29, 2016 under Section 47 of the Kerala Value Added Tax Act, 2003 ("**KVAT Act**") pointing out certain defects in the documents and demanded security deposit of ₹2.7 lakhs. Subsequently, the Intelligence Officer, Commercial Taxes, Kottayam ("**Enquiry Officer**"), converted the security deposit into penalty *vide* order dated December 20, 2017 under Section 47(6) read with Rule 67 (7) of the KVAT Act ("**Order**"), alleging that the intention of our Company was to resell the goods and evade payment of tax. Aggreived by the Order passed by the Enquiry Officer, our Company had filed an appeal before the Assistant Commission (Appeals), State Goods and Services Tax Department, Kottayam ("**Assistant Commissioner**"). The Assistant Commissioner *vide* its order dated November 30, 2019 reduced the penalty into a minimum penalty of ₹0.1 lakhs and directed the Enquiry Officer to revise the penalty. The matter is presently pending before the Equiry Officer for revision of the penalty.

8. The Intelligence Inspector, Squad VI, Idukki at Kumily ("**Inspector**"), intercepted a vehicle belonging to our Company, loaded with wind mill devices and found certain discrepancies in the documents in support. Subsequently, the Inspector issued a notice dated May 25, 2016 under Section 47 of the Kerala Value Added Tax Act, 2003 ("**KVAT Act**") pointing out certain defects in the documents and demanded security deposit of ₹1.9 lakhs. Subsequently, the Intelligence Officer, Commercial Taxes, Kottayam ("**Enquiry Officer**"), converted the security deposit into penalty *vide* order dated December 20, 2017 under Section 47(6) read with Rule 67 (7) of the KVAT Act ("**Order**"), alleging that the intention of our Company was to resell the goods and evade payment of tax. Aggreived by the Order passed by the Enquiry Officer, our Company had filed an appeal before the Assistant Commission (Appeals), State Goods and Services Tax Department, Kottayam ("**Assistant Commissioner**"). The Assistant Commissioner *vide* its order dated November 30, 2019 reduced the penalty into a minimum penalty of ₹0.1 lakhs and directed the Enquiry Officer to revise the penalty. The matter is presently pending before the Equiry Officer for revision of the penalty.

9. State Tax Officer, Office of the State Tax officer, 2nd Circle, Kottayam on November 26, 2018 ("**Authority**") issued a notice ("**Notice**") against our Company under Section 10 of the KVAT ACT, 2003 stating that our Company has failed to deduct the TDS from the payment to the contractos as provided in the Notice and instructed our Company to pay the tax of an amount to ₹41.68 lakhs. To this, our Company *vide* it's letter dated January 29, 2019 replied that our Company is not liable to deduct any TDS as the provisions of Section 10 of the KVAT ACT, 2003 is not applicable to the transctions undertaken by our Company and submitted that the imposition of penalty is not warranted. However, proceedings before the Authorithy was initiated and our Company *vide* order dated June 29, 2019 ("**Order**") was directed to pay an amount of ₹63.51 lakhs including the interest of an amout of ₹21.83 lakhs to the Authority. Consequently, our Company has filed a reply stating that the Authoirthy has erred in considering the submisions made by our Company and therefore, requested the Authorithy to rectify the order passed on June 29, 2019. Aggrieved by the order dated June 29, 2019 passed by the Authority, our Company has filed a writ petition having W.P.(C) No. 33858 of 2019 ("**Petition**") before the High Court of Kerala, at Ernakulam ("**High Court**") for issuing a wirt of Mandamus or such other writ, order or direction directing the Authority to consider and pass appropriate orders in rectification application on merits and restraining the Authority from recovering the amounts under Order. Subsequently, the High Court *vide* it's judgement dated December 11, 2019 ("**Judgement**"), disposed of the Writ Petition after directing the Authority to consider and pass orders on rectification application within a period of one month from the date of receipt of a copy of Judgement, after hearing the Company. Further, the Aurthority were also directed that the recovery steps pursuant to revenue recovery notice for recovery of the amounts confirmed against the Company under the Order shall be kept in abeyance till such time the orders is passed by the Authority. Subsequently, the Authority re-examined the matter pursuant to the Judgement passed by High Court and passed an order on February 29, 2020, rejecting the rectification application on the ground that the rectification application is not sustainable, therefore no rectification is required in the Order. The matter is pending.

10. In furtherance to the show cause notice bearing number C. No. V/ST/15/194/2014 ST Adj 828/14 dated May 22, 2014, The Commissioner of Central Excise, Customs and Service Tax, Cochin *vide* an order bearing no. COC-EXCUS-0000COM-075/14-15 dated February 27, 2015 ("**Order**") directed Kosamattam Mathew K Cherian Financiers Private Limited ("**MKC Finance**") (since then merged with our Company *vide* an order of the NCLT dated June 26, 2018) that on account of charging risk interest, token charges, postage and other expenses over and above the rate of 18% interest on gold loan, which was held to be includible in the value

of the taxable service. Therefore in contravention of Section 68, 69, 70 and 78 of Finance Act, 1994 (“**Act**”), read with Rule 6 of Service Tax Rules, 1994 (“**Rules**”) and other applicable provisions, MKC Finance was directed to pay an amount to the tune of ₹139.10 lakhs towards unpaid service tax, along with ₹2.78 lakhs being the education cess, ₹1.39 lakhs being the secondary and higher education cess, total amounting to ₹143.28 lakhs with interest and penalty of ₹0.10 lakhs while providing “Banking & other Finance Services” for the period April, 2009 to June, 2012. MKC Finance has preferred an appeal no. ST/21302/2015-DB dated June 9, 2015 before the Customs, Excise and Service Tax Appellate Tribunal, Bangalore (“**Tribunal**”) against the Order (“**Appeal**”) praying for the Order to be set aside and the amount of ₹139.10 lakhs be included in the taxable value under ‘Banking and Financing Services’ in terms of Section 67 of the Act read with Rule 6 of the Rules along with setting aside the imposition of penalty and other demands. The matter is currently pending before the Tribunal.

11. Kosamattam Mathew K Cherian Financiers Private Limited (“**MKC Finance**”) (since then merged with our Company *vide* an order of the NCLT dated June 26, 2018) has received a show cause notice bearing no. 106/2015/ST dated April 20, 2015 (“**Notice**”) from the Office of the Commissioner of Central Excise and Customs, Cochin (“**Authority**”). The Notice was issued notifying MKC Finance of being in violation of Section 68, 69 and 70 of the Finance Act, 1994 read with Service Tax Rules 1994 (“**Act**”) and directing that services provided to customers from April 1, 2013 to March 31, 2014 for which MKC Finance received consideration, is to be treated as taxable service along with the amount to the tune of ₹36.87 lakhs being the leviable service tax, amount to the tune of ₹0.74 lakhs being the leviable education cess and amount to the tune of ₹0.36 lakhs being the secondary and higher education cess on the taxable value of ₹307.25 lakhs, along with imposition of penalty and interest is recoverable from MKC Finance. MKC Finance replied to the Notice *vide* a letter dated July 2, 2015. The Authority passed an order dated December 29, 2015 confirming the demand along with levying penalties of ₹3.79 lakhs for failure to pay service tax and ₹0.1 lakhs under Section 77 of the Act. Our Company filed an appeal bearing number ST/20869/2016-DB dated May 31, 2016 before the Customs Excise and Service Tax Appellate Tribunal, Bangalore. The matter is currently pending.

12. Kosamattam Mathew K Cherian Financiers Private Limited (“**MKC Finance**”) (since then merged with our Company *vide* an order of the NCLT dated June 26, 2018) has received a show cause notice bearing no. 307/2014/ST dated October 27, 2014 (“**Notice**”) from the Office of the Commissioner of Central Excise and Customs, Cochin (“**Authority**”). The Notice was issued notifying MKC Finance to show cause as to why the services provided by them to their customers from July 1, 2012 to March 31, 2013 for which MKC Finance received consideration should not be considered to be services as defined under Section 65B(44) and 65B(51) of the Finance Act, 1994 read with Service Tax Rules 1994 (“**Act**”) and consequently be subject to a levy of ₹64.35 lakhs as service tax, ₹1.29 lakhs as education cess and ₹0.64 lakhs as secondary and higher secondary cess on the taxable value of ₹536.28 lakhs. Our Company replied to the Notice *vide* a letter dated December 6, 2014. The Authority passed an order dated December 29, 2015 confirming the demand along with levying penalties of ₹6.63 lakhs for failure to pay service tax and ₹0.1 lakhs under Section 77 of the Act. Our Company filed an appeal bearing number ST/20869/2016-DB dated May 31, 2016 before the Customs Excise and Service Tax Appellate Tribunal, Bangalore. The matter is currently pending.

13. Kosamattam Mathew K Cherian Financiers Private Limited (“**MKC Finance**”) (since then merged with our Company *vide* an order of the NCLT dated June 26, 2018) has received a show cause notice bearing no. 61/2017-18 ST (JC) dated February 22, 2018 (“**Notice**”) from the Office of the Commissioner of Central GST and Central Excise, Thiruvananthapuram (“**Authority**”). The Notice was issued notifying MKC Finance of being in violation of Section 68 and 70 of the Finance Act, 1994 read with Service Tax Rules 1994 (“**Act**”) and directing that services provided to customers from April 1, 2015 to March 31, 2016 for which MKC Finance received consideration, is to be treated as taxable service along with the amount to the tune of ₹58.30 lakhs being the leviable service tax, amount to the tune of ₹0.06 lakhs being the leviable education cess and amount to the tune of ₹0.03 lakhs being the secondary and higher education cess and amount to the tune of ₹0.88 lakhs being the Swatch Bharat Cess totalling to ₹59.28 lakhs on the taxable value of ₹420.25 lakhs, along with imposition of penalty and interest is recoverable from MKC Finance. MKC Finance replied to the Notice *vide* a letter dated May 5, 2018. Subsequently, the Authority *vide* its order dated July 16, 2018 demanded ₹0.06 lakhs being the leviable service tax, amount to the tune of ₹0.001 lakhs being the leviable education cess and amount to the tune of ₹0.0006 lakhs being the secondary and higher education cess along with penalty aggregating to ₹0.01 lakhs. Our Company has filed an appeal dated October 10, 2018 (“**Appeal**”), against the order of the Authority to set aside the impugned Order, demand of service tax and interest and the penalty levied. Subsequently, *vide* order dated September 14, 2020, the Commissioner (Appeals) rejected the Appeal filed by our Company against the order of the Authority. Subsequently, our Company paid a penalty of ₹13,111. The matter is currently pending.

14. Our Company has received a show cause notice bearing no. 22/2018-19/ST (Commissioner) dated March 31, 2019 ("**Notice**") from the Office of the Commissioner of Central GST and Central Excise, Thiruvananthapuram ("**Authority**"). The Notice was issued by the Authority notifying our Company of being in violation of Sections 68 and 70 of the Finance Act, 1994 read with Rules 6 and 7 of Service Tax Rules, 1994 ("**Act")** and called upon our Company to show cause as to why (i) a sum of ₹7743.22 lakhs collected in excess of 18% per annum from the gold loan customers accounted as interest on gold loan account, should not be included in the value of taxable services rendered by us during the period from April 01, 2016 to September 30, 2017 ("**Taxable Period**") and assessed to service tax at the appropriate rate; (ii) the differential service tax amounting to ₹1084.05 lakhs, swach bharat cess amounting to ₹38.72 lakhs and krishi kalyan cess amounting to ₹34.01 lakhs and total tax amounting to ₹1156.77 lakhs for the Taxable Period should not be demanded under Section 73(1) of the Finance Act, 1994; (iii) the interest as applicable should not be demanded for late payment of tax under Section 75 of the Finance Act, 1994; (iv) the penalty should not be imposed on us under Section 76 of the Finance Act, 1994 for the violation of Section 68 read with Rule 6 of the Service Tax Rules, 1994; (v) the penalty should not be imposed on us under Section 77(2) for violation of Section 70 of the Finance Act, 1994 by failing to assess the tax liability correctly and by failing to file the returns correctly with the jurisdictional Superintendent of the Central Excise for which no penalty is specially provided elsewhere in the Finance Act, 1994. The matter is currently pending.

15. Our Company has filed an appeal before the High Court of Kerala bearing e-filing no. EF-HCK-2022-035587 against the final order no. A/20012-20018/2022 dated February 1, 2022 ("**Order**") passed by the Customs, Excise & Service Tax Appellate Tribunal, Bangalore ("**Tribunal**"). Our Company has alleged that, in the said Order the Tribunal has wrongly demanded allowance of service tax on money transfer service along with interest. Our Company has prayed for setting aside the said Order. The matter is currently pending.

Statutory and Regulatory Proceedings against our Company

Our Company has received the RBI Inspection Letter wherein the RBI has observed certain irregularities and deficiencies in relation to our money changing business, such as unavailability of the declaration by the Directors on 'fit and proper criteria' as on March 31, 2016; failure to submit the annual statement showing foreign currency as written-off as on March 31, 2016; non-conformity of application cum declaration format used for sale for foreign exchange with instructions issued by the RBI; unavailability of statutory auditor's certificate on compliance with KYC/AML/CFT guidelines; and non-submission of audited balance sheet and NOF certificate as on March 31, 2016. Consequently, our Company has been directed by the RBI to take necessary action and rectification, and to submit a compliance report within a period of 30 days from the date of receipt of the RBI Inspection Letter.

Our Company has responded to the RBI *vide* a letter dated August 12, 2016, wherein our Company has categorically addressed the concerns raised by the RBI. Subsequently, the RBI, *vide* letters dated September 20, 2016 and November 30, 2016 directed our Company to rectify deficiencies detected during the RBI inspection. Our Company *vide* its letter dated December 15, 2016 confirmed compliance with the instructions regarding the application cum declaration form and submitted date wise data of forex purchased and sold by its authorised branches for period from November 8, 2016 to November 30, 2016. The matter is currently pending.

Criminal Cases

1. The Kanakapura Police had registered a FIR bearing no. 35 of 2022 against one Govindappa who was an employee of Co-Operative Marketing Society for stealing gold ornaments from the Co-Operative Marketing Society. Our Company claims that the said Govidappa had availed certain credit facilities from our Company towards which certain gold ornaments were pledged by him towards security with our Company. On March 31, 2022, the circle inspector of Kanakapura Police Station seized all the gold ornaments pledged with our Company by Govindappa amounting to ₹28.58 lakhs alleging that the gold ornaments pledged by Govindappa with our Company were stolen from Co-operative Marketing Society. Our Company has vide its letter dated April 8, 2022 reported the fraud bearing Fraud No. KFLK22020001 along with the FMR – 1 to the Reserve Bank of India. The matter is currently under investigation.

Civil Cases

1. K.V. Chakrvarthi, Enquiry Officer ("**Authority**") issued summons dated December 16, 2014 ("**Summons**")

to our Company's branch managers of the Madukkarai branch, Othakamandapam Branch and Kuruchi Branch directing our Company to hand over the possession of allegedly misappropriated jewels of the member/public who mortgaged the said jewels in K.746 Othakalmandapam Chittipalayam Primary Agriculture Cooperative Society Limited and which were allegedly misappropriated and re-mortgaged with our Company. The Authority issued another summon dated December 19, 2014 ("**Summons 1**") to our Company stating that non-compliance of the Summons will attract legal action as per law. Subsequently, the Authority filed a suit in the Court of Judicial Magistrate No. IV, where the court directed the branch managers to deliver the possession of the said jewels ("**Order**"). The Authority on December 23, 2014 seized 1358.8 grams of gold worth ₹26.81 lakhs from the Madukkarai branch, 2996.7 grams of gold worth ₹59.89 lakhs from the Othakkalmandapam Branch and 727.8 grams of gold worth ₹14.26 lakhs form the Kuruchi Branch. Our Company has filed a complaint dated January 12, 2015 with the Deputy Registrar of Co-operative society, against the Authority and the seizure of the said jewels. Our Company preferred an appeal against the Order, *vide* a writ petition dated November 23, 2015 ("**Writ Petition**") against the branch manager of Muthoot Finance, Sundapuram Branch, the branch manager of Muthoot Finance, Kinathukadavu Branch, the branch manager of Muthoot Finance, Malumichampatti Branch, and the Authority, stating that the Order was against the order of natural justice and that the appointment of the Authority was bad in law. The Writ Petition therefore prayed for a stay on all proceedings of the Order. The matter is presently pending.

2. Lakshminarayan ("**Plaintiff**") filed a petition dated July 5, 2018 bearing number O.S. No. 78 of 2018 ("**Petition**") against our Company before the Sub Judge's Court, Kottayam ("**Court**") under Section 26 read with Order VII Rule 1 of the Code of Civil Procedure, 1908 praying for the realisation of ₹10.16 lakhs with interest, realisation of costs from the suit and any other relief the Court deems fit. It was alleged that our Company along with the turnkey contractor Shriram EPC Limited colluded to avoid payment of cost to the Plaintiff for the new private road constructed as well as cost by settlement of contractual obligations. Additionally, it was alleged that our Company defaulted in payment commitments in connection with the civil works contract citing reasons of violation of the date of completion of the project and terminating the civil works contract extended to the Plaintiff. That, the Court *vide* its order dated July 15, 2019 rejected the plaint on the ground of the failure of the Plaintiff to deposit the balance court fee with the Court. Subsequebtly, the Plaitntiff appealed before the District Court, Kottayam praying to remand back the matter before the Court and the matter to be disposed afresh. The Court of the Principal District judge, Kottayam *vide* its order dated October 30, 2019, remanded the case to the Court below for adjudication on merits. The case has now been transferred to Commercial Court, Kottayam. The Court delivered its judgement on August 23, 2023, and the suit was dismissed.

3. Insight Project Management Consultants ("**Plaintiff**") filed a plaint dated November 28, 2014 against Shriram EPC Limited and our Company ("**Defendants**") before the Munsiff's Court, Kattapana ("**Court**") under Section 26, Order VII Rule 1 of the Civil Procedure Code, 1908 ("**CPC**") praying *inter alia* for granting a permanent prohibitory injunction and restraining the Defendants from recovering possession of the disputed property by force. The Plaintiff subsequently filed an affidavit dated October 1, 2017 under Order VI Rule 17 of the CPC to amend the plaint incorporating relief of damages to the tune of ₹41.45 lakhs ("**Appliation for Amendment**"). Thereafter, the Court passed an order dated July 16, 2018 ("**Order**") dismissing the Application for Amendment. Subsequently, the Plaintiff filed a petition dated August 14, 2018 against the Defendants ("**Petition**") before the High Court of Kerala against the Order of the Court. Our Company has filed a counter affidavit dated October 29, 2018 against Petition. That, the High Court of Kerala *vide* an order dated February 05, 2019 allowed the Application for Ammendment and set aside the aforesaid Order and also, allowed the original petition for further proceedings. Subsequently the Plaintiff has filed an amended plaint *vide* OS 33/19 before the Sub Court, Kattappana for want of pecuniary jurisdiction. The matter is currently pending.

4. V. Achuthan ("**Plaintiff**") has filed a plaint having O.S. No. 226/2019 on November 25, 2019 against our Company ("**Defendant 1**") and Vatakara Branch Manager ("**Defendant 2**" together with Defendant 1 "**Defendents**") before the Munsif Court, Vatakara ("**Court**") under Section 26 Order 7 Rule 1 of code of Civil Procdure 1908. The Plantiff had on June 27, 2018, availed a loan of ₹ 0.21 lakhs by pledging two gold rings weighing together 9.90 grams from Defendant 2. In the present matter, the Plaintiff has alleged that the Defendents had illegal sold his ornaments without any intimation. The Defendents had received a summons to appear before Court on January 01, 2020. The matter is currently pending.

Labour Cases

1. Anil Kumar G.P ("**Applicant**") filed an application dated June 8, 2017 before the Controlling Authority

under the Payment of Gratuity Act, 1972 (Deputy Labour Commissioner and Secretary State Advisory Contract Labour Board), Thiruvananthapuram (“**Authority**”) alleging that he was entitled to gratuity from the Company under the Payment of Gratuity Act, 1972. The Authority *vide* notice dated July 4, 2017 demanding appearance of our Company to address the application. Our Company refuted the claim by filing a counter statement dated November 28, 2017 claiming the Applicant has not completed five years of uninterrupted service and therefore is not eligible for gratuity. The Authority *vide* order dated September 13, 2023 ordered the payment of Rs. 70,711/- with 10% simple interest to the Applicant.

2. The Assistant Labour Officer, Kozhikode II circle (“**Authority**”) conducted an inspection on October 17, 2015 at our branch office and issued a demand notice dated December 01, 2015 (“**Notice**”) under Section 20(2) of Minimum Wages Act, 1948 demanding arrears of minimum wages as stated in the Notice and for that purpose. Further, a case has been registered before Deputy Labour Commissioner, Kozhikode bearing case no. No. MCPNo.14/16 (“**Claim Petition**”) in relation to arrears of minimum wages. Our Company *vide* letter dated February 14, 2019 has submitted their objection in the Claim Petition and prayed that the Authority be pleased to reject the Claim Petition as the same is not maintainable. The matter is currently pending.

Potential litigations against our Company

Nil

Litigations by our Company

Criminal cases

1. Our Company (“**Complainant**”) has filed a first information report, bearing no 366/15 dated June 13, 2015 (“**FIR**”) against Vinod. K. John (Branch manager) (“**Accused**”) at Gudallur police station, for criminal misappropriation of funds amounting to ₹2.5 lakhs by facilitation of fake and forged pledging. The customer remitted ₹2.5 lakhs on June 18, 2015 against the above pledge which was honoured by our Company, on account of maintenance of customer relationship. Our Company has also reported details of the misappropriation to the RBI *vide* Fraud no. KFLK 15020003. The matter is pending for investigation by the Police.

2. Our Company, through its regional manager, Sankara Narayanan (“**Complainant**”) has registered a first information report bearing no. 70/2015 dated March 10, 2015 (“**FIR**”) against Rameshkannan (Manager) and Remalakshmi (together referred to as the “**Accused**”) before the Thovalai Police Station under Section 390 of the Indian Penal Code. Our Company claims that the Accused had stolen one of the Gold packets (GL No: -7475) worth ₹4.16 lakhs, from our Company. All the gold packets were in order on the date of verification by the Appraiser on December 30, 2014 and the missing packet was found on January 02, 2015. Our Company has also reported details of the missing packets to the RBI *vide* Fraud no. KFLK15020002. The matter is pending for investigation by the Police.

3. Our Company has filed a first information report No. 548 dated October 9, 2013 (“**FIR**”) at Khajuri Khas Police Station against unknown accused for offences under Sections 397/34 of the Indian Penal Code, 1860 and 25/27 of the Arms Act, 1959. Gold ornaments amounting to a total value of ₹6.40 lakhs were stolen from the Bhajanpura branch of our Company in New Delhi by two unknown persons. Our Company has also reported details of the robbery to the RBI. The matter is pending for investigation by the Police.

4. Our Company, through its branch manager has registered a FIR against Robin and Roni (together referred to as the “**Accused**”) before the Chenkalpattu Police Station under Section 409, 420, 468, 471 of the Indian Penal Code. Our Company claims that the Accused has stolen ₹3.24 lakhs and cheated rent amount for ₹0.56 lakhs and further pledged spurious gold of about 12,176 grams and misappropriated ₹23.89 lakhs from our Company. The matter is under police investigation and an application for bail by the Accused was rejected by the Judicial Magistrate No. II, Chengalpattu *vide* order dated September 12, 2014. The matter has been reported to RBI for deficiency of funds at the branch *vide* Fraud no. KLF K 14030001 dated September 19, 2014. Further, our Company filed a petition 28442 of 2015 before the Madras High Court (“**Court**”) against the Inspector of Police (“**Department**”) under Section 482 of the Criminal Procedure Code, 1973 (“**Petition**”). *Vide* the Petition our Company requested the Court to direct Department to file a final report in this matter, within a stipulated time period. The Court *vide* an order dated November 25, 2015, directed the Department to file the final report as expeditiously as possible. Chargesheet has been issued and the accused

is summoned for signature verification. The matter is currently pending.

5. Our Company through Sherly Joseph, Area Manager of our Company ("**Complainant**") filed a FIR bearing no 0211/2014 dated April 09, 2014 against its employees of the Bangalore, Ayyapa nagar branch of the Company, namely Binu K Sam and Ajitha P.P ("**Accused**") for criminal misappropriation of funds amounting to ₹12.50 lakhs by drawing the sum through a cheque under false pretence. The matter is under investigation and the cash shortage caused due to the misappropriation has been reported to RBI *vide* Fraud no. KLF K 14020001 dated May 09, 2014. Matter is currently pending.

6. Our Company through Sherly Joseph, Area Manager of our Company ("**Complainant**") has filed a FIR bearing no 0123/2014 dated April 15, 2014 against its employees at the Shivaji Nagar, Bangalore Branch namely, Anuradha Rajan and Shiny Samuel and a customer, Uma Bhaskar, ("**Accused**") for criminal misappropriation of funds amounting to ₹10.04 lakhs by facilitation of pledging spurious gold by the Accused customer. The matter is under investigation and the cash shortage caused due to the misappropriation has been reported to RBI *vide* Fraud no. KLF K 14020002 dated May 09, 2014. Matter is currently pending.

7. Our Company through Simon P.S, Manager of the Thripunithura Branch ("**Complainant**") has filed a FIR bearing no 0718/2014 dated April 15, 2014 against a customer Radhalakshmi ("**Accused**") for pledging spurious gold for a loan amounting to ₹2.82 lakhs. The matter is under investigation and the cash shortage caused due to the misappropriation has been reported to RBI *vide* Fraud no. KLF K 14020003 dated May 14, 2014. Subsequently, the case has been transferred to the court of the Additional Judicial Magistrate, first class, bearing CC Number 2151/15. The matter is currently pending.

8. Our Company through Sherly Joseph, Area Manager of the Company ("**Complainant**") has filed a FIR bearing no 220/2014 dated October 17, 2014 against Rajajinagar, Bangalore Branch Manager and Joint Custodian and customers Vimal Kumar and Ganesh Rao, ("**Accused**") on September 25, 2014 for criminal misappropriation of funds amounting to ₹99,45,000 by facilitation of fake and forged pledging. The Customer remitted ₹28.50 lakhs on October 13, 2014 against the above pledge. The matter is under investigation and the cash shortage of ₹66.95 lakhs caused due to the misappropriation has been reported to RBI *vide* Fraud no. KLF K 14040001 dated November 15, 2014. Our Company filed a writ petition bearing number W.P 9829/2015 dated March 10, 2015, before the High Court of Karnataka seeking the transfer of the matter to the Criminal Investigation Department (CID) and for issuance of a writ of mandamus to direct the Police department to conduct a fair, impartial and speedy investigation. Subsequently, on October 7, 2016, our Company filed a suit of recovery before the City Civil Judge, Bangalore seeking an amount of ₹125.38 lakhs from the Accused, being losses incurred due to the outstanding loan and expenses in their efforts to recover the loan. The matter is currently pending.

9. Our Company filed a complaint with the Periyakalpet Police station against our Periyakalpet branch's manager for misappropriation of cash to the tune of ₹6.18 lakhs for the Company. Our Company is in the process of settling the matter. Fraud has been reported to the RBI on April 21, 2016 *vide* Fraud no. KFLK16020002. The matter is currently pending.

10. Our Company filed a FIR bearing number 08/16 dated March 29, 2016, with the District Crime Branch, Dindigal, Tamil Nadu, against our branch manager M. Dharmendran at Guziliamparai ("**Accused**"). *Vide* the FIR, our Company has alleged that the Accused pledged spurious ornaments to a tune of ₹18.84 lakhs, under the name of existing customers. The matter is currently under investigation and our Company has reported it to RBI *vide* Fraud no. KFLK16020001. The matter has been referred to the mediation centre attached to the Madurai Bench of the Madras High Court. The matter is currently pending.

11. Our Company filed a FIR bearing number 60/16 dated January 31, 2016 with the Vadasery Police Station, Kanniyakumari District, against Biju Chacko ("**Accused**"). *Vide* the FIR, our Company alleged that the Accused misappropriated jewellery from our Company's Kulasekaram branch to the tune of ₹80.30 lakhs. The matter is under investigation and has been reported to RBI *vide* Fraud no. KFLK16010001. That, 2,563.250 grams of gold has been recovered by the Police and produced before Vadsserry Sessions Court. Return of property has been filed for restoring the same. Investigation in process for balance recovery of gold (1,600.50 grams). The matter is currently pending.

12. Our Company filed an FIR bearing No. 800/30/08/2016 ("**Complaint**"), under Section 379 of the Indian Penal Code, against the staff of our Company's Poyampalayam branch, Annalaksmi ("**Accused**"). In the Complaint, our Company alleged that the Accused, after withdrawing ₹1.71 lakhs from a bank, for official purposes,

returned with only ₹0.21 lakhs and the rest of the amount of ₹1.5 lakhs was unaccounted and was stolen by the Accused. The matter is currently under investigation and is pending.

13. Our Company, Branch Executive of our Company, filed an FIR bearing No. 0373/2017 dated October 28, 2017 with the Mansarovar Park Police Station, New Delhi against three unknown persons ("**Accused**") under Section 392, 397 and 34 of the Indian Penal Code and Section 27 of the Arms Act 1959. *Vide* the FIR, Our Company alleged that the Accused stole gold ornaments weighing 21.6 grams worth ₹0.42 lakhs and cash to the tune of ₹0.97 lakhs from the Durgapuri Branch. The matter is currently pending.

14. Our Company filed a complaint dated November 1, 2017 with the Sarjapura Road, Bellandur Police Station against Vinod Kumar, an employee of our Company ("**Accused**"). In the Complaint, our Company alleged that ₹2 lakhs had been misappropriated by the Accused from our Company's Kasavanahally branch, Bangalore. The matter is under investigation and has been reported to RBI on November 15, 2017 *vide* Fraud no. KFLK17040001. The matter is currently pending.

15. Our Company filed an FIR bearing No.0283/2017 dated December 13, 2017 ("**Complaint**") with the Changaramkulam Police Station, Malappuram against C.P Ajesh Branch Manager and staff members Manjusha Gopalakrishnan and Sobha K.B of our Company's Edappal branch (collectively the "**Accused**"). In the Complaint, our Company alleged that the Accused stole gold ornaments pledged by various customers weighing total of 3,349.2 grams worth ₹69.22 lakhs. The matter is under investigation and has been reported to the RBI on January 3, 2018 *vide* Fraud No. KFLK18010001. Police recovered part of the gold and produced before the court. Return of property has been filed for the same. The matter is currently pending.

16. Our Company filed an FIR bearing No.983/2017 dated June 8, 2018 ("**Complaint**") with the Avaniyapuram Police Station, Madurai against Arockiya Lenin, manager of our Company's Villapuram branch ("**Accused**"). In the Complaint, our Company alleged that the Accused had forged signatures, cheated and misappropriated ₹2 lakhs from our Company's Villapuram branch. The matter is under investigation and has been reported to the RBI on April 18, 2018 *vide* Fraud No. KFLK18020001. The matter is currently pending.

17. Kosamattam Mathew K. Cherian Financiers Private Limited (since then merged with our Company *vide* an order of the NCLT dated June 26, 2018) through its employee Arun TM has lodged a FIR 504 dated December 07, 2010 before the Vandiperiyar Police Station against Faizal TA and Shainy Saji Joseph (together referred to as the "**Accused**") alleging *inter-alia* pledging of spurious gold numbering to 21 for ₹30 lakhs and for cheating. The matter is currently pending.

18. Our Company filed a complaint before the Superintendent of Police, Virudhanagar District, Tamil Nadu on December 23, 2019 against the manager and other two staff members of our Company's Watrap branch of ("**Accused**"). In the Complaint, our Company alleged that the Accused had cheated, forged and misappropriated ₹8.61 lakhs from our Company's Watrap branch. The matter is currently pending.

19. Our Company filed a complaint before the Sub-Inspector of Police, Anekal Police Station, Banglore Rural District on January 22, 2021 against the branch manager and other 3 staff members of our Company's Anekal branch ("**Accuseds**"). In the Complaint, our Company has alleged that the appraisers Laxminarayanan and Sandeepkumar ("**Appraisers**") visited the Anekal branch on January 18, 2021 for periodical audit. Pursuant to the periodical audit, the Appraiser found that spurious ornaments amounting to ₹ 52.61 lakhs were misappropriated by the Accused. On further verification it was found that gold loan are escalated to the extent of ₹ 42.35 lakhs by editing the original pledge amount and the difference amounts are misappropriated by the Accuseds. The Accused has misappropriated a total amount of ₹ 94.96 lakhs. The matter is currently pending.

20. Our Company has filed a complaint before the Senior Police Inspector, Raopura Police Station, Baroda on December 19, 2020 against branch manager and other 1 staff member of our Company's Maneja branch ("**Accuseds**"). In the Complaint, our Company has alleged that the Accused has pledged the gold loans in the name of various customers without the knowledge of the customers and from September 25, 2020 to September 26, 2020, the accused has pledged and released some accounts without the signature and presence of customers. It also alleged that the Accused were indulged personally and committed criminal conspiracy, criminal breach of trust and illegal misappropriation casuing financial loss to the tune of ₹25.75 lakhs to the Company. The matter is currently pending.

21. Our Company filed a complaint before the Raopura Police Station on December 28, 2020 against the branch manager and other 1 staff member of our Company's Dandiya Bazar branch ("**Accuseds**" together with our

Company referred to as "**Parties**"). In the Complaint, our Company has alleged that during the time of internal audit in Dandiya Bazar Branch on December 26, 2020, our Company found that the Accuseds has misappropriated amount to the extent of ₹5.08 lakhs. Our Company through authorised representative and the Accused have entered into an agreement dated January 11, 2020 ("**Settlement Agreement**") wherein, the Accused has undertaken to restore/ pay ₹4.52 lakhs ("**Settlement Amount**") to our Company on or before March 30, 2021. Post the receipt of the Settlement Amount it has been decided that our Company shall withdraw the complaint. The Parties are presently acting as per the settlement terms as mentioned in the Settlement Agreement. The matter is currently pending.

22. Our Company filed a CRI Case No. 472/2021 before the Court of Additional Chief Metropolitan Magistrate Court No. 13 of Ahmedabad ("**Court**") against Amit Sanjivkumar Soni, Aarti Sanjivkumar Soni, Kajal Sanjivkumar Soni, Radhaben Sanjivkumar Soni, Sanjiv, Ramkishan Soni, Hariprakash Subhasbhai Rajput, Bhagwandin Rajaram Kushwah, Rohit Sureshchandra Soni, Vikas Rakeshkumar Soni, and Ashish Vakheda under section 156 of Criminal Procedure Code 1973. Under this matter Amit Sanjivkumar Soni along with Aarti Sanjivkumar Soni, Kajal Sanjivkumar Soni, Radhaben Sanjivkumar Soni, Sanjiv, Ramkishan Soni, Hariprakash Subhasbhai Rajput, Bhagwandin Rajaram Kushwah, Rohit Sureshchandra Soni and Vikas Rakeshkumar Soni ("**Accused**") had pledged the gold ornaments amounting to ₹ 333.20 lakhs on various dates in 2019 and 2020. On appraisal it was found that the said ornaments might not pure. When customers are informed, they are of the opinion that ornaments are of requisite purity and the ornaments were reappraised and found to be of low purity. Our Company had demanded several times legal amount form the Accused, however our Company did not get any result and therefore our Company gave an advertisement in newpaper and auctioned the ornaments with loss of ₹222 lakhs. Therefore, being aggrieved by the conspiracy done by the Accused, our Company filed this present complaint before the Court. The matter is presently pending before the Court.

23. A First Information Report bearing no. 0214 of 2021 dated September 25, 2021 before Konakunde police station against Branch Manager Dayananda swamy.J, Usha R and Manjunath. S (**"Accused"**) for pleding spurious gold amounting of ₹132.58 lakhs /- in the name of different Customers by using their KYC without their knowledge. Company has recovered ₹ 47.37 Lakhs on February 7, 2022. The matter is currently pending.

24. A First Information bearing no. 0505 of 2022 was filed by the Mathilakam Police Station on complaint made by Seena on April 4, 2022 against unknown persons under section 392 and 34 of the Indian Penal Code, 1860 for snatching gold neck chain amounting to ₹ 1,92,000. On July 21, 2022, Sub Inspector of Mathilakam Police Station seized all the ornaments amounting to ₹ 1,35,300 pledged by Sidhique M.S. with our Company alleging that the said ornaments were snatched from a Seena based on the FIR No. 0505 of 2022 dated July 4, 2022. The matter is currently pending.

25. During our periodical appraisal of gold ornaments on August 30,2022 at Nasik Jail Road branch, It is observed that two pledges amounting to ₹1,68,000/- and ₹73,500/- found to be spurious in nature. Branch in charge Ms. Jesita Pillai colluded with customers and made the pledge. Fraud was reported to police on September 1,2022.

26. During our periodical gold appraisal at Panchavati Branch on August 31,2022, it is observed that Dhashri has made a pledge of ₹3,28,000/- and found as spurious. Branch in charge Mr. Swapnil Dixit colluded with customers and made the pledge. Fraud was reported to police on Sepetember 3,2022.

27. On January 7, 2023, at Hindupur Branch, T. Narasipura Circle Inspector of Police seized all the ornaments compraised in the pledges of Dilshad and Sahira amounting to ₹89,000/- and ₹1,48,000/- respectively. alleging that the said ornaments are theft articles. (Crime No. 300/22 dated August 22,2022)

28. On January 24, 2023, at Dr. A.S. Rao Nagar branch, Inspector of Police Adibatla Police Station seized the ornaments of 28.6gms comprised in the pledge no. 6319 (₹1,04,000/-) alleging that the said ornaments are theft articles, based on the FIR No. 46/2023 dated January 23, 2023 filed at Adibatla Polics Stations.

29. On February 1, 2023 at Gudalloor branch, Sub Inspector of Thankamani Police Station seized all the ornaments compraised in the pledge amounting to ₹1,95,000/- made by Sundharapandian alleging that the said ornaments are stolen from a third party, based on FIR No. 042/2023 dated January 16,2023 filed at Thankamani Police Stations.

30. During our detailed Audit Appraisal and Vigilance verification at Eluru branch, it was observed and reported by Aera Manager Kishore Babu that the Branch Manager Avinash Kumar K, Joint custodian Thalitha along with the branch executive Sivakumary, pledged spurious ornaments to the extent of ₹4,93,100/- and misappropriated an amount to the tune of ₹3,12,773/- and shared the proceeds among them personally. Total amount ₹8,05,873/-. KYC documents and signature of the customers are forged by the above 3 persons jointly. Reported to the Police on January 1,2023 and FIR got filed on FIR No. 36/2023 dated January 30,2023.

31. As per the Area Manager Karthikeyan's Report, Branch Manager of Sethiathope branch, Mr. Sathyaseelan has stolen ₹14,49,914/- out of the amount given for depositing in the Bank A/c. Also, he pledged spurious ornaments in two pledges without the knowledge of the Customers amounting to ₹1,15,000/- (Gl No. 22280) and ₹95,000/- (Gl. No. 22494). Made a police complaint to District Crime Branch, Cuddalore and Police filed FIR (FIR No. 8/2023 dated March 29,2023).

32. One Esteru Rani Mudda had pledged ornaments at Kandukkur on May 24,2022 and August 18,2022 vide GL Nos. 2803 and 3170 amounting to ₹70,000/- and ₹1,14,300/- respectively having complied all KYC guidelines of the Company. On March 18,2023, Sub Inspector of Police, Narsingi Police Station, CYB, seized the above ornaments alleging that the said ornaments were stolen from two different places as per FIR No. 957/22 and 13/2022.

33. On May 22,2023, Area Manager Mr. Kishore Babu visited the Cherukappally Branch and as per his report ₹9,68,607/- found short. Branch Manager P. Srinivasa Rao and Joint custodian Raghu Prakasa jointly misappropriated the amount and 3 gold packets amounting to ₹2,37,800/- also found missing. Detailed appraisal was conducted and confirmed the same. A preliminary Police complaint was made on May 25, 2023 alleging that the above two are the responsible persons for the total loss. Total amount of misappropriation was ₹12,06,407/-. Verification of documents and Inspection concluded on May 27, 2023. Police filed FIR against FIR No. 118/2023 dated June 10,2023.

34. On June 9,2023, Sub inspector of Police, Upper Coonoor, seized the ornaments pledged in the GL No. 18987 and 18988 by Arokiya Mary, at Coonoor II branch amounting to ₹3,16,500/- alleging that the said ornaments are stolen from a third party (As per FIR No. 67/2023 dated June 05,2023).

35. As per Regional Office Manager's visit Report of Perumbilavu branch dated June 2, 2023, Branch Executives Adithyan K V and Jithin N V have withdrawn ₹10,00,000/- from South Indian Bank, Kadavallore on June 01, 2023 as directed by Branch Manager Mrs. Jalaja. On the same day, they reported that the amount has been lost with unjustified reasons. Police complaint has been filed with Kunnamkulam Police station after conducting an internal enquiry by Vigilance Officer in this regard. Also verified the CCTV footage from nearby shops enroute from bank to branch. (FIR No. 0763/2023 dated June 09, 2023). Amount has been recovered in full and Claim petition has been filed with Munsiff court, Kunnamkulam.

36. On June 24,2023, Sub Inspector of Byadarahalli Police station, visited the Kollegala branch and seized the ornaments pledged in Gl No. 23878 dated June 08, 2023 by Mr. Martin John F amounting to ₹1,99,990/- alleging that the said ornaments were theft articles. Police filed FIR No. 0316/2023 dated June 07, 2023. Investigation is in progress.

37. On February 22, 2023, Mr. Salim Munnakhan pledged ornaments against GL NO 16886 for ₹ 1,48,000. On June 19,2023, Sub Inspector of Halavagilu Police station, seized the ornaments alleging that the Accused murdered a lady and stolen the said ornaments. Police filed a FIR No 0046/2023 dated June 19,2023.

38. On April 14, 2023, Mr. Nagendrappa M C and other 19 customers pledged ornaments in their individual names on different dates by complying the KYC requirements. Later on, September 09,2023 Chamrajnagar CEN crime Police seized the said ornaments alleging that same were stolen properties (FIR NO 24/23) amounting to ₹39,94,369.

39. On April 10, 2023, Mr. Utham Kumar pledged ornaments by complying the KYC requirements amounting to ₹ 8,05,990 in total at Begur Branch. The said pledge was made on different dates. Later on, September 13,2023 Chamrajnagar CEN crime Police seized the said ornaments alleging that same were stolen properties. (FIR No 24/23) .

40. On June 03, 2023 one Mr. Gangadharan H G pledged his ornaments complying KYC requirements at

Mysore Branch. Later on, September 19,2023, Chamrajnagar CEN Crime Police seized the said ornaments alleging that the same is stolen property as per the FIR No 0024/23(GL NO 16378 amounting to ₹ 2,08,500.

41. On September 12,2023 one Mr. Nelaturi Krishna Chaithanya pledged gold ornaments amounting to ₹ 1,16,000 on different dates from 12/09/2023.complying KYC requirements at Maruthinagar Branch. Later on, September 23,2023, Sub Inspector of Police, Koramangala seized the said ornaments alleging that the same is stolen property as per the FIR No 0309/2023 dated September 21,2023.

Civil cases

1. Kerala Non Banking Finance Companies Welfare Association ("**Petitioner**") an association and reperesentative of non banking financial institutions in the State of Kerala has filed a writ petition (civil) number 26803 of 2017 ("**Writ Petition**") before the High Court of Kerala ("**High Court**") against the State of Kerala ("**Respondent**"). The Respondent included "Employment in private financial instutions" in Part I of Schedule to the Minimum Wages Act, 1948 ("**Act**") and consequently the Respondent constituted a committee under Section 5(1)(a) of the Act for fixing minimum wages of the employees in non banking financial institutions. The Respondent *vide* notification dated July 28, 2016 in Kerala Gazette Extra Ordinary dated August 9, 2016 under Section 5(1)(b) of the Act published its proposal to fix minimum wages of empliyees in private non banking financial institutions and afforded an oppotunity to submit objections therein. The Petitioner objected the same and submitted a detailed objection pointing out that there was a considerable disparity in the proposal relating to wages payable to cleaner/ sweeper, office superintendent, driver, security guard, bill collector, clerks etc. The Respondent did not consider the objection of the Petitioner and provided a hearing on March 24, 2017 to the Petitioner. However, the Petitioner sought time from the Respondent as it was in the process of procuring various documents and the Respondent refused the same. Therefore, the Respondent approached the High Court by filing writ petition (civil) number 123473/2017 seeking inter alia for a direction to conduct a proper hearing. The High Court *vide* its order dated July 7, 2017 ("**Order**") disposed off the writ petition and the respondent was directed to hear and consider the Petitioner's objection. Pursuant the the Order a hearing was granted by the Respondent to the Petitioner, wherein the Petition, inter alia submitted following objections (i) the sub committee was constituted in violation of Section 9 of the Act; (ii) there was no sufficient notice regarding the hearing conducted by the sub committee; (iii) the proposal to fix mimimum wages show that it is not based on the norms; (iv) the proposal grants increments and service weitage in violation of Section 3 of the Act; (v) the capacity of the industry to pay the proposed wages etc. The Respondent again did not consider the objection and rejected the Petitioners contentions in an arbitrary manner *vide* its order dated July 20, 2017 ("**Respondents Order**") and issued fresh notification under Section 5(1)(b) of the Act. Aggrieved by the Respondents Order, the Petitioner has filed this present writ petition. Further Company filed petition for impleding in the said case by filing petition dated October 17, 2019. Subsequently on November 14, 2019, an order was passed by High Court of Kerala ("**Impugned Order**") striking down the prescription of service weightage, allowance of extra duty and risk allowance prescribed by the state government in the said notification. Agreived by the said Impugned Order, the Respondent filed a Special Leave Petition bearing diary no. 22537 of 2020. The matter is currently pending.

2. Our Company has initiated recovery proceedings against the following borrowers (i) Mangomeadows Agricultural Pleasures Land Private Limited, (ii) N.K. Kurian, (iii) Lathika Kurian ("**Borrowers**") *vide* demand notice dated January 29, 2019 issued to the Applicants under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**") demanding the repayment of an aggregate sum of ₹1426.64 lakhs together with interest and penal interest on the outstanding amount. The matter arose due to the default made by the Borrower under a term loan of an amount of ₹800 lakhs granted on March 01, 2016 and ₹200 lakhs granted on February 16, 2017 from our Kallara Branch. Thereafter, our Company had taken Symbolic Possession of the secured assets on 17/04/2019 and has filed a Miscellaneous Criminal Petition bearing No.MC- 200/2019 with CJM Court, Kottayam for taking actual possession of the secured assets and takeover of the administration of the borrowers. Subsequently, the Borrower filed a securitization application bearing No. S.A. No. 174 of 2019 ("**Application**") before the Debts Recovery Tribunal- 2 at Ernakulam ("**Authority**") in which they, inter alia, challenged the right of action of our Company to issue the notices under section 13(2) and section 13(4) of the SARFAESI Act and seeking stay on all proceedings initiated under the SARFAESI Act against the secured properties of the Borrower. Consequently, the Authority *vide* notice dated May 27, 2019 required our Company to show cause as to why the reliefs prayed in the Application should not be granted and directed us

to appear, before the Authority either in person or authorized one or more legal practitioners or any of the officers to present the case. Our Company on June 18, 2019 filed the Written Statement with the Authority, inter alia, denying the averments made by the Applicants in the Application and claiming that the Applicants are not entitled to any reliefs under the Application as the same is filed solely for the purpose of misleading the Authority and for obtaining unlawful gain and causing loss to public exchequer, which amounts to perjury for which purpose, appropriate criminal action is liable to be taken against the Borrower and also the Application is liable to be dismissed with compensatory costs. Further, we have initiated the insolvency proceedings under Section 7 of the Insolvency and Bankruptcy Code, 2016 before NCLT Kochi bench on January 3, 2022 bearing ref.no. Dy.10/22 claiming an aggregate amount of ₹ 2,358.34 lakhs towards the debts owed by the Borrorwers. NCLT Kochi *vide* its order dated January 25, 2023, initiated Corporate Insolvency Resolution Process against the corporate debtor and appointed Mr. Easwara Pillai Kesavan Nair as Interim Resolution Professional. Resolutin Plan was submitted by M/s Torrion Impex India (P) Limited has been approved by the members of COC and was filed before Hon'ble NCLT Resolution Applicant withdrawn their participation from the process.. The Company resolved to apply U/s 12(2) of the IBC an application to further extend CIRP period to next 60 days from 24.10.2023 to start its process for approval of successful resolution plan by inviting through Form G. NCLT vide order dated November 7, 2023 granted the extension of time. till December 12,2023 to complete the CIR Process.The matter is currently pending.

3. Our Company has filed a suit no. OS/3/2020 against M/s. Archana Textiles & Readymades, Tessy Mathew, K. J. Mathew, A. V. Ajimon and Annamma Kunjamma ("**Defendents**") before the Additional Subordinate Judge's Court, Kottayam ("**Court**"). The Defendents had on May 06, 2016, availed a term loan for ₹50 lakhs at an interest of 20.00% p.a. with monthly rest from our Kaduthuruthy branch. Due to irregularity in the repayment of the term loan availed by the Defendents, our Company had classified the term loan as NPA on March 31, 2018 and has initiated this present recovery proceedings against the Defendents to recover the outstanding dues amounting to ₹61.32 lakhs alongwith future interest at the rate of 22.00% (20% + 2% Penal Interest) from December 20, 2019. The suit filed by our Company against the Defendents was decreed and was stayed by High Court of Kerala. As an alternate recourse, we had initiated SARFAESI proceedings against the parties and took symbolic possession of properties which was also stayed by the High Court of Kerala. A Securitization Application challenging the symbolic possession of the properties was filed by A V Ajimon before Debt Recovery Tribunal, Ernakulam. An Order dated January 7, 2021 was passed by the said Court directing the Respondents to pay an amount of ₹ 61,32,180 along with interest @ 22% per annum. Aggreived by the said order, M/s. Archana Textiles & Readymades, Tessy Mathew and K.J. Mathew have filed a Petition bearing no. O.P. (C) No. 902/2021 before the High Court of Kerela, Ernakulam challenging the order dated January 7, 2021 passed by the said court. The matter is currently pending before the High Court of Kerala, Ernakulam.

4. Our Company has filed a suit no. O.S. 432 of 2020 against Joyamma Abraham ("**Defendant**") before the Munsiff Court, Kottayam under Section 26 and Order VII Rule 1 of the Code of Civil Procedure 1908. Our Company had taken on lease the 1st floor of building no. 20/1425 named Anithottam ("**Premises**") from the Defendant for a period of 5 years. At the time of entering into lease agreement, our Company had paid advance security money amount to ₹2 lakhs ("**Advance Security Money**") to the Defendant and which shall be refunded by the Defendant without interest on the date when our Company vacates the permises. Our Company had on December 31, 2019, vacated the Premises and handedover the keys of the building to the Defendant. Pursuant to the vacation of the Premises, our Company demanded the Defendant to return Advance Security Money after adjusting the rent for the months of November and December i.e. ₹1.65 lakhs ("**Claim Amount**"). However, the Defendant failed to return the Calim amount. Therefore, our Company had issued a notice to the Defendent demanding the repayment of Claim Amount. The Defendant replied to our said notice by raising untenable contentions and till date the Defendant has not paid the Claim Amount. Due to the non-repayment of the Claim Amount by the Defendant, our Company has initiated this present recovery proceedings against the Defendant to recover the Claim Amount alongwith a future interest at the rate of 18% per annum till realization. The matter is currently pending.

5. Our Company ("**Plaintiff**") has filed a suit no. O.S. 363 of 2020 against T.C. Chacko ("**Defendant**") before Munsiff Court, Kattapana, under section 26 order VII Rule 1 and 2 of Code of Civil Procedure for grant of permanent prohibitory injunction restraining the Defendant his men and agents from trespassing into the Property (defined below) and from committing any act of waste therein and from doing anything that will adversely affect the Plaintiff's peaceful possession and enjoyment of the Property. The Plaintiff is an absolute owner in possession and enjoyment of 35.91 acres of land comprised in Sy. No. 91/1, 91 and 92 falling in Chakkupallom village and Re.Sy. No. 501 (old Sy.No. 212, 196/1) falling in Kattappanna Village ("**Property**"). The Property is well planted with cardamom and coffee plants and there are hibiscus fencing

on the boundaries. There are internal roads and pathways through the Property which are exclusively for the usage of the estate staff and workers. About one year back the Defendant had requested the Plaintiff to allow the Defendant to open road to his property through the Plaintiff's Property, to which plaintiff did not agree. On July 20, 2020 when the Plaintiff's workers were engaged in agricultural operations in the Property, the Defendant tried to trespass into the Property and destroyed the boundary fencing in a portion of the Property. This illegal attempt of the Defendant was thwarted by timely intervention of the Plaintiff's laborers and the Defendant then had threatened to come with more force to attain his illegal goals. The Defendant had destroyed the boundary fencing and he is now disputing the southern boundary of the Property. Therefore, the Plaintiff has initiated this present proceeding against the Defendant and have prayed, *inter alia*, for granting permanent prohibitory injuction against the Defendant. The matter is currently pending.

6. Our Company has filed Memorandum of Writ Petition (Civil) bearing number W.P.(C) No. 25652 of 2020 ("**Writ Petition**") against Union of India and Others ("**Respondents**") before the High Court of Kerala, Ernakulam ("**High Court**") under Article 226 of the Constitution of India for grant of an interim direction to defer the implementation of circular issued by RBI dated August 6, 2020, bearing no. RBI/2020-21/20 DOR.No.BP.BC/7/21.4.048/2020-21 ("**RBI Ciruclar**"), wherein the banks are directed that no bank shall not open current accounts for customers who have availed credit facilities in the form of cash credit/ overdraft. The High Court *vide* its order dated November 23, 2020, issued an interim direction ("**Interim Order**") to defer the implementation of the RBI Circular till the disposal of the Writ Petition. Our Company had on February 18, 2021, filed an IA/4/2021 before the High Court wherein, our Company had prayed to implead additional respondents in the Writ Petition. The High Court *vide* its order dated February 22, 2021 ("**Order**") allowed to implead the additional respondents in the Writ Petition. Further the High Court *vide* its said Order directed that the Respondents and additional respondents shall not close the accounts of the Company and revive the accounts already closed, pending disposal of the Writ Petition. Subsequently, the High Court *vide* its order dated April 9, 2021, directed the State Bank of India to resolve the issue by mutual consultation within an upper limit of six months, failing which the shall approach Reserve Bank of India for resolution of the issue. Till then the status quo as regards to the accounts of the petitioners as on the date of filing the wirt petition shall be maintained. On January 10, 2023, the High Court extended the Interim Order for a further period of two months. The matter is currently pending.

Litigation against Promoter Directors

Mathew K. Cherian

Tax Litigations

1. Mathew K. Cherian (our "**Promoter**") has filed an appeal bearing number 40/CENT/KTYM/CIT A-1111/2011-12 dated February 02, 2012 ("**Appeal**") before the Commissioner of Income Tax Appeals ("**CIT(A)**") against the order dated December 29, 2011 passed by the Assessing Officer for the Assessment Year 2006-2007 assessing the total income at ₹6.85 lakhs. Our Promoter has filed the Appeal *inter-alia* praying that the Order be quashed, the opening cash balance be taken at ₹199.12 lakhs and delete the disallowance of repayment of loan to Kosamattam Estate Investment. The CIT(A), by an order dated September 28, 2016, partly allowed the appeal, directing the Assessing Officer to suitably modify the cash flow, and delete the disallowance of repayment of loan to Kosamattam Estate Investment. The CIT(A), by its order bearing number ACIT/CC/KTM/ABUPC1286H/2016-17 dated November 28, 2016 ("**Order**"), ordered our Promoter to pay an amount of ₹705. Our Promoter filed an application for rectification of mistake dated March 17, 2017 ("**Application**") before the Assistant Commissioner of Income Tax (Central), Kottayam against the Order, stating that the rate of calculation of education cess was incorrect. Further, our Promoter further received notices of demand under Section 156 of the Income Tax Act, 1961 for assessment years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 dated March 30, 2017 for an aggregate balance payment of ₹59.48 lakhs. In response to the application, the department had issued Form 3 demanding ₹32.63 lakhs for AY 2007-08 and the same was paid on April 23, 2021 and Form 4 was filed on April 27, 2021. On April 27, 2021 an order for withdrawal of the appeal was passed by the Commissioner of Income Tax (Appeals) 3, Kochi.The matter is currently pending.

2. The Assistant Commissioner of Income Tax, Central Circle, Kottayam ("**AO**") has passed an order dated December 29, 2019 under section 143(3) of the Income Tax Act, 1961 ("**Act**") read with section 153A of the Act, against Mathew K. Cherian, our Promoter, Chairman and Managing Director raising demand of ₹79.01 lakhs for the Assessment Year 2012-13 ("**Assessment Order**"). Mathew K. Cherian has filed an application for rectification on January 9, 2020 with the AO under section 154 of the Act in order to rectify the Assessment

Order. The matter is currently pending.

3. The Assistant Commissioner of Income Tax, Kottayam ("**AO**") passed an Order dated December 31, 2017 ("**Order**") for the Assessment Year 2015-2016 assessing the total income at ₹1,113.52 lakhs from other sources and raising a demand of ₹571.83 lakhs against Mathew K. Cherian ("**Promoter**"). Our Promoter filed an appeal bearing number 3592 of 2018 dated January 30, 2018 ("**Appeal**") before the High Court of Kerala ("**High Court**") *inter-alia* praying that the Order be quashed. The High Court *vide* order dated February 2, 2018 ("**HC Order**"), dismissed the Appeal, directing the Promoter to file an appeal before the Commissioner of Income Tax (Appeals) Cochin ("**CIT-A**"). Thereafter, our Promoter filed an appeal along with an application for condonation of delay dated February 5, 2018 before the CIT-A. The AO has completed a fresh assessment for the Assessment Year 2015-16 and passed an order dated December 30, 2019 under section 143(3) of the Income Tax Act, 1961 ("**Act**") read with section 153A of the Act, raising an additional demand of ₹1,187.87 lakhs. The AO *vide* an order dated November 14, 2022, passed under section 143(3) of the Act read with section 153A of the Act, found the additional demand of ₹1,187.87 lakhs to be erroneous and rectified the same by invoking the provisions of section 154 of the Act and accordingly ordered our Promoter to pay the balance demand of ₹571.83 lakhs. The matter is currently pending.

4. The Assistant Commissioner of Income Tax, Central Circle, Kottayam ("**AO**") has passed an order dated December 29, 2019 under section 143(3) of the Income Tax Act, 1961 ("**Act**") read with section 153A of the Act, against Mathew K. Cherian, our Promoter, Chairman and Managing Director raising demand of ₹4,971 for the Assessment Year 2016-17 ("**Assessment Order**"). Mathew K. Cherian filed an application for rectification on January 09, 2020 with the AO under section 154 of the Act in order to rectify the Assessment Order. The matter is currently pending.

Laila Mathew

Tax Litigations

1. Laila Mathew (our "**Promoter**") has filed an appeal bearing number 49/CENT/KTYM/CIT A-1111/2011-12 dated February 02, 2012 ("**Appeal**") before the Commissioner of Income Tax Appeals ("**CIT(A)**") against the order dated December 29, 2011 passed by the Assessing Officer for the Assessment Year 2008-2009 assessing the total income at ₹4.26 lakhs and raising a demand of ₹0.83 lakhs. Our Promoter has filed the Appeal *inter-alia* praying that the Order be quashed, the opening cash balance be taken at ₹44.31 lakhs and delete the addition of ₹2.55 lakhs as remuneration from Kosamattam Chits and Kuries Private Limited. The CIT(A), by an order dated October 13, 2016 ("**Order I**"), partly allowed the appeal, directing the Assessing Officer to modify the cash flow statement, thereby resulting in change in the opening balance, but dismissed the contention that ₹2.55 lakhs as business income be deleted. Subsequently, our Promoter filed an appeal dated December 23, 2016, before the Income Tax Appellate Tribunal against Order I. The CIT(A), by its order bearing number ACIT/CC/KTM/AEDPM1526Q/2016-17 dated November 24, 2016 ("**Order II**"), ordered our Promoter to pay an amount of ₹0.07 lakhs. The matter is currently pending. Our Promoter has filed an application for rectification of mistake dated March 17, 2017 before the Assistant Commissioner of Income Tax (Central), Kottayam against Order II, stating that the rate of tax used to calculate liability was the common rate and not the rate applicable to women assessee. Our Promoter received letters dated March 25, 2017 pertaining to set-off of refund for Assessment Year ("**AY**") 2004-05 against payables for AY 2010-11 and AY 2012-13 and 2009-10 against payables for AY 2012-13 and letters dated March 30, 2017 for appellate orders for the set-off of refund for AYs 2004-5, 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 of the Commissioner of Income Tax (Appeals)-IV Kochi pursuant to which the cash flow statement which modified the amount payable to nil. The Income Tax Department had filed an appeal against Order II. The Income Tax Appellate Tribunal by its order dated July 7, 2017 has allowed the appeal for statistical purpose. The matter is currently pending.

Litigations involving our Group Companies

Kosamattam Nidhi Limited ("**Petitioner**") has filed a writ petition WP(C).No. 6776 of 2021 agaisnt Union of India ("**Respondent 1**"), Joint Secretary, Ministry of Corporate Affairs ("**Respondent 2**"), Regional Director, Ministry of Corporate Affairs ("**Respondent 3**"), Registrar of Companies, Ernakulam ("**Respondent 4**" along with Respondent 1, Repondent 2, and Respondent 3 referred to as "**Respondents**") before the High Court of Kerala, at Ernakulam ("**Court**"). The present petition arises out of an order dated February 19, 2021 ("**Order**") passed by the Respondent rejecting the e-Form NDH 4 filed vide SRN R35005297 dated March 7, 2020 by the Petitioner. *Vide* said Order the Respondent declared that the Petitioner has not met the requirements to be declared as a Nidhi Company under Section 406 of the Companies Act, 2013 and instructed the Respondent 4 for taking appropriate action in accordance with the provisions of the Companies Act, 2013 and Nidhi Rules, 2014. Aggrevide by the said Order, the Petitioner had filed this present petition before the Court. The matter is currently pending.

Notices received by the Company:

Except as disclosed in "*Statutory and Regulatory Proceedings against our Company*" above on page 520, there are no other pending notices against our Company.

Litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoters during the last three years immediately preceding the year of the issue of this Prospectus and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action

Except as disclosed in "*Litigation against Promoter Directors*" above on page 529, there are no outstanding Litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoters during the last three years immediately preceding the year of the issue of this Prospectus and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action.

Inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies' law in the last three years immediately preceding the year of issue of this Prospectus against our Company (whether pending or not); fines imposed or compounding of offences done by our Company in the last three years immediately preceding the year of this Prospectus

Nil

Details of material frauds, if any in the last three years

Sr. No.	Financial Year	Details of Fraud	Action taken by the Company
1.	2022-2023	Certain fraud cases were reported during the internal audit, an instance of misappropriation of cash and gold loan of ₹ 17.63 lakhs and ₹ 23.60 lakhs at various branches of the Company	Complaint filed at respective police stations
2.	2021-2022	Certain fraud cases were reported during the internal audit, an instance of misappropriation of gold loan related misappropriations of ₹ 333.20 lakhs and ₹ 132.58 lakhs at Meghani Nagar branch and Konanakunte branch, respectively.	Complaint filed at respective police stations.
3.	2020-2021	No fraud of material nature, on or by our Company was noticed or reported during the course of audit except an instance of misappropriation of gold loan related misappropriations of ₹120.72 lakhs and misappropriation of ₹5.07 lakhs cash.	Complaint filed at respective police stations.

Details of disciplinary action taken by SEBI or Stock Exchanges against the Promoters/ Group companies in the last five financial years, including outstanding action.

NIL

Reservations or qualifications or adverse remarks or emphasis of matter or other observations of the auditors of our Company in the last three financial years and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks or emphasis of matter or other observations:

Period	Basis of Financial Statements	Summary of reservations or qualifications or adverse remarks or emphasis of matter or other observations	Impact on the financial statements and financial position of the Issuer	Corrective steps taken and proposed to be taken
Fiscal 2023	**NIL**	**NIL**	**NIL**	**NIL**
Fiscal 2022	**NIL**	**NIL**	**NIL**	**NIL**
Fiscal 2021	**-**	**Emphasis of Matter:** We draw attention to Note 49 to the financial statements which describes that there was no significant impact of the Covid – 19 pandemic on the operations and financial position of the company. Our opinion is not modified in respect of this matter.	RBI has announced certain regulatory measures in the wake of the disruption on account of the COVID -19 pandemic.Lending institution have been permitted to grant a moratorium on payment of all instalment/or interest as applicable ,to eligible borrowers in accordance with the Board approved policy	The company has not availed any moratorium from the lendersSince majority of our customer are short –term gold loan customers and other eligible customers also were not there. The resolution plan has been implemented under this window is 'NIL'

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

"The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in the Prospectus is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading."

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on October 27, 2023 the Board approved the Issue of NCDs to the public up to an amount not exceeding ₹ 20,000 lakhs.

Prohibition by SEBI

Our Company, persons in control of our Company, our Directors and/or our Promoters have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Categorisation as a Wilful Defaulter

Our Company, our Directors and/or our Promoters have not been categorised as a Wilful Defaulter nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

Declaration as a Fugitive Economic Offender

None of our Promoters or Directors have been declared as a Fugitive Economic Offender.

Other confirmations

None of our Company or our Directors or our Promoters, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Prospectus, in accordance with the SEBI Delisting Regulations or Chapter V of the erstwhile SEBI (Delisting of Equity Shares) Regulations, 2009.

Secured NCDs shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

Consents/ permissions and no objection certificates required for creation of further pari passu charge in favour of the Debenture Trustee on the assets from the Existing Secured Creditors have been obtained.

Disclaimer statement from our Company, our Directors and the Lead Manager

Our Company, our Directors and the Lead Manager accepts no responsibility for statements made other than in this Prospectus or in the advertisements or any other material issued by or at our Company's instance in connection with the Issue of the NCDs and anyone placing reliance on any other source of information including our Company's website, or any website of any affiliate of our Company would be doing so at their own risk. The Lead Manager accept no responsibility, save to the limited extent as provided in the Issue Agreement.

None among our Company or the Lead Manager or any Member of the Syndicate is liable for any failure in uploading the Application due to faults in any software/ hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who make an Application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs and will not issue, sell, pledge, or transfer the NCDs to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the NCDs being offered in the Issue.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE ISSUE DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, SMC CAPITALS LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON CONVERTIBLE SECURITIES) REGULATIONS, 2021. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD

MANAGER SMC CAPITALS LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 22, 2023, WHICH READS AS FOLLOWS:

1. **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**

3. **WE CONFIRM THAT THE OFFER DOCUMENT CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON CONVERTIBLE SECURITIES) REGULATIONS, 2021.**

4. **WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

WE CONFIRM THAT NO COMMENTS/COMPLAINTS WERE RECEIVED ON THE DRAFT PROSPECTUS HOSTED ON THE WEBSITE OF BSE LIMITED (DESIGNATED STOCK EXCHANGE).

Disclaimer Clause of BSE

“BSE Limited (“the Exchange”) has given, vide its approval letter dated November 21, 2023 permission tothis Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed. The Exchange has scrutinized this Draft Offer Document/ Offer Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission of this Company. The Exchange does not in any manner:

a)Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document;

b)Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or

c)take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

And it should not for anyreason be deemed or construed that this Draft Offer Document/ Offer Documenthas been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

DISCLAIMER CLAUSE OF RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED DECEMBER 19, 2013 BEARING REGISTRATION NO. B-16.00117 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE

STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/DISCHARGE OF LIABILITY BY THE COMPANY.

Disclaimer Clause of IRRPL

Users of IRRPL ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

Disclaimer Clause of CRISIL MI&A for industry report

CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment Classification: EXTERNAL: CLIENT CONFIDENTIAL banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Kosamattam Finance Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report_may_be_published/reproduced in_any_form_without_CRISIL's_prior_written_approval.

Disclaimer in respect of Jurisdiction

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THIS PROSPECTUS AND THE PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY INANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS PROSPECTUS AND THE PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following website:

Name of Lead Manager	Website
SMC Capitals Limited	www.smccapitals.com

Listing

An application will be made to BSE for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within six (6) Working Days from the date of closure of the issue.

Consents

Consents in writing of (a) Directors of our Company; (b) Company Secretary and Compliance Officer; (c) Chief Financial Officer; (d) Statutory Auditors; (e) Legal Advisor to the Issue; (f) Lead Manager; (g) the Registrar to the Issue; (h) Public Issue Account Bank; (i) Refund Banks; (j) Credit Rating Agencies; (k) the Bankers to our Company; (l) the Debenture Trustee; and (m) the Syndicate Member* to act in their respective capacities, have been obtained and will be filed along with a copy of the Prospectus with the RoC and any other authority as may be required.

The consent of the Statutory Auditor of our Company, namely M/s. SGS & Company, Chartered Accountants for (a) inclusion of their name as the Statutory Auditor; (b) examination reports on Audited Financial Statements in the form and context in which they appear in this Prospectus; (c) Report dated November 13, 2023 on the Unaudited Financial Results for the six months period ended September 30, 2023 and (d) report on the Statement of Tax Benefits Available to the Debenture Holders dated August 10, 2023 in the form and context in which it appears in this Prospectus, have been obtained and the same will be filed along with a copy of the Prospectus with the RoC.

Expert Opinion

Except the (i) Statutory Auditor's report on our Audited Financial Statements for the Financial Year ending March 31, 2023, March 31, 2022 and March 31, 2021 issued by M/s. SGS & Company, Chartered Accountants; (ii) their report dated November 13, 2023 on the Unaudited Financial Results for the six months period ended September 30, 2023 and (iii) Statement of Tax Benefits available to Debenture Holder issued M/s. SGS & Company, Chartered Accountants dated December 06, 2023, our Company has not obtained any expert opinions.

Common form of Transfer

We undertake that there shall be a common form of transfer for the NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant Depositary Participants of the transferor or transferee and any other applicable laws and rules notified in respect thereof.

Filing of the Draft Prospectus

The Draft Prospectus has been filed with the Designated Stock Exchange in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website(s).

Filing of this Prospectus

This Prospectus shall be filed with RoC in accordance with Section 26 of the Companies Act, 2013

Issue related expenses

For details of Issue related expenses, see "*Objects of the Issue*" on page 81.

Reservation

No portion of this Issue has been reserved

Terms and Conditions of Debenture Trustee Agreement

Fees charged by Debenture Trustee

The Debenture Trustee has agreed for one time acceptance fee amounting to ₹ 2,00,000 (plus the applicable taxes). Annual fees will start from the date of execution of trust deed and will be payable on quarterly basis at 0.015% of the outstanding balance of secured NCDs respectively at the end of each quarter as agreed in the offer letter dated October 30, 2023.

Terms of carrying out due diligence

As per the SEBI Circular "SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020 titled "Creation of Security in issuance of listed debt securities and due diligence by debenture trustee(s)", the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer company are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our company has consented to.

a. The Debenture Trustee, either through itself or its agents /advisors/ consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document /disclosure document / information memorandum / private placement memorandum, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.

b. The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed.

c. Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify Kosamattum Finance Limited such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

d. Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.

The Debenture Trustee shall have the power to either independently appoint or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company. Process of Due Diligence to be carried out by the Debenture Trustee Due Diligence will be carried out as per SEBI NCS Regulations and circulars issued by SEBI from time to time. This would broadly include the following:

- A Chartered Accountant ("**CA**") appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.
- CA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.
- CA will conduct independent due diligence on the basis of data / information provided by the Issuer.
- CA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.
- On basis of the CA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchanges.
- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Issuer.

While the NCD is secured as per terms of the Offer Document and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other Confirmations

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circulars titled (i) "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020; and (ii) "Monitoring and Disclosures by Debenture Trustee(s)" dated November 12, 2020.

VISTRA ITCL (INDIA) LIMITED HAVE FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED DECEMBER 22, 2023, AS PER THE FORMAT SPECIFIED IN ANNEXURE A TO THE DT CIRCULAR WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.**

2. **ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS, WE CONFIRM THAT:**

   A. **THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED.**

   B. **THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).**

   C. **THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.**

   D. **ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS/ PERMISSIONS REQUIRED FOR CREATION OF CHARGE ON ASSETS IN OFFER DOCUMENT AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.**

   E. **ISSUER HAS GIVEN AN UNDERTAKING THAT THE CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.**

   F. **ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT AND HAS GIVEN AN UNDERTAKING THAT DEBENTURE TRUST DEED WOULD BE EXECUTED BEFORE FILING OF LISTING APPLICATION.**

   G. **ALL DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WLL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.**

WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES.

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure A of the DT Circular.

Public issue of Equity Shares

Our Company has not made any public issue of Equity Shares in the last five years.

Previous Issues of NCDs

Other than the issues of (i) secured redeemable non-convertible debentures of face value of ₹1,000 each aggregating to ₹10,000 lakhs and (ii) secured redeemable non-convertible debentures of face value of ₹1,000 each aggregating to ₹15,000 lakhs, (iii) secured redeemable non-convertible debentures and unsecured redeemable non-convertible of face value of ₹1,000 each aggregating to ₹20,000 lakhs, (iv) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value of ₹1,000 each aggregating to ₹20,000 lakhs in the financial year 2014-2015; (v) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹23,000 lakhs and (vi) secured redeemable non-convertible debentures face value ₹1,000 each, aggregating to ₹20,000 lakhs in the financial year 2015-2016; (vii) secured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹25,000 lakhs, (viii) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹20,000 lakhs and (ix) secured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹30,000 lakhs, in the financial year 2016-2017; (x) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹25,000 lakhs, (xi) secured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹22,000 lakhs and (xii) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹23,000 lakhs, in the financial year 2017-2018; (xiii) secured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹30,000 lakhs ,(xiv) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹25,000 lakhs and (xv) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹30,000 lakhs, in the financial year 2018-2019; (xvi) secured redeemable non-convertible debentures and unsecured redeemables non-convertible of face value ₹1,000 each, aggregating to ₹30,000 lakhs, (xvii) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹30,000 lakhs, (xviii) secured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹35,000 lakhs and secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹30,000 lakhs, in the financial year 2019-2020; (xix) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹30,000 lakhs; (xx) secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹30,000 lakhs; (xxi) secured redeemable non-covertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹35,000 lakhs, (xxii) secured redeemable non-covertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹35,000 lakhs, in the financial year 2020-2021, (xxiii) secured redeemable non-covertible debentures of face value ₹1,000 each aggregating to ₹30,000 lakhs, in the financial year 2021-2022, (xxiv) secured redeemable non-covertible debentures of face value ₹1,000 each aggregating to ₹40,000 lakhs, in the financial year 2022-2023, (xxv) secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹35,000 lakhs, in the financial year 2022-2023, (xxvi) secured redeemable non-convertible debentures of face vlue ₹1,000 each aggregating to ₹40,000 lakhs, in the financial year 2022-2023 and (xxvii) secured redeemable non-convertible debentures of face value of ₹1,000 each aggregating to ₹30,000 lakhs, in the financial year 2022-2023. (xxviiI) secured redeemable non-convertible debentures of face value of ₹1,000 each aggregating to ₹20,000 lakhs, in the financial year 2022-2023.

Other than as specifically disclosed in this Prospectus, our Company has not issued any securities for consideration other than cash.

Dividend

Our Company has no stated dividend policy. The declaration and payment of dividends on our shares will be recommended by the Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Kottayam, India.

Details regarding lending out of issue proceeds of Previous Issues

A. Lending Policy

Please see "*Our Business - Gold Loan Business*" on page 124.

B. Loans given by the Company

Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoters out of the proceeds of Previous Issues.

C. Utilisation of Issue Proceeds of the previous Issues by our Company and Group Companies

Our Company

(*₹ in lakhs)*

Sr. No.	Particulars of utilisation	1st Public Issue	2nd Public Issue	3rd Public Issue	4th Public Issue	5th Public Issue	6th Public Issue	7th Public Issue
	Total Issue Proceeds	**10,000.00**	**14,922.90**	**16,344.49**	**20,000.00**	**23,000.00**	**19,988.15**	**23,451.14**
a.	Issue Related Expense	56.62	57.51	32.97	7.67	70.60	14.26	25.86
	Issue Proceed Less Issue Expenses	**9,943.38**	**14,865.39**	**16,311.52**	**19,992.33**	**22,929.40**	**19,973.89**	**23,425.28**
1.	Onward lending	8,678.84	13,777.39	14.556.88	18,024.45	21,062.05	17,971.74	21,609.10
2.	Repayment of existing loans including interest	1,200.00	1,000.00	1,650.00	1,114.72	1,278.37	945.33	772.60
3.	General Corporate Purposes	64.54	88.00	104.64	853.16	588.98	1,056.82	1,043.58

Sr. No.	Particulars of utilisation	8th Public Issue	9th Public Issue	10th Public Issue	11th Public Issue	12th Public Issue	13th Public Issue	14th Public Issue	15th Public Issue
	Total Issue Proceeds	**19,978.59**	**21,416.65**	**21,951.14**	**21,462.10**	**22,878.51**	**21,426.54**	**23,470.51**	**21,198.81**
a.	Issue Related Expense	0.57	7.00	14.06	1.30	20.91	159.38	150.07	259.58
	Issue Proceed Less Issue Expenses	**19,978.02**	**21,409.65**	**21,937.08**	**21,460.08**	**22,857.60**	**21,267.16**	**23,320.44**	**20,939.23**
1.	Onward lending	19,254.09	18,079.55	19,067.43	20,785.94	22,455.22	20,820.92	18,608.54	19,515.44
2.	Repayment of existing loans including interest	621.76	3,196.54	2,773.06	629.34	320.95	164.12	4,307.36	1,403.87
3.	General Corporate Purposes	102.17	133.56	96.59	45.52	81.43	282.12	404.54	19.92

Sr. No.	Particulars of utilisation	16th Public Issue	17th Public Issue	18th Public Issue	19th Public Issue	20th Public Issue	21st Public Issue	22nd Public Issue
	Total Issue Proceeds	**20,600.86**	**29,635.96**	**29,002.19**	**29,725.73**	**30,000.00**	**32,559.33**	**26,320.88**
a.	Issue Related Expense	182.40	130.12	154.26	159.93	138.49	116.50	91.11
	Issue Proceed Less Issue Expenses	**20,418.46**	**29,505.84**	**28,847.93**	**29,565.80**	**29,861.52**	**32,442.83**	**26,229.77**
1.	Onward lending	20,084.95	23,286.97	28,639.11	27,568.84	29,829.11	23,996.45	21,359.76
2.	Repayment of existing loans including interest	230.51	4,597.99	188.82	1,941.11	-	6,557.62	3,026.54
3.	General Corporate Purposes	103.00	1,620.88	20.00	55.85	32.40	1,888.76	1,843.47

Sr. No.	Particulars of utilisation	23rd Public Issue	24th Public Issue	25th Public Issue	26th Public Issue	27th Public Issue	28th Public Issue
	Total Issue Proceeds	**30,000.00**	**38,377.56**	**27,898.33**	**27,362.04**	**17,265.56**	**20,000**
a.	Issue Related Expense	130.98	109.24	133.06	99.81	**42.10**	**77.49**

Sr. No.	Particulars of utilisation	23rd Public Issue	24th Public Issue	25th Public Issue	26th Public Issue	27th Public Issue	28th Public Issue
	Issue Proceed Less Issue Expenses	**29,869.02**	**38,268.32**	**27,765.27**	**27,262.23**	**17,263.46**	**19,923**
1.	Onward lending	29,711.83	38,243.67	27,743.39	24,374.91	**14,007.46**	**15702.13**
2.	Repayment of existing loans including interest	35.53	-	-	2,851.22	**3,204.80**	**3442.66**
3.	General Corporate Purposes	121.66	24.65	21.88	36.10	**9.10**	**777.72**

Group Companies

Nil

Description of our loan portfolio

Type of loans:

The detailed break-up of the type of loans given by the Company as on March 31, 2022 is as follows:

(₹ in lakhs)

Sr. No	Type of loans	Amount	Percentage
1	Secured	4,84,568.91	99.99997%
2	Unsecured	0.15	0.00003%
	Total Loans	**4,84,569.06**	100.00%

A. Sectoral Exposure as on March 31, 2022:

Sr. No.		Segment wise break up of loans	Percentage
1.		**Retail**	
	a.	-Mortgages(home loans and loans against property)	1.26%
	b.	-Gold loans	98.68%
	c.	-Vehicle finance	0.00%
	d.	-MFI	0.02%
	e.	-M&SME	0.00%
	f.	-Capital market funding(loans against shares, margin funding)	0.00%
	g.	-Others	0.04%
2.		**Wholesale**	
	a.	-Infrastructure	0.00%
	b.	-Real estate (including builder loans)	0.00%
	c.	-Promoter funding	0.00%
	d.	-Any other sector (as applicable)	0.00%
	e.	-Others	0.00%
		Total	**100.00%**

B. Residual Maturity Profile of Assets and Liabilities as on March 31, 2023:

(₹ in lakhs)

Particulars	Up to 30/31 days	>1Month – 2Months	>2 Months – 3 Months	>3 Months – 6 Months	>6 months – 1year	>1 years – 3years	>3 years–5years	>5 years	Non Sensitive to ALM	Total
Bank Balance other than Cash & Cash Equivalent	3,003.31	2,452.82	1,861.82	4,986.85	15,125.44	6,181.19	0.10	0.01		**33,611.54**
Advances	36,734.40	56,170.87	53,690.19	1,93,682.69	1,42,198.57	735.00	1,363.98	6,390.88	-6,397.52	**4,84,569.06**

Investments	-	-	-	-	-	-	-	-	-	**-**
Debt Securities	-	9,330.76	-	30,983.11	27,735.40	1,03,482.70	57,763.56	9,627.19	-416.41	**2,38,506.31**
Subordinated Liabilities	52.62	-	-	130.00	285.00	12,710.14	15,141.32	1,757.96	-50.98	**30,026.06**
Borrowings (other than debt securities)	14,602.12	9,641.98	42,545.19	36,097.21	44,952.62	44,375.75	1,007.49	-	-	**1,93,222.36**
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-

C. Denomination of the loans outstanding by ticket size as on March 31, 2023:*

S. No	**Ticket size****	**Percentage**
1	Up to ₹ 2lakh	94.34%
2	₹2-5lakh	3.67%
3	₹5-10lakh	0.95%
4	₹10-25lakh	0.19%
5	₹25-50lakh	0.07%
6	₹50lakh-1crore	0.11%
7	₹1-5crore	0.30%
8	₹5-25crore	0.37%
9	₹25-100crore	0.00%
10	>₹100crore	0.00%
	Total	**100.00%**

** Loan to value, at the time of origination*

***The details provided are as per borrower and not as per loan account.*

D. Denomination of loans outstanding by LTV as on March 31, 2023:*

S. No	**LTV**	**Percentage**
1	Up to40%	1.24%
2	40-50%	4.22%
3	50-60%	3.89%
4	60-70%	32.36%
5	70-80%	58.29%
6	80-90%	0.00%
7	>90%	0.00%
	Total	**100.00%**

** LTV at the time of origination of secured loan outstanding*

E. Geographical classification of our borrowers as on March 31, 2023:

S. No	**Top States**	**Percentage**
1	ANDHRA PRADESH	6.65%
2	DELHI	1.18%
3	GUJARAT	0.00%
4	KARNATAKA	14.40%
5	KERALA	21.84%
6	MAHARASHTRA	0.60%
7	PUDUCHERRY	0.36%
8	TAMIL NADU	53.54%
9	TELANGANA	1.43%

10	UTTAR PRADESH	0.00%
	Total	**100.00%**

F. (a) Details of top 20 borrowers with respect to concentration of advances as on March 31, 2023:

(₹ in lakhs)

Particulars	Amount
Total advances to twenty largest borrowers	6,036.40
Percentage of advances to twenty largest borrowers to total advances to our Company	1.23%

(b) Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2023

(₹ in lakhs)

Particulars	Amount
Total exposure to twenty largest borrowers	6,036.40
Percentage of exposure to twenty largest borrowers to total exposure to our Company	1.23%

G. Details of loans overdue and classified as non-performing in accordance with RBI's guidelines as on March 31, 2023:

(₹ In lakhs)

Movement of gross NPA	Amount
Opening gross NPA	5,742.29
-Additions during the year	3,689.44
-Reductions during the year	1,676.87
Closing balance of gross NPA	7,754.86

Movement of Net NPA	Amount
Opening net NPA	3,523.88
-Additions during the year	1,123.72
-Reductions during the year	1,322.63
Closing balance of NetNPA	3,324.97

Movement of provisions for NPA(excluding Provisions on Standard Assets)	Amount
Opening balance	2,218.40
-Provisions made during the year	2,565.71
-Write-off/write-back of excess provisions	354.24
Closing balance	4,429.87

H. Segment-wise gross NPA as on March 31, 2023:

S.No.	Segment-wise gross NPA	Gross NPA(%)
1	**Retail**	
A	-Mortgages(home loans and loans against property)	69.69%
B	-Gold loans	26.81%
C	-Vehicle finance	0.00%
D	-MFI	1.07%
E	-M&SME	0.00%
F	-Capital market funding (loans against shares, margin funding	0.00%
G	-Others	2.43%
2	**Wholesale**	
A	-Infrastructure	0.00%

B	-Real estate (including builder loans)	0.00%
C	-Promoter funding	0.00%
D	-Any other sector (as applicable)	0.00%
E	-Others	0.00%
	Total	**100.00%**

I. Classification of loans/advances given to associates, entities/persons relating to the Board, senior management, Promoters, others, etc.

Particulars	**Amount (₹ in lakhs)**
Loans to Promoters	Nil
Loans to person related to the board	892.66
Total	**892.66**

J. Others

a) Lending policy: Should contain overview of origination, risk management, monitoring and collections
The principal form of security that we accept is household gold jewellery. We do not accept bullion, gold biscuits, gold bars; new mass-produced gold jewellery or medallions. While these restrictions narrow the pool of assets that may be provided to us as security, we believe that it provides us with the following key advantages:

It filters out spurious jewellery that may be pledged by jewellers and goldsmiths. We find that household, used jewellery is less likely to be spurious or fake.

The emotional value attached by each household to the pledged jewellery acts as a strong incentive for timely repayment of loans and revoking the pledge.

As we only accept the pledge of household jewellery, the value of the pledged gold is typically only as much as the worth of gold that is owned by an average Indian household. This prevents our exposure to large sized loans where the chances of default and subsequent losses are high.

The amount that we finance against the pledged gold jewellery is typically based on a fixed rate per gram of gold content in the jewellery. We value the gold jewellery brought by customers based on our corporate policies and guidelines. As per the policy, we grant gold loans on 22 Carat gold ornaments. However in case the jewels that are being pledged are less than 22 carat, the branches are required to convert the carat of gold jewels to the equivalent of 22 Carat. Under no-circumstances gold ornaments below 19 carats are accepted by our Company. The rates per gram are fixed by us on weekly intervals. The actual loan amount varies according to the type of jewellery pledged. While jewellery can be appraised based on a variety of factors, such as total weight, weight of gold content, production cost, style, brand and value of any gemstones, we appraise the gold jewellery solely based on its gold content. Our Gold Loans are, therefore, generally well collateralized because the actual value of the gold jewellery is higher than our appraised value of the gold jewellery when the loan is disbursed. The amount we lend against an item and the total value of the pledged gold we hold fluctuates according to the market price of gold. An increase in the price of gold will not automatically result in an increase in the value of our Gold Loan portfolio unless the rate per gram is revised by our Corporate Office. It only results in a favourable movement in the value of the security, pledged with us. Similarly, since adequate margins are built in at the time of the loan disbursement and owing to the short tenure of these loans, on average, a decrease in the price of gold generally has little impact on our interest income. However, a sustained decrease in the market price of gold could cause a decrease in the growth rate of Gold Loans in our loan portfolio.

Our Gold Loans have tenure of 9 months. However, customers may redeem the loan at any time. As per the current policy of our Company, interest is to be paid in accordance with the scheme. In the event that a loan is not repaid on time and after providing due notice to the customer, the unredeemed pledged gold is disposed-off, on behalf of the customer in satisfaction of the principal and interest charges in accordance with the applicable RBI guidelines. Any surplus arising out of the disposal of the pledged gold is refunded to the customer or is appropriated towards any other liability by the borrower. In the event that the recoverable amount is more than the realizable value of the pledged gold, the customer remains liable for the shortfall.

The processes involved in approving and disbursing a Gold Loan are divided into three phases:

- Pre-disbursement;

- Post disbursement; and
- Release of the pledge.

Pre-disbursement process

Gold Loan appraisal of a customer involves the following steps

(a) Customer identification
(b) KYC Documentation
(c) Security appraisal
(d) Documentation

Post-disbursement process

The period/tenure for a Gold Loans is up to 12 months. Timely interest collection and closing of accounts within the specified period is vital for the successful and smooth functioning of gold loan companies like that of ours. To ensure this, the branches regularly follow up with their gold loan customers through notices served at 3 months (ordinary notice), 6 months (registered notice), 9 months (registered notice with acknowledgement due) as well as personal contacts directly and over the phone.

Branch security and safety measures: Electronic Security System

Branches are normally equipped with security devices (Alarms) which automatically alert the branch manager, regional manager as well as the nearest police station in the event of any theft attempts.

The gold pledged as security is insured with an insurance company. Our Company makes periodic analysis and revises the insurance policy as per the value/quantity of the gold.

Release of pledge

Once a loan is fully repaid, the pledged gold jewellery is returned to the customer. The customer has to be present personally along with the gold loan token, at the branch where the pledge was originally made. The branch will verify the person with the photo taken at the time of pledge and confirm that there is no foul play and the amount to be paid is informed to the customer from the software and clarifies doubts if any on the amount demanded. The customer pays the amount at the cash counter and the ornaments are taken out of the safe and handed over to the customer after confirming them with the list of ornaments mentioned in the token and gold loan application form.

b) Classification of loans/advances given to associates, entities/person related to the board, senior management, promoters, others, etc:

₹ In Lakhs

Particulars	**Amount**
Loans to Promoters	Nil
Loans to person related to the board	700.00
Total	**700.00**

Revaluation of assets

Our Company has not revalued its assets in the last three financial years.

Mechanism for redressal of investor grievances

Agreement dated August 01, 2023, between the Registrar to the Issue and our Company provides for settling of investor grievances in a timely manner and for retention of records with the Registrar to the Issue for a period of seven years.

All grievances relating to the Issue may be addressed to the Registrar to the Issue and Compliance Officer giving full details such as name, address of the applicant, number of NCDs applied for, amount paid on application and the details of Member of Syndicate or Trading Member of the Stock Exchange where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Application Locations, giving full details such as name, address of Applicant, Application Form number, option applied for, number of NCDs applied for, amount blocked on Application.

Additionally, the Stock Exchange shall be responsible for addressing investor greivances arising from applications submitted online through the app based/ web interface platform of the Stock Exchange or through its Trading Members. Further, in accordance with the SEBI Operational Circular, the Designated Intermediaries shall be responsible for addressing any investor grievances arising from the Applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be three (3) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The contact details of Registrar to the Issue are as follows:

Kfin Technologies Limited
Selenium Tower B, Plot No – 31 & 32,
Gachibowli, Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi - 500 032,
Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
Toll Free No.: 18003454001
Email: kosamattam.ncd@kfinech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221

Sreenath P. has been appointed as the Compliance Officer of our Company for this issue.

The contact details of Compliance officer of our Company are as follows:

Sreenath P.
Kosamattam Finance Limited
Kosamattam City Centre,
Floor Number 4th & 5th, T.B Road,
Kottayam - 686001,
Kerala, India
Tel.: +91 481 258 6506
E-mail: cs@kosamattam.com

Change in Auditors of our Company during the last three years

The erstwhile statutory auditors of our Company, M/s. Vishnu Rajendran & Co., Chartered Accountants, were succeeded by M/s. SGS & Company, Chartered Accountants, who were appointed for a period of three financial years starting from the Financial Year 2021-2022 and to hold office from the conclusion of the 35th annual general meeting till the conclusion of the 37th annual general meeting held for the adoption of the financial statements for the Financial Year 2023-2024, pursuant to a resolution of our shareholders at their annual general meeting held on September 30, 2021.

Other disclosures

On February 26, 2018, the Financial Intelligence Unit - India, Ministry of Finance categorised Kosamattam Mathew K. Cherian Financiers Private Limited (since then merged with our Company *vide* an order of the NCLT dated June 26, 2018) as a '*High Risk Financial Institution*' on account of non-compliance with the Prevention of Money Laundering Act, 2002 and the rules made thereunder in relation to not undertaking registration of principal officer as on January 31, 2018. Our Company made requisite filings on April 3, 2018 and submitted the same to the Financial Intelligence Unit.

Undertaking by our Company

Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of '*Risk factors*' on page 18.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Prospectus contains all information with regard to the Issuer and the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Issuer has no side letter with any debt securities holder. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

Latest ALM statement

The following table describes the ALM of our Company as on March 31, 2023:

(₹ in lakhs)

	Up to 30/31 days	**More than 1 month to 2 months**	**More than 2 months to 3 months**	**More than 3 months to 6 months**	**More than 6 months to 1 year**	**More than 1 year to 3 years**	**More than 3 years to 5 years**	**More than 5 years**	**Non sensitive to ALM**	**Total**
Bank Balance other than Cash & Cash Equivalent	5,666.52	1,899.59	2,254.59	6,276.69	11,043.56	5,066.32	158.73	0.01	-	**32,366.01**
Advances	45,541.05	33,508.01	49,402.04	1,61,595.51	1,49,709.01	757.23	1,993.97	7,943.81	(5,538.04)	**4,44,912.59**
Investments	-	-	-	-	-	-	-	-	-	-
Debt Securities	2,828.53	-	-	22,762.01	44,518.56	1,06,212.67	41,564.34	7,468.97	(388.57)	**2,24,966.50**
Subordinated Liabilities	57.35	34.32	3,947.75	-	265.00	9,948.73	14,472.12	4,849.77	(47.51)	**33,527.53**
Borrowings (other than debt securities)	15,740.56	9,099.98	46,583.25	20,873.40	47,236.19	41,624.43	2,028.00	-	-	**1,83,185.82**
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-

KEY REGULATIONS AND POLICIES

The regulations summarised below are not exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, GST laws (including CGST, SGST and IGST) and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Regulations governing NBFCs

Reserve Bank of India Act, 1934

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/purchase/construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its 'principal business' is to be treated as an NBFC. The term 'principal businesses has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/1269) issued on April 08, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 percent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 percent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalisation of the balance sheet and in any case, not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act and the Master Directions – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, Peer to Peer Lending Platform (Reserve Bank) Directions 2017, Master Direction– Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016, Reserve Bank Commercial Paper Directions, 2017 and the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although, by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- An NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and

- NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard.

Types of NBFCs:

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities. The major regulations governing our Company are detailed below:

On October 19, 2023, the RBI issued a Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("SBR Directions"). A Revised Regulatory Framework for NBFCs ("SBR Framework"), whereby NBFCs have been categorised into following four layers based on their size, activity, and perceived riskiness by the RBI:

i) NBFC- Base Layer ("NBFC-BL");
ii) NBFC- Middle Layer ("NBFC-ML");
iii) NBFC- Upper layer ("NBFC-UL"); and
iv) NBFC- Top Layer ("NBFC-TL")

The NBFC- BL comprise of (a) non-deposit taking NBFCs below the asset size of ₹ 1,00,000 lakh and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface.

The NBFC- ML consist of (a) all deposit taking NBFCs ("NBFC-Ds"), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 1,00,000 lakh and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).

The NBFC-UL comprise of those NBFCs which are specifically identified by RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in appendix to SBR Framework. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

The NBFC-TL will ideally remain empty. This layer can get populated if RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFC-UL. Such NBFCs shall move to the NBFC-TL.

Pursuant the SBR Framework the criteria of asset size of non-deposit NBFCs for classification as non-systemically important has been increased from ₹ 50,000 lakh to ₹ 1,00,000 lakh ("NBFC-ND"). Therefore, non-deposit NBFCs with asset size of over ₹ 1,00,000 lakh will be considered as risky and will fall under middle layer ("NBFC-ND-SI/ NBFC-ML"). The SBR Framework came into effect from October 01, 2022 and provides that from October 01, 2022 references to NBFC-ND shall mean NBFC-BL and all references to NBFC-D and NBFC-ND-SI shall mean NBFC-ML or NBFC-UL, as the case may be. The SBR Framework clarified that existing NBFC-ND-SIs having asset size of ₹ 50,000 lakhs and above but below ₹ 1,00,000 lakh (except those necessarily featuring in NBFC-Middle Layer) will be known as NBFC-BL.

As on the date of this Prospectus the Company falls under the category of NBFC-ML, as its asset size above 1,00,000 lakhs as per the last audited balance sheet. SBR Directions provide that NBFC-ML shall be subject to regulations as specified in Section III. In addition, regulatory instructions applicable to NBFC-BL as specified in Section II shall also be applicable to NBFC-ML, unless stated otherwise.

As of the date of this Prospectus, the NBFC-ML are governed by updated SBR Directions and other applicable laws.

As the regulatory structure envisages scale based as well as activity-based regulation under the SBR Framework, the following prescriptions shall apply in respect of the NBFCs:

i) NBFC-P2P, NBFC-AA, NOFHC and NBFCs without public funds and customer interface will always remain in the base layer of the regulatory structure.

ii) NBFC-D, CIC, IFC and HFC will be included in middle layer or the upper layer (and not in the base layer), as the case may be. SPD and IDF-NBFC will always remain in the middle layer.

iii) The remaining NBFCs, viz., Investment and Credit Companies (NBFC-ICC), Micro Finance Institution (NBFC-MFI), NBFC-Factors and Mortgage Guarantee Companies (NBFC-MGC) could lie in any of the layers of the regulatory structure depending on the parameters of the scale based regulatory framework.

iv) Government owned NBFCs shall be placed in the base layer or middle layer, as the case may be. RBI Master Directions define 'NBFC ICC' to mean a company which is a financial institution carrying on as its principal business of asset finance, the providing of finance whether by making loans or advances or otherwise for any activity other than its own and the acquisition of securities.

Further, an NBFC may be registered as a NBFC-D or as a NBFC-ND. The RBI has recently harmonised the categories of NBFCs into: (i) investment and credit companies (which erstwhile consisted of asset finance companies, investment companies, and loan companies); (ii) infrastructure finance companies; (iii) infrastructure debt funds; (iv) NBFC – micro finance institutions; and (v) NBFC – factors Regulatory Requirements of an NBFC under the RBI Act

Our Company has been classified as an NBFC-ND-SI. As on date of filing of this Prospectus the Company falls under the category of NBFC ML, as its assets size is above ₹ 1,00,000 lakh, as per the last audited balance sheet. SBR Framework provide that NBFCs in the middle layer (NBFC-ML) shall continue to follow regulations as currently applicable for NBFC-ND-SIs, NBFC-Ds, CICs, SPDs and HFCs, as the case may be, except for the regulatory changes under SBR Framework
applicable on NBFC-ML.

NBFC-NDs

As per the NBFC Master Directions, the revised the threshold for defining systemic significance for NBFCs- ND in the light of the overall increase in the growth of the NBFC sector. NBFCs-ND-SI will henceforth be those NBFCs-ND which have asset size of ₹ 1,00,000 lakhs and above as per the last audited balance sheet. Moreover, as per this amendment, all NBFCs-ND with assets of ₹ 50,000 lakhs and above, irrespective of whether they have accessed public funds or not, shall comply with prudential regulations as applicable to NBFCs-ND-SI. NBFCs-ND-SI is required to comply with conduct of business regulations if customer interface exists.

All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio of 15 per cent.

Rating of NBFCs

Pursuant to the RBISI Master Directions, all NBFCs with an asset size of ₹ 50,000 lakhs are required to, as per RBI instructions to, furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

Prudential Norms

The leverage ratio of NBFCs (except NBFC-MFIs, NBFCs-ML and above) shall not be more than seven at any point of time. Leverage ratio means the total Outside Liabilities divided by Owned Fund. NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50 percent of more of their financial assets) shall maintain a minimum Tier 1 capital of 12 percent of aggregate risk weighted assets of on-balance sheet and of risk adjusted value of off-balance sheet items. The value of each asset/item requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

NBFC shall calculate the total risk weighted off-balance sheet credit exposure as the sum of the risk-weighted amount of the market related and non-market related off-balance sheet items. The risk-weighted amount of an off-balance sheet item that gives rise to credit exposure shall be calculated by means of a two-step process:

(a) The notional amount of the transaction shall be converted into a credit equivalent amount, by multiplying the amount by the specified credit conversion factor or by applying the current exposure method; and

(b) The resulting credit equivalent amount shall be multiplied by the risk weight applicable, viz., zero percent for exposure to Central Government/ State Governments, 20 percent for exposure to banks and 100 percent for others.

Corporate governance norms

As per the ND-SI-Directions, all NBFC-ND-SI are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee. NBFCs are required to furnish to the RBI a quarterly statement on change of directors, and a certificate from the managing director of the NBFC that fit and proper criteria in selection of the directors has been followed. Further, all applicable NBFCs shall have to frame their internal guidelines on corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's web-site, if any, for the information of various stakeholders constitution of a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending has also been prescribed in the RBI Master Circular. Further, RBI *vide* notification dated 10 November 2014 has mandated the Audit Committee to ensure that an information systems audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the company. RBI has also mandated the NBFCs to have a policy to ascertain the‘fit and proper criteria’ at the time of appointment of directors and on a continuing basis.

Under the terms of SBR Framework following additional corporate governance compliances have been stipulated for NBFC-ML and NBFC-UL:

(a) Key Managerial Personnel - Except for directorship in a subsidiary, key managerial personnel shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL. A timeline of two years is provided with effect from October 01, 2022 to ensure compliance with these norms. However, they can assume directorship in NBFC-BLs.

(b) Independent Director - Within the permissible limits in terms of Companies Act, 2013, an independent director shall not be on the board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time. Further, the Board of the NBFC shall ensure that there is no conflict arising out of their independent directors being on the board of another NBFC at the same time. A timeline of two years is provided with effect from October 01, 2022 to ensure compliance with these norms. There shall be no restriction to directorship on the boards of NBFC-BLs, subject to applicable provisions of Companies Act, 2013.

(c) Disclosures - NBFCs shall, in addition to the existing regulatory disclosures, disclose the following in their annual financial statements, with effect from March 31, 2023:

    i. Corporate governance report containing composition and category of directors, shareholding of nonexecutive directors, etc.

    ii. Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications.

    iii. Items of income and expenditure of exceptional nature.

    iv. Breaches in terms of covenants in respect of loans availed by the NBFC or debt securities issued by the NBFC including incidence/s of default.

    v. Divergence in asset classification and provisioning above a certain threshold to be decided by RBI.

(d) Chief Compliance Officer – In order to ensure an effective compliance culture, it is necessary to have an independent compliance function and a strong compliance risk management framework in NBFCs. NBFCs are, therefore, required to appoint a chief compliance officer (CCO), who should be sufficiently senior in the organization hierarchy. NBFCs shall put in place a board approved policy laying down the role and responsibilities of the CCO with the objective of promoting better compliance culture in the organization.

(e) Compensation guidelines - In order to address issues arising out of excessive risk taking caused by misaligned compensation packages, NBFCs shall put in place a board approved compensation policy. The guidelines shall at the minimum include, a) constitution of a remuneration committee, b) principles for fixed/ variable pay structures, and c) malus/ claw back provisions. The nomination and remuneration committee shall ensure that there is no conflict of interest.

(f) Other Governance matters - NBFCs shall comply with the following:

i. The board shall delineate the role of various committees (audit committee, nomination and remuneration committee, risk management committee or any other committee) and lay down a calendar of reviews.

ii. NBFCs shall formulate a whistle blower mechanism for directors and employees to report genuine concerns.

iii. The board shall ensure good corporate governance practices in the subsidiaries of the NBFC.

Core Banking Solution - NBFCs with 10 and more branches are mandated to adopt core banking solution in accordance with a glide path of 3 years with effect from October 01, 2022.

Provisioning Requirements

An NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realisation of the security and erosion overtime in the value of the security charged, shall make provisions against sub-Standard Assets, Doubtful Assets and Loss Assets in the manner provided for in the Master Directions.

In the interests of counter cyclicality and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI *vide* their circular no. DNBS.PD.CC. No.207/ 03.02.002 /2010-11 dated January 17, 2011, introduced provisioning for Standard Assets by all NBFCs. NBFCs are required to make a general provision at 0.25% of the outstanding standard assets. RBI *vide* their circular no. DNBR (PD) CC No. 037/03.01.001/2014-15 dated June 3, 2015 and the Master Directions has sought to raise the provision for standard assets to 0.40% by March 2018. The provisions on standard assets are not reckoned for arriving at net NPAs. The provisions towards Standard Assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. NBFCs are allowed to include the '*General Provisions on Standard Assets*' in Tier II capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II capital only up to a maximum of 1.25% of the total risk-weighted assets.

Capital Adequacy Norms

Every systemically important NBFC-ND is required to maintain a minimum capital ratio consisting of Tier I and Tier II capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the Tier II capital of a NBFC-MFI shall not exceed 100% of the Tier I capital.

Tier-I Capital, are defined as owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a systemically important NBFC-ND in each year to the extent it does not exceed 15% of the aggregate Tier I capital of such company as on March 31 of the previous accounting year. Further the RBI *vide* circular dated March 27, 2015 require the NBFCs primarily engaged in the business of lending against gold jewellery (such loans comprising 50% or more of their financial assets) to maintain a minimum Tier l capital of 12%.

Owned Funds, are defined as paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier - II Capital is defined to includes the following (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier - I capital; and (f) perpetual debt instrument issued by a systemically important NBFC-ND, which is in excess of what qualifies for Tier I Capital to the extent that the aggregate Tier-II capital does not exceed 15% of the Tier -I capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed.

Asset Classification

The Master Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard Assets;
- Doubtful Assets; and
- Loss assets

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present, every NBFC is required to make a provision for standard assets at at 0.40 per cent by March 31, 2018 and onwards.

Net Owned Fund

Section 45-I A of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹2,00,00,000 (Rupees two crores only). For this purpose, the RBI Act has defined "net owned fund" to mean:

Net Owned Fund - The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, (iii) deferred tax asset (net); and (iv) other intangible assets; and further reduced by the amounts representing,

(i) investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and

(ii) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10% of (a) above.

Further in accordance with the RBI Master Directions, which provides that a non-banking financial company holding a certificate of registration issued by the RBI and having net owned fund of less than two hundred lakhs of rupees, may continue to carry on the business of non-banking financial institution, if such company achieves net owned fund of two hundred lakhs of rupees before April 1, 2017.

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such withdrawal.

Maintenance of liquid assets

The RBI through notification dated January 31, 1998, updated as on 31st May, 2018 has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than

10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

NBFCs such as our Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-D and are governed by the RBI's Master Directions.

An NBFC-ND is required to inform the RBI of any change in the address, telephone no's, etc. of its Registered Office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

All NBFCs (whether accepting public deposits or not) having an asset base of ₹10,000 lakhs or more or holding public deposits of ₹2,000 lakhs or more (irrespective of asset size) as per their last audited balance sheet are required to comply with the RBI Guidelines for an Asset-Liability Management System.

Similarly, all NBFCs are required to comply with "Know Your Customer Guidelines - Anti Money Laundering Standards" issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

RBI, *vide* circular bearing reference number RBI/2018-19/130 DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019, has harmonised different categories of NBFCs into fewer ones, based on the principle of regulation by activity rather than regulation by entity. Accordingly, RBI has merged the three categories of NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC - Investment and Credit Company (NBFC-ICC). Further differential regulations relating to bank's exposure to the three categories of NBFCs viz., AFCs, LCs and ICs were harmonised. Further, a deposit taking NBFC-ICC shall invest in unquoted shares of another company which is not a subsidiary company or a company in the same group of the NBFC, an amount not exceeding twenty per cent of its owned fund.

Master Circular - Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 - Corporate Governance Directions 2015

All NBFC-ND-SI are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee. RBI *vide* its recent Master Circular dated July 1, 2015, introduced the Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 which requires all systematically important ND NBFCs having an asset size above ₹50,000 lakhs are required to consider adopting best practices and transparency in their systems as specified below. RBI pursuant to its Master Circular No. DNBR (PD) CC.No.053/03.10.119/2015-16 dated July 1, 2015 mandated that all NBFC having assets of ₹50,000 lakhs and above as per its last audited balance sheet are required to constitute an audit committee, consisting of not less than three members of its Board of Directors. NBFCs are required to furnish to the RBI a quarterly statement on change of directors, and a certificate from the managing director of the NBFC that fit and proper criteria in selection of the directors has been followed. Further, all applicable NBFCs shall have to frame their internal guidelines on corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's web-site, if any, for the information of various stakeholders constitution of a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending has also been prescribed in the RBI Master Circular. Further, the Audit Committee is required to ensure that an Information Systems Audit of the internal systems and processes is conducted at least once in two years to assess operational risks.

Lending against security of gold

The RBI pursuant to the SBR Direction has prescribed that all NBFCs shall maintain a loan to value ratio not exceeding 75% for loans granted against the collateral of gold jewellery. Provided that the value of gold jewellery for the purpose of determining the maximum permissible loan amount shall be the intrinsic value of the gold content therein and no other cost elements shall be added thereto. NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets) shall maintain a minimum Tier l capital of 12%. The SBR Directions has issued guidelines with regard to the following:

Where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams, NBFCs shall keep a record of the verification of the ownership of the jewellery. The ownership verification need not necessarily be through original receipts for the jewellery pledged but a suitable document shall be prepared to explain how the ownership of the jewellery has been determined, particularly in each and every case where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams.

The gold jewellery accepted as collateral by the NBFC shall be valued by the following method:

The gold jewellery accepted as collateral by the NBFC shall be valued by taking into account the preceding 30 days' average of the closing price of 22 carat gold as per the rate as quoted by the Bombay Bullion Association Ltd. (BBA) or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission.

If the purity of the gold is less than 22 carats, the NBFC shall convert the collateral into 22 carat and state the exact grams of the collateral. In other words, jewellery of lower purity of gold shall be valued proportionately. NBFC, while accepting gold as collateral, shall give a certificate to the borrower on their letterhead, of having assayed the gold and state the purity (in terms of carats) and the weight of the gold pledged. NBFCs may have suitable caveats to protect themselves against disputes during redemption, but the certified purity shall be applied both for determining the maximum permissible loan and the reserve price for auction.

The auction shall be conducted in the same town or taluka in which the branch that has extended the loan is located. NBFCs can however pool gold jewellery from different branches in a district and auction it at any location within the district, subject to meeting the following conditions:

- The first auction has failed.
- The NBFC shall ensure that all other requirements of the extant directions regarding auction (prior notice, reserve price, arms-length relationship, disclosures, etc.) are met. Non-adherence to the above conditions will attract strict enforcement action

While auctioning the gold the NBFC must declare a reserve price for the pledged ornaments. The reserve price for the pledged ornaments shall not be less than 85 percent of the previous 30 day average closing price of 22 carat gold as declared by the Bombay Bullion Association Ltd. (BBA) or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission and value of the jewellery of lower purity in terms of carats shall be proportionately reduced.

It shall be mandatory on the part of the NBFCs to provide full details of the value fetched in the auction and the outstanding dues adjusted and any amount over and above the loan outstanding shall be payable to the borrower.

NBFCs shall disclose in their annual reports the details of the auctions conducted during the financial year including the number of loan accounts, outstanding amounts, value fetched and whether any of its sister concerns participated in the auction.

NBFCs, which are in the business of lending against collateral of gold jewellery, shall ensure that necessary infrastructure and facilities are put in place, including safe deposit vault and appropriate security measures for operating the vault, in each of its branches where gold jewellery is accepted as collateral. This is required to safeguard the gold jewellery accepted as collateral and to ensure convenience of borrowers. No new branch/es shall be opened without suitable arrangements for security and for storage of gold jewellery, including safe deposit vault

Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016 dated February 25, 2016, as amended on May 29, 2019 ("RBI KYC Directions")

The RBI KYC Directions are applicable to every entity regulated by the RBI, specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated thereunder is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFC'S adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has prescribed detailed instructions in relation to, *inter alia*, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India. The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by Banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards. The RBI KYC Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies, and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The RBI KYC Directions were updated on April 20, 2018 to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002 and in accordance with the Prevention of Money-Laundering Rules *vide* Gazette Notification GSR 538 (E) dated June 1, 2017 and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The Directions were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement. The RBI KYC Directions were further updated on January 9, 2020 with a view to leveraging the digital channels for customer identification process by regulated entities, whereby the RBI has decided to permit video based customer identification process as a consent based alternate method of establishing the customer's identity, for customer onboarding.

Accounting Standards & Accounting policies

The Ministry of Corporate Affairs has amended the existing India Accounting Standards *vide* Companies (Indian Accounting Standards) (Amendment) Rules, 2017 on March 17, 2017 and the same is applicable to the Company from April 1, 2018. RBI *vide* notification number RBI/2019-20/170DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 31, 2020 framed regulation guidance on Ind AS which will be applicable on Ind AS implementing NBFCs and Asset Reconstruction Companies (ARCs) for preparation of their financial statements from financial year 2019-20 onwards. This guidelines focus on the need to ensure consistency in the application of the accounting standards in specific arieas, including asset classification and provisioning, and provide clarifications on regulatory capital in the light of Ind AS implementation. The guidelines cover aspects on governance framework, prudential floor and computation of regulatory capital and regulatory ratios.

Master Direction dated September 29, 2016 on Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016

All NBFC-ND-SIs shall put in place a reporting system for frauds and fix staff accountability in respect of delays in reporting of fraud cases to the RBI. An NBFC-ND-SI is required to report all cases of fraud of ₹1 lakh and above, and if the fraud is of ₹100 lakhs or above, the report should be sent in the prescribed format within three weeks from the date of detection thereof. The NBFC-ND-SI shall also report cases of fraud by unscrupulous borrowers and cases of attempted fraud.

Master Circular dated July 1, 2015 – Frauds – Future approach towards monitoring of frauds in NBFCs

In order to prevent the incidence of frauds in NBFCs, the RBI established a reporting requirement to be followed by NBFCs, both NBFCs-Deposit taking and NBFCs-ND-SI. In terms of the circular, all NBFCs-ND-SI shall disclose the amount related to fraud, reported in the company for the year in their balance sheets. NBFCs failing to report fraud cases to the RBI would be liable for penal action prescribed under the provisions of Chapter V of the RBI Act. Additionally, the circular provides for categorisation of frauds and the reporting formats in order to ensure uniformity in reporting.

Master Circular dated July 1, 2015 on returns to be submitted by NBFCs

The circular lists down detailed instructions in relation to submission of returns, including their periodicity, reporting time, due date, purpose and the requirement of filing such returns by various categories of NBFCs, including an NBFC-ND-SI. RBI *vide* notification dated November 26, 2015 titled "Online Returns to be submitted by NBFCs-Revised" changed the periodicity of NDSI returns from monthly to quarterly.

Reporting by Statutory Auditor

The statutory auditor of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC-ND-SI, the auditor shall made a separate report to the Board of Directors of the company on *inter alia* examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on March 31 of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and whether the non-banking financial company has been correctly classified as NBFC Micro Finance Institutions (MFI).

Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. An NBFC-ND-SI is required to file on a quarterly basis a return on important financial parameters, including components of assets and liabilities, profit and loss account, exposure to sensitive sectors etc., NBS-7 on prudential norms on a quarterly basis, multiple returns on asset-liability management to address concerns regarding *inter alia* asset liability mismatches and interest rate risk, quarterly report on branch information, and CRILC on a quarterly basis as well as all SMA-2 accounts to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

Financing of NBFCs by bank

The RBI has issued guidelines *vide* a circular dated bearing number DBOD No. FSD. BC.46/24.01.028/2006-07 dated December 12, 2006 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) further lending to individuals for the purpose of subscribing to an initial public offer.

In addition to the above the RBI has issued guidelines *vide* a circular dated bearing number DBR.BP.BC.No.5/21.04.172/2015-16 dated July 1, 2015 relating to bank financing of NBFCs predominantly engaged in lending against Gold has directed banks to (i) reduce their regulatory exposure ceiling on a single NBFC, having gold loans to the extent of 50% or more of its total financial assets 10% of banks' capital funds. However, the exposure ceiling may go up by 5%, i.e., up to 15% of banks' capital funds if the additional exposure is on account of funds on-lent by NBFCs to the infrastructure sector and (ii) to have an internal sub-limit on their aggregate exposures to all such NBFCs, having gold loans to the extent of 50% or more of their total financial assets, taken together. The sub-limits should be within the internal limit fixed by the banks for their aggregate exposure to all NBFCs put together.

Norms for excessive interest rates

In addition, the RBI has introduced *vide* a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 1, 2015 read with the Master Directions for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution with requirement to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalisation of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013 the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred relating to the above, is unfavourable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI, it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the registered office of the company is located.

Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management ("**ALM**") System in relation to NBFCs ("**ALM Guidelines**") that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2015. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹10,000 lakhs, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of ₹2,000 lakhs or more (irrespective of the asset size) as per their audited balance sheet as of March 31, 2001, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days' time-bucket should not exceed the prudential limit of 15% of cash outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "**DRT Act**") provides for establishment of the Debts Recovery Tribunals (the "**DRTs**") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

Anti-Money Laundering

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("**PMLA**") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹10 lakhs; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹10 lakhs where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹10 lakhs. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

RBI Notification dated December 3, 2015 titled "Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards" states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document 'Improving Global AML/CFT Compliance: on-going process' as on October 23, 2015.

Lending against security of Gold Jewellery

The RBI has issued a circular dated March 21, 2012 stipulating that all NBFCs shall maintain a loan to value ratio not exceeding 75% for loans granted against the collateral of gold jewellery. NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets) shall maintain a minimum Tier l capital of 12% by April 01, 2014. The RBI *vide* its circular RBI/2013-14/260 DNBS.CC.PD.No.356/03.10.01/2013-14 dated September 16, 2013 issued guidelines with regard to the following:

(i) Appropriate Infrastructure for storage of gold ornaments: A minimum level of physical infrastructure and facilities is available in each of the branches engaged in financing against gold jewellery including a safe deposit vault and appropriate security measures for operating the vault to ensure safety of the gold and borrower convenience. Existing NBFCs should review the arrangements in place at their branches and ensure that necessary infrastructure is put in place at the earliest. No new branches should be opened without suitable storage arrangements having been made thereat. No business of grant of loans against the security of gold can be transacted at places where there are no proper facilities for storage/security.

(ii) Prior approval of RBI for opening branches in excess of 1,000: It is henceforth mandatory for NBFC to obtain prior approval of the Reserve Bank to open branches exceeding 1,000. However NBFCs which already have more than 1,000 branches may approach the Bank for prior approval for any further branch expansion. Besides, no new branches will be allowed to be opened without the facilities for storage of gold jewellery and minimum security facilities for the pledged gold jewellery.

(iii) Standardization of value of gold in arriving at the loan to value ratio: For arriving at the value of gold jewellery accepted as collateral, it will have to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by The Bombay Bullion Association Limited.

(iv) *Verification of the Ownership of Gold*: NBFCs should have Board approved policies in place to satisfy ownership of the gold jewellery and adequate steps be taken to ensure that the KYC guidelines stipulated by the Reserve Bank are followed and due diligence of the customer undertaken. Where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams, NBFCs must keep record of the verification of the ownership of the jewellery. The method of establishing ownership should be laid down as a Board approved policy.

(v) *Auction Process and Procedures*: The following additional stipulations are made with respect to auctioning of pledged gold jewellery:

a. The auction should be conducted in the same town or taluka in which the branch that has extended the loan is located.

b. While auctioning the gold the NBFC should declare a reserve price for the pledged ornaments. The reserve price for the pledged ornaments should not be less than 85% of the previous 30 day average closing price of 22 carat gold as declared by The Bombay Bullion Association Limited and value of the jewellery of lower purity in terms of carats should be proportionately reduced.

c. It will be mandatory on the part of the NBFCs to provide full details of the value fetched in the auction and the outstanding dues adjusted and any amount over and above the loan outstanding should be payable to the borrower.

d. NBFCs must disclose in their annual reports the details of the auctions conducted during the financial year including the number of loan accounts, outstanding amounts, value fetched and whether any of its sister concerns participated in the auction.

(vi) *Other Instructions:*

a. NBFCs financing against the collateral of gold must insist on a copy of the PAN Card of the borrower for all transaction above ₹500,000.

b. High value loans of ₹100,000 and above must only be disbursed by cheque.

c. Documentation across all branches must be standardized.

d. NBFCs shall not issue misleading advertisements like claiming the availability of loans in a matter of 2-3 minutes.

Thereafter, the RBI has by circular bearing number RBI/2013-14/435 DNBS.CC.PD.No.365/03.10.01/2013-14 dated January 08, 2014 raised the loan to value ratio to 75% for loans against the collateral of gold jewellery. Further, the circular also provides for certain clarifications as regards standardisation of the value of gold and verification of the ownership of gold.

Power generation regulations

The Ministry of New and Renewable Energy (“MNRE”) regulations

The MNRE is the Central Government ministry with the mandate for formulating schemes and policies for the research, development, commercialisation and deployment of renewable energy systems/devices for various applications in rural, urban, industrial and commercial sector. The MNRE has issued a number of guidelines and schemes on power generation through renewable sources, including a ‘Special Programme on Small Wind Energy and Hybrid Systems’. In order to ensure quality of wind farm projects and equipments, the MNRE introduced the “Revised Guidelines for wind power projects” (“**MNRE Guidelines**”) on June 13, 1996 for the benefit of state electricity boards, manufacturers, developers and end-users of energy to ensure proper and orderly growth of the wind power sector. The MNRE Guidelines are periodically updated and issued. The MNRE Guidelines among other things makes provision for proper planning, siting, selection of quality equipment, implementation and performance monitoring of wind power projects. The MNRE Guidelines lay down guidelines for the planned development and implementation of wind power projects.

The MNRE Guidelines set out the conditions that are required to be met for establishing wind farms and manufacturing and supplying equipment for wind power projects. These conditions include submission of detailed project reports, approval of sites for wind power installations, type certification by independent testing and certification agencies (either the Centre of Wind Energy Technology, Chennai or the International certification agency). Further, all installations are to be carried out only on sites that are approved for wind power projects by the MNRE. The MNRE Guidelines stipulate that a no objection certificate will be issued only after analysing the wind data to ensure adequate availability of wind at the specific site. Also, no approval will be granted for a wind power project which involves the installation of used wind turbines imported into India.

The Indian Renewable Energy Development Agency Limited ("IREDA")

The IREDA is a public limited government company under the administrative control of the MNRE and in engaged in encouraging the production of energy through renewable sources. In this respect, the IREDA offers financial support to specific projects and schemes for generating electricity and promotes the energy conservation through by improving the efficiency of systems, processes and resources engaged in energy production and distribution. In particular, the IREDA offers scheme and incentives for the promotion of wind based energy production.

Electricity Act, 2003

Under the Electricity Act, 2003, which repealed all the earlier enactments pertaining to this sector, the activity of generation of wind power does not require any license or permission. Persons engaged in the generation of electricity from wind power are required to register the project being undertaken with State Nodal Agency and obtain permission for inter-grid connectivity from the utility. The government has also announced National Electricity Policy in 2005 to guide the development of the electricity sector in India.

The electricity generated from the wind power project can be used for captive consumption, sale to utility or for transaction under open access as per the prevailing state policy as well as regulatory orders, if any. Various states have announced administrative policies relating to wheeling, banking and buy-back of power.

Further, the Electricity Act, 2003 also mandates that all regulatory commissions should procure certain percentage of power generation from renewable energy sources by all distribution companies. As far as the tariff and wheeling charges are concerned, it is stipulated that they should be decided by respective regulatory commissions as provided under the Electricity Regulatory Commissions Act, 1998.

Electricity Regulatory Commissions

Electricity Act retains the two-level regulatory system for the power sector. At the central level, the Central Electricity Regulatory Commission ("**CERC**") is responsible for regulating tariff of generating stations owned by the central government, or those involved in generating or supplying in more than one states and regulating inter-state transmission of electricity. The State Electricity Regulatory Commissions ("**SERCs**") on the other hand regulate intra-state transmission and supply of electricity within the jurisdiction of each state. CERC and the SERCs are guided by the National Electricity Policy, 2005, Tariff Policy, 2006 and the National Electricity Plan while discharging their functions under Electricity Act. The Electricity Regulatory Commissions are also guided by any direction given by the central government for CERC or the state government for the SERC pertaining to any policy involving public interest. The decision of the government is final and non-challengeable with respect to the question that whether directions pertain to policy involving public interest or not. The commissions have been entrusted with a variety of functions including determining tariff, granting licensees, settling disputes between the generating companies and the licensees. The Electricity Regulatory Commissions are a quasi-judicial authority with powers of a civil court and an appeal against the orders of the Commissions lie to the Appellate Tribunal.

The CERC has notified the CERC (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations on January 14, 2010 to the promotion of power generation through renewable sources of energy. In this respect, these regulations contemplate two categories of certificates, solar and non-solar certificate. The CERC has designated the National Load Dispatch Center to issue registration certificates and undertakes to provide for the floor price (minimum) and forbearance price (maximum) for non-solar certificates.

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI")

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default.

The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution or an NBFC may sell financial assets to an asset reconstruction company provided the asset is an NPA. A bank or financial institution or NBFC may sell a financial asset only if the borrower has a consortium or multiple banking arrangements and at least 75% by value of the total loans to the borrower are classified as an NPA and at least 75% by the value of the banks and financial institutions in the consortium or multiple banking arrangement agree to the sale. In addition to the above, a financial asset may be sold by any bank or financial institution where the asset is reported, by the bank financial institution to Central Repository for Information on Large Credit, as an NPA wherein the principal or interest payment is overdue between 61-90 days.

As per the SARFAESI Amendment Act of 2004, the constitutional validity of which was upheld in a recent Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issues by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a “without recourse” basis only.

The SARFAESI Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016 (which amended S.13 of SARFAESI). As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting *inter alia* any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act.

Foreign Investment Regulations

Master Circular – Foreign Investments in India, issued by RBI dated January 04, 2018 (updated as on April 06, 2018), read with the Consolidated FDI Policy Circular of 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, dated August 28, 2017 (“FDI Policy”)

Foreign investment into NBFCs, carrying on activities approved for FDI, will be subject to the conditions specified in paragraph 5.2.26 of the FDI Policy and foreign investment of up to 100% is permitted under the automatic route.

Master Circular No.10/2015-16 on Memorandum of Instructions governing money changing activities, issued by RBI dated July 1, 2015 and updated on September 10, 2015.

Guidelines for Licencing and other Approvals for Authorised Money Changers (AMCs)

Full Fledged Money Changers (FFMCs) are authorised by the Reserve Bank to deal in foreign exchange for specified purposes, to widen the access of foreign exchange facilities to residents and tourists while ensuring efficient customer service through competition. FFMCs are authorised to purchase foreign exchange from residents and non-residents visiting India and to sell foreign exchange for certain approved purposes. AD Category –I Banks/ADs Category – II/FFMCs may appoint franchisees to undertake purchase of foreign currency*. No person shall carry on or advertise that he carries on money changing business unless he is in possession of a valid money changer's licence issued by the Reserve Bank.

**** Note: -Franchisees of AD Category –I Banks/ADs Category – II/FFMCs functioning within 10 kilometres from the borders of Pakistan and Bangladesh may also sell the currency of the bordering country, with the prior approval of the Regional offices concerned of the Reserve Bank. Other franchises of AD Category –I Banks/ADs Category – II/FFMCs cannot sell foreign currency.***

Guidelines for appointment of Agents/Franchisees by Authorised Dealer Category –FFMCs.

Under the Scheme, the Reserve Bank permits FFMCs to enter into franchisee/agency agreements at their option for the purpose of carrying on Restricted Money Changing business i.e. conversion of foreign currency notes, coins or travellers' cheques into Indian Rupees.

A franchisee can be any entity which has a place of business and a minimum Net Owned Funds of ₹10 lakhs. Franchisees can undertake only restricted money changing business.

FFMCs as the franchisers are free to decide on the tenor of the arrangement as also the commission or fee through mutual agreement with the franchisee. The Agency/Franchisee agreement to be entered into should include the salient features as mentioned under the master circular. The master circular also prescribes the procedure for application, due diligence of franchisees, selection of centres, training, reporting, audit and inspection of franchisees and Anti Money Laundering (AML)/Know Your Customer (KYC)/Combating the Financing of Terrorism (CFT) Guidelines.

Note: No licence for appointment of franchisees will be issued to any FFMC, against whom any major DoE/DRI/CBI/Police case is pending. In case where any FFMC has received one-time approval for appointing franchisees and subsequent to the date of approval, any DoE/DRI/CBI/Police case is filed, the FFMC should not appoint any further franchisees and bring the matter to the notice of the Reserve Bank immediately. A decision will be taken by the Reserve Bank regarding allowing the FFMC to appoint franchisees.

Operational Instructions

Foreign exchange in any form can be brought into India freely without limit provided it is declared on the Currency Declaration Form (CDF) on arrival to the Custom Authorities. When foreign exchange brought in the form of currency notes or travellers' cheques does not exceed USD $10,000 or its equivalent and/or the value of foreign currency notes does not exceed USD $5,000 or its equivalent, declaration thereof on CDF is not insisted upon.

Taking out foreign exchange in any form, other than foreign exchange obtained from an authorised dealer or a money changer is prohibited unless it is covered by a general or special permission of the Reserve Bank. Non-residents, however, have general permission to take out an amount not exceeding the amount originally brought in by them, subject to compliance with the provisions of sub-para above.

Authorised Money Changers (AMCs)/franchisees may freely purchase foreign currency notes, coins and traveller's cheques from residents as well as non-residents. Where the foreign currency was brought in by declaring on form CDF, the tenderer should be asked to produce the same. The AMC should invariably insist on production of declaration in CDF.

AMCs may sell Indian Rupees to foreign tourists/visitors against International Credit Cards/International Debit Cards and take prompt steps to obtain reimbursement through normal banking channels.

AMCs may issue certificate of encashment when asked for in cases of purchases of foreign currency notes, coins and travellers cheques from residents as well as non-residents. These certificates bearing authorised signatures should be issued on the letter head of the money changer and proper record should be maintained.

In cases where encashment certificate is not issued, attention of the customers should be drawn to the fact that unspent local currency held by non-residents will be allowed to be converted into foreign currency only against production of a valid encashment certificate.

AMCs may purchase from other AMCs and ADs any foreign currency notes, coins and encashed travellers' cheques tendered in the normal course of business. Rupee equivalent of the amount of foreign exchange purchased should be paid only by way of crossed account payee cheque/demand draft/bankers' cheque/Pay order.

AMCs may sell foreign exchange up to the prescribed ceiling (currently US $ 10,000) specified in Schedule III to the Foreign Exchange Management (Current Account Transaction) Rules, 2000 during a financial year to persons resident in India for undertaking one or more private visits to any country abroad (except Nepal and Bhutan). Exchange for such private visits will be available on a self-declaration basis to the traveller regarding the amount of foreign exchange availed during a financial year. Foreign nationals permanently resident in India are also eligible to avail of this quota for private visits provided the applicant is not availing of facilities for remittance of his salary, savings, etc., abroad in terms of extant regulations.

AMCs may sell foreign exchange to persons' resident in India for undertaking business travel or for attending a conference or specialised training or for maintenance expenses of a patient going abroad for medical treatment or check-up abroad or for accompanying as attendant to a patient going abroad for medical treatment/check-up up to the limits as specified in Schedule III to FEMA (Current Account Transactions) Rules, 2000.

AMCs may convert into foreign currency, unspent Indian currency held by non-residents at the time of their departure from India, provided a valid Encashment Certificate is produced.

AMCs may convert at their discretion, unspent Indian currency up to ₹10,000 in the possession of non-residents if, for *bona fide* reasons, the person is unable to produce an Encashment Certificate after ensuring that the departure is scheduled to take place within the following seven days. FFMCs may provide facility for reconversion of Indian Rupees to the extent of ₹50,000/- to foreign tourists (not NRIs) against ATM Receipts based on the following documents- Valid passport and visa, ticket confirmed for departure within 7 days, Original ATM slip.

AMCs may issue a cash memo, if asked for, on official letterhead to travellers to whom foreign currency is sold by them. The cash memo may be required for production to emigration authorities while leaving the country.

AMCs may put through transactions relating to foreign currency notes and travellers' cheques at rates of exchange determined by market conditions and in alignment with the ongoing market rates.

AMCs should display at a prominent place in or near the public counter, a chart indicating the rates for purchase/sale of foreign currency notes and travellers' cheques for all the major currencies and the card rates for any day, should be updated, latest by 10:30 a.m.

AMCs should keep balances in foreign currencies at reasonable levels and avoid build-up of idle balances with a view to speculating on currency movements.

Franchisees should surrender foreign currency notes, coins and travellers' cheques purchased only to their franchisers within seven working days.

The transactions between authorised dealers and FFMCs should be settled by way of account payee crossed cheques/demand drafts. Under no circumstances should settlement be made in cash.

AMCs may obtain their normal business requirements of foreign currency notes from other AMCs/authorised dealers in foreign exchange in India, against payment in rupees made by way of account payee crossed cheque/demand draft.

Where AMCs are unable to replenish their stock in this manner, they may make an application to the Forex Markets Division, Foreign Exchange Department, Central Office, RBI, Mumbai through an AD Category-I for permission to import foreign currency into India. The import should take place through the designated AD Category-I through whom the application is made.

AMCs may export surplus foreign currency notes/encashed travellers' cheques to an overseas bank through designated Authorised Dealer Category - I in foreign exchange for realisation of their value through the latter. FFMCs may also export surplus foreign currency to private money changers abroad subject to the condition that either the realisable value is credited in advance to the AD Category – I bank's nostro account or a guarantee is issued by an international bank of repute covering the full value of the foreign currency notes/coins to be exported.

In the event of foreign currency notes purchased being found fake/forged subsequently, AMCs may write- off up to US $ 2000 per financial year after approval of their Top Management after exhausting all available options for recovery of the amount. Any write-off in excess of the above amount, would require the approval of the Regional Office concerned of the Foreign Exchange Department of the Reserve Bank.

Further, provisions regarding the following are also mentioned-

- **Registers and Books of Accounts of Money-changing Business**
- **Submission of Statements to the Reserve Bank**
- **Inspection of Transactions of AMCs**
- **Concurrent Audit**
- **Temporary Money Changing Facilities**

Opening of Foreign Currency Accounts by AMCs

AMCs, with the approval of the respective Regional Offices of the Foreign Exchange Department, may be allowed to open Foreign Currency Accounts in India, subject to the following conditions: -

(i) Only one account may be permitted at a particular centre.
(ii) Only the value of foreign currency notes/encashed TCs exported through the specific bank and realised can be credited to the account.
(iii) Balances in the accounts shall be utilised only for settlement of liabilities on account of:
  (a) TCs sold by the AMCs and
  (b) Foreign currency notes acquired by the AMCs from AD Category-I banks.
(iv) No idle balance shall be maintained in the said account

All AMCs are required to submit their annual audited balance sheet to the respective Regional office of the Reserve Bank for the purpose of verification of their Net Owned Funds along-with a certificate from the statutory auditors regarding the NOF as on the date of the balance sheet. As AMCs are expected to maintain the minimum NOF on an ongoing basis, if there is any erosion in their NOF below the minimum level, they are required to bring it to the notice of the Reserve Bank immediately along with a detailed time bound plan for restoring the Net Owned Funds to the minimum required level.

FFMCs, which are not Regional Rural Banks (RRBs), Local Area Banks (LABs), Urban Co-operative Banks (UCBs) and Non-Banking Financial Companies (NBFCs) having a minimum net worth of ₹500 lakhs, may participate in the designated currency futures and currency options on exchanges recognised by the Securities and Exchange Board of India (SEBI) as clients only for the purpose of hedging their underlying foreign exchange exposures. FFMCs and ADs Category–II which are RRBs, LABs, UCBs and NBFCs, may be guided by the instructions issued by the respective regulatory Departments of the Reserve Bank in this regard.

Insolvency and Bankruptcy Code

The Insolvency and Bankruptcy Code, 2016 (“**Code**”) consolidates laws relating to insolvency, reorganisation and liquidation/ bankruptcy of all persons, including companies, individuals, partnership firms and Limited Liability Partnerships (“**LLPs**”). The Code has established an Insolvency and Bankruptcy Board of India to function as the regulator for all matters pertaining to insolvency and bankruptcy. The Code prescribes a timeline of 330 days for the insolvency resolution process, which begins from the date the application is admitted by the NCLT. During this period, the creditors and the debtor shall negotiate and finalise a resolution plan (accepted by 66% of the financial creditors) and in the event, they fail, the debtor is placed in liquidation and the moratorium lifted. The Code stipulates an interim-moratorium period which would commence after filing of the application for a fresh start process and shall cease to exist after elapse of a period of 180 days from the date of application. During such period, all legal proceedings against such debtor should be stayed and no fresh suits, proceedings, recovery or enforcement action may be initiated against such debtor. However, the Code has also imposed certain restrictions on the debtor during the moratorium period such as the debtor shall not be permitted to act as a director of any company or be involved in the promotion or management of a company during the moratorium period. In light of the COVID-19 pandemic, the Government of India, introduced economic reforms to contribute to the ease of doing business. One of the reforms introduced is the suspension of the Code for a period of one year. An ordinance detailing the changes pursuant to this reform is expected to be introduced by the government. Further, the GoI *vide* notification dated March 24, 2020 (“**Notification**”) has amended section 4 of the Code due the lingering impact of the COVID-19 pandemic. Pursuant to the said Notification, Government of India has increased the minimum amount of default under the insolvency matters from ₹1,00,000 to ₹1,00,00,000.

The Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules 2019 (“IBC Rules, 2019”)

The Code, which regulates the insolvency resolution process for “corporate persons” previously excluded financial service providers from its purview. With the notification of the IBC Rules, 2019, the provisions of the Code will apply to financial service providers as well, which are subject to modifications and additional conditions as set out in the IBC Rules, 2019. Financial service providers are defined to mean persons engaged in the business of providing financial services in terms of authorisation issued or registration granted by a financial sector regulator under the Code. "Financial services" is broadly defined in the Code, and includes, inter alia, services in the nature of acceptance of deposits, administration of assets, underwriting services, advisory services with respect to dealings in financial products, operation of an investment scheme, and maintenance of records of ownership of a financial product. The IBC Rules, 2019, lays down the provisions for setting up an advisory committee, resolution plan and the liquidation process of Financial service providers.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter-alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Labour Laws

India has stringent labour related legislations. We are required to comply with certain labour laws, which include the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Code of Wages, 2019, Employees' Compensation Act, 1923 and the Payment of Gratuity Act, 1972 amongst others.

Intellectual Property

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

Regulatory Measures on account of COVID-19 pandemic

The Government of India on October 23, 2020 has announced the 'Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020)' ("the **Scheme**"), which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by the respective lending institutions.

The RBI has issued circulars, the Statement of Developmental and Regulatory Policies dated May 22, 2020 and Monetary Policy Statement, 2020-2021: Resolution of Monetary Policy Committee dated May 22, 2020 announcing certain additional regulatory measures with an aim to revive growth and mitigate the impact of COVID-19 on business and financial institutions in India, including:

(a) permitting banks to grant a moratorium of six months on all term loan instalments and working capital facilities sanctioned in the form of cash credit/overdraft ("CC/OD"), falling due between March 1, 2020 and August 31, 2020, subject to the fulfilment of certain conditions;

(b) permitting the recalculation of 'drawing power' of working capital facilities sanctioned in the form of cash/ credit overdraft facilities by reducing the margins till the extended period, being August 31, 2020, and permitting lending institutions to restore the margins to the original levels by March 31, 2021;

(c) permitting the increase in the bank's exposures to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank, up to December 31, 2021;

(d) deferring the recovery of the interest applied in respect of all working capital facilities sanctioned in the form of cash/credit overdraft facilities during the period from March 1, 2020 to August 31, 2020;

(e) permitting lending institutions to convert the accumulated interest on working capital facilities up to the deferment period (up to August 31, 2020) into a funded interest term loan which shall be repayable not later than the end of the current financial year (being, March 31, 2021);

(f) permitting the lending institutions to exclude the moratorium period wherever granted in respect of term loans as stated in (a) above, from the number of days past-due for the purpose of asset classification under the income recognition and asset classification norms, in respect of accounts classified as standard as on February 29, 2020, even if overdue;

(g) permitting the lending institutions to exclude deferment period on recovery of the interest applied, wherever granted as stated in (d) above, for the determination of out of order status, in respect of working capital facilities sanctioned in the form of CC/OD where the account is classified as standard, including special mention accounts, as on February 29, 2020; and

(h) requiring lending institutions to make general provisions of not less than 10% of the total outstanding of accounts in default but standard as on February 29, 2020 and asset classification benefit is availed, to be phased over two quarters as provided: (i) not less than 5% for the quarter ended March 31, 2020; and (ii) not less than 5% for the quarter ended September 30, 2020, subject to certain adjustments.

Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated May 5, 2021 and June 4, 2021

The RBI has issued Resolution Framework – 2.0 dated May 5, 2021 announcing measures to alleviate the potential stress to individual borrowers and small businesses due to the resurgence of COVID-19 pandemic in India, including:

(a) permitting lending institutions to offer a limited window to individual borrowers and small businesses, including those in wholesale and retail trade, who have availed personal loans and to whom the aggregate exposure is not of more than 25 crores as on March 31, 2021 to implement resolution plans for their credit exposure;

(b) permitting lending institutions to form policies regarding the implementation of viable resolution plan for borrowers having stress on account of COVID – 19 and to ensure implementation before September 30, 2021 when the borrower and the lending institution agree towards a resolution plan;

(c) the resolution plan as stated in (b) should be implemented within 90 days from the date of invocation of resolution process and includes rescheduling of payments, conversion of any interest accrued or to be accrued into another credit facility etc, with a moratorium period of not more than two years on implementation of the resolution plan;

(d) permitting lending institutions to sanction additional finance even before implementation of the plan to meet the interim liquidity requirements of the borrower, to be classified as ‘Standard’ till implementation of the plan otherwise as per the actual performance of the borrower in case the resolution plan is not implemented within the set timeline;

(e) permitting lending institutions to keep from the date of implementation, higher of the provisions as per IRAC norms immediately before implementation or 10% the renegotiated debt exposure of the lending institution post implementation;

(f) half of provisions mentioned in (e) can be written back upon the borrower paying at least 20 per cent of the residual debt without slipping into NPA and the remaining half can be written back upon the borrower paying another 10 % of the residual debt without slipping into NPA;

(g) permitting the moratorium for resolution plans implemented in terms of Resolution Framework – 1.0 to be extended to not more than 2 years;

(h) permitting the lending institutions to review the working capital sanctioned limits and / or drawing power based on a reassessment of the working capital cycle, reduction of margins, etc. without the same being treated as restructuring for resolution plans implemented in terms of Resolution Framework – 1.0 before September 30, 2021 and to restore the working capital limit as per Resolution Framework – 1.0 before March 31, 2022.

The RBI further through a circular dated June 4, 2021 revised the aggregate exposure limit, including non-fund based facilities, as stated in (a), from 2,500 lakhs to 5,000 lakhs.

the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Sr. No	Particulars	Marginal Notes
1.	(1) The regulations contained in the Table marked 'F' in Schedule I to the Act shall apply to the Company, except in so far as the same has been adopted, modified or expressly mentioned as 'not being applicable' in these Articles.	**Table 'F' to apply to the extent not adopted or modified in these Articles**
	(2) Articles shall act as the regulations for the management of the Company and for the observance by its members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of, or addition to, its Articles by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles, unless the same are repugnant or contrary to the provisions of the Act or any Applicable Law or any amendment or notification thereto.	**Company to be governed by these Articles**
	DEFINITIONS AND INTERPRETATION CLAUSE	
2.	(1) In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article and any previous company law, so far as may be applicable.	**Act**
	(b) "Applicable Laws" means all applicable statutes, laws, ordinances, rules and regulations, judgments, notifications circulars, orders, decrees, bye-laws, guidelines, or any decision, or determination, or any interpretation, policy or administration, having the force of law, including but not limited to, any authorization by any authority like Ministry of Corporate Affairs, Securities Exchange Board of India or any other regulatory body, in each case, as may be applicable to the Company and being in effect from time to time.	**Applicable Laws**
	(c) "Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	**Articles**
	(d) "Auditors" means and includes those persons appointed as such for the time being of the Company.	**Auditors**
	(e) "Business Day" shall mean All days excluding Saturdays, Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.	**Business Day**
	(f) "Board of Directors" or "Board" shall mean the collective board of the directors of the Company.	**Board**
	(g) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	**Capital**
	(h) "Company" shall mean "Kosamattam Finance Limited".	**Company**
	(i) "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	**Financial Year**
	(j) "Legal Representative" means a person who in law represents the estate of a deceased Member.	**Legal Representative**
	(k) "Meeting" or "General Meeting" means a meeting of members.	**Meeting or General Meeting**
	(l) "Month" means a calendar month.	**Month**
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	**Annual General Meeting**
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General	**Extra-Ordinary**

Sr. No	Particulars	Marginal Notes
	Meeting of the Members duly called and constituted and any adjourned holding thereof.	**General Meeting**
	(o) "Fully Diluted" means with respect to Securities, all outstanding equity shares and all Securities issuable in respect of, Securities convertible into or exchangeable for equity shares, stock appreciation rights or options, warrants and other irrevocable rights to purchase or subscribe for equity shares or securities convertible into or exchangeable into equity shares.	**Fully Diluted**
	(p) "National Holiday" means Republic Day i.e. 26th January, Independence Day i.e. 15th August, Gandhi Jayanti i.e. 2nd October and such other day as may be declared as National Holiday by the Central Government.	**National Holiday**
	(q) "Non-retiring Directors" means a director not subject to retirement by rotation.	**Non-retiring Directors**
	(r) "Office" means the registered Office for the time being of the Company.	**Office**
	(s) "Ordinary Resolution" shall have the meanings assigned thereto by Section 114(1) of the Act.	**Ordinary Resolution**
	(t) "Person" shall be deemed to include corporations and firms as well as individuals.	**Person**
	(u) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	**Proxy**
	(v) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1)(a) of the Act.	**Register of Members**
	(w) "Rules" mean the applicable rules for the time being in force as prescribed under relevant sections of the Act.	**Rules**
	(x) "Securities" shall have the meaning ascribed to the term under Section 2(h) of the Securities Contract (Regulation) Act, 1956.	**Securities**
	(y) "Seal" means the common seal for the time being of the Company.	**Seal**
	(z) "Share" means a share in the share capital of the Company and includes stock.	**Share**
	(aa) "Special Resolution" shall have the meanings assigned to it by Section 114(2) of the Act.	**Special Resolution**
	(bb) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	**Statutes**
	(cc) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	**These presents**
	(dd) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	**Year**
	(ee) Words importing the singular number include where the context admits or requires the plural number and vice versa.	**Singular Number**
	(ff) Words importing the masculine gender also include the feminine gender.	**Gender**
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	**Expressions in the Act to bear the same meaning in Articles**
	SHARE CAPITAL AND VARIATION OF RIGHTS	
3.	(a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	**Authorized Capital**
	(b) Subject to the provisions of the Act, these Articles, SEBI Guidelines and Applicable Laws and other statutory provisions, the shares in the capital of the Company shall be under the control of the board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premiumor at par (subject to compliance with the applicable provisions of the Act) and at such time as they may from time to time think fit and may issue and allot shares in the capital of the Company on payment in full or part for any property or assets of any kind whatsoever purchased by the Company, goods	**Shares at the disposal of and under the control of Board**

Sr. No	Particulars	Marginal Notes
	or machinery supplied or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up or partly paid up otherwise than for cash, and if so issued, shall be deemed to be fully paid or partly paid up shares, as the case may be. Provided that the option or right to call for shares shall not be given to any person or persons without the sanction of the Company in a general meeting.	
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified or may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	**Increase of capital by the Company how carried into effect**
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	**New Capital same as existing capital**
6.	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and Applicable Laws: (a) Equity Share Capital (i) With voting rights; and / or (ii) With differential rights as to dividend, voting or otherwise in accordancewith the Rules; and (b) Preference Share Capital	**Kinds of Share and Voting Rights**
7.	Subject to the applicable provisions of the Act and Applicable Laws, any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares etc. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	**Debentures**
8.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed there under.	**Issue of Sweat Equity Shares**
9.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in the General Meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	**ESOP**
10.	Subject to the provisions of Section 61 of the Act, the Company in the General Meeting may, from time to time, sub-divide, split or consolidate all or any of the share capital into shares of larger amount than its existing share or sub- divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in the General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the	**Consolidation, Sub-Division and Cancellation**

Sr. No	Particulars	Marginal Notes
	shares so cancelled.	
11.	Subject to compliance with applicable provision of the Act and the Rulesframed there under, the Company shall have power to issue depository receipts in any foreign country.	**Issue of Depository Receipts**
12.	(1) Subject to compliance with the applicable provisions of the Act and the Rules framed thereunder, the Company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed there under.	**Issue of Securities**
	(2) Subject to the provision of the Act and the Rules made there under, the Company shall have power to issue any kind of securities duly subdivided/consolidated as permitted to be issued under the Act and rules made there under.	**Issue of Securities duly subdivided or consolidated**
13.	(1) Every person whose name is entered as a member in the registrar of members, shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for registration of transfer or transmission or within such other periods as the conditions of issue shall provide- (a) One certificate for all his shares without payment of any charges; or (b) Several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.	**Issue of certificate of shares (where shares are not in demat form)**
	(2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon. Affixation of the seal shallbe as per the applicable provisions of the Act and rules made thereunder.	**Certificate to bear seal**
	(3) In respect of any shares or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such shareholders.	**One certificate for shares held jointly**
14.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as prescribed under the Act or as near thereto as possible, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Company Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Company Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a	**Share Certificates (where shares are not in demat form)**

Sr. No	Particulars	Marginal Notes
	Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue. (b) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.	
15.	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the nameof such person as the beneficial owner of that share.	**Option to receive share certificate or hold shares with depository**
16.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.	**Issue of new certificate in place of one defaced, lost or destroyed (where shares are not in demat form)**
17.	The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	**Provision as to issue of certificates to apply *mutatis mutandis* to debentures, etc.**
18.	(1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.	**Power to pay commission in connection with securities issued**
	(2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.	**Rate of commission in accordance with Rules**
	(3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other. (4) The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	**Mode of payment of commission** **Brokerage**
19.	(1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.	**Variation of members' rights**
	(2) To every such separate meeting, the provisions of these Articles relating to General Meetings shall mutatis mutandis apply.	**Provisions as to General Meetings to apply *mutatis mutandis* to each meeting**
20.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation	**Issue of further shares not to affect the rights of**

Sr. No	Particulars	Marginal Notes
	or issue of further shares ranking pari passu therewith.	**existing members**
21.	Subject to the provisions of the Act, the Company shall have the power to issue or reissue cumulative or non-cumulative basis preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Company in accordance with the Act.	**Power to issue redeemable preference shares**
22.	Where at any time, the Company proposes to increase its subscribed capital by issue of further shares, either out of the unissued capital or the increased share capital, such shares shall be offered: (a) to persons who, at the date of offer, are holders of Equity Shares of the Company, in proportion as near as circumstances admit, to the share capital paid up on those shares by sending a letter of offer on the following conditions: - (i) the aforesaid offer shall be made by a notice specifying the number of shares offered and limiting a time prescribed under the Act from the date ofthe offer within which the offer, if not accepted, will be deemed to have been declined (ii) the aforementioned offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice mentioned in sub-Article (i), above shall contain a statement of this right; and (iii) after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company; or (b) to employees under any scheme of employees' stock option, subject to a special resolution passed by the Company and subject to the conditions as specified under the Act and Rules thereunder; or (c) to any persons, if it is authorized by a special resolution passed by the Company in a General Meeting, whether or not those persons include the persons referred to in clause (a) or clause (b) above, either for cash or for consideration other than cash, subject to applicable provisions of the Act and Rules thereunder.	**Further issue of share capital**
23.	A further issue of shares may be made in any manner whatsoever as the Board may determine, among others, by way of initial public offer, further public offer, rights issue, preferential offer or private placement, qualified institutions placement and such other issuance as may be allowed in accordance with the prevailing laws and regulations in force, subject to and in accordance of the Act and other regulations governing such issues.	**Mode of further issue of shares**
	LIEN	
24.	(1) The Company shall have a first and paramount lien – (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company: Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.	**Company's lien on shares**

Sr. No	Particulars	Marginal Notes
	(2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.	**Lien to extend to dividend etc.**
	(3) Unless otherwise agreed by the board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.	**Wavier of lien in case of registration**
	(4) That fully paid shares shall be free from all lien and that in the case of partly paid shares the company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares;	**Fully paid shares free from lien**
25.	The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made – (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency or otherwise.	**As to enforcing lien by sale**
26.	(1) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.	**Validity of sale**
	(2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.	**Purchaser to be registered holder**
	(3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.	**Validity of Company's receipt**
	(4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.	**Purchaser not affected**
27.	(1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.	**Application of proceeds of sale**
	(2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.	**Payments of residual money**
28.	In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.	**Outsider's lien not to affect Company's lien**
29.	The provision of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.	**Provision's as to lien to apply *mutatis mutandis* to debentures, etc.**
	CALL ON SHARES	
30.	(1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.	**Board may make calls**

Sr. No	Particulars	Marginal Notes
	(2) A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.	
	(3) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. Provided that before the time for payment of such call and/or before receiving any amount towards such call, the Board may by notice revoke or postpone the call so made.	**Notice of call**
	(4) The Board may, from time to time, at its discretion, extend the time fixed for payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.	**Board may extend time for payment**
31.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	**Liability of joint holders of shares**
32.	(1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon and such other expenses which have been incurred by the Company due to non-payment of such call as the Board may think fit, from the due date to the time of actual payment atsuch rate as may be fixed by the Board.	**When interest on call or instalment payable**
	(2) The Board shall be at liberty to waive payment of any such interest and other expenses wholly or in part.	**Board may waive interest**
33.	(1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.	**Sums deemed to be calls**
	(2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	**Effect of non-payment of sums**
34.	The Board – (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the members (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.	**Payment in anticipation of calls may carry interest**
35.	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.	**Instalments on shares to be duly paid**
36.	All calls shall be made on a uniform basis on all shares falling under the same class. Explanation: Shares of all the same nominal value on which different amounts have been paid – up shall not be deemed to fall under the same class.	**Calls on shares of same class to be on uniform basis**
37.	Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of	**Partial payment not to preclude forfeiture**

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	principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.	
38.	The provision of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.	**Provisions as to calls to apply mutatis mutandis to debentures, etc.**
	TRANSFER OF SHARES	
39.	(i) A common form of transfer shall be used and the instrument of transfer of any share in the Company shall be in writing which shall be duly executed by or on behalf of both the transferor and transferee and all provisions of Section 56 of the Act and statutory modifications thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.	**Instrument of transfer to be executed by transferor and transferee**
40.	The instrument of transfer of any share shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act or Applicable Law shall be duly complied with in respect of all transfers of shares and registration thereof.	**Transfer Form**
41.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Board may, at its own absolute discretion and without assigning any reasons, decline to register or acknowledge: (i) The transfer of a share, whether fully paid or not (notwithstandingthat a proposed transferee be already a member), to a person of whom they do not approve; or (ii) Any transfer of shares on which the Company has a lien; But in such cases it shall, within thirty (30) days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor, notice of the refusal to register such transfer. Provided that registration of transfer shall, however, not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.	**Board may refuse to register transfer** **Transfer not to be refused on ground of indebtedness**
42.	The Board may decline to register any instrument of transfer unless – (a) the instrument of transfer is duly stamped, dated and executed and is in the form as prescribed in the Rules made under sub-section (1) of section 56 of the Act; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares.	**Board may decline to register instrument of transfer**
43.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	**No fee on transfer**
44.	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 of the Act and rules made there under to close the Register of Members and/or the Register of debentures holders and/or other security holders and registration of transfer may be suspended at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days in each year as it may	**Closure of Register of Members or debenture holder or other security holders**

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	seem expedient to the Board.	
45.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	**Custody of transfer Deeds**
46.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	**Application for transfer of partly paid shares**
47.	The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.	**Provisions as to transfer of shares to apply *mutatis mutandis* to debentures, etc.**
	NOMINATION AND TRANSMISSION OF SHARES	
48.	(i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination. (ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014. (iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination. (iv) If the holder(s) of the securities survive(s) the nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.	**Nomination**
49.	(1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.	**Title to shares on death of a member**
	(2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	**Estate of deceased member liable**
50.	(1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either – (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made.	**Transmission Clause**
	(2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.	**Board's right unaffected**
	(3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.	**Indemnity to the Company**
51.	(1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.	**Right to election of holder of share**

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	(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.	**Manner of testifying election**
	(3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.	**Limitations applicable to notice**
52.	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.	**Claimant to be entitled to same advantage**
53.	Notwithstanding anything contained in Article 41, in the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed under sub-section 1 of section 56 of the Act or any modification thereof as circumstances permit.	**Form of transfer Outside India**
54.	The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.	**Provisions as to transmission to apply *mutatis mutandis* to debentures, etc.**
	FORFEITURE OF SHARES	
55.	If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.	**If call or instalment not paid notice must be given**
56.	The notice aforesaid shall: (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	**Form of Notice**
57.	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.	**In default of payment of shares to be forfeited**
58.	Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.	**Receipt of part amount or grant of indulgence not to affect forfeiture**
59.	When any share shall have been so forfeited, notice of the forfeiture shall be	**Entry of**

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	given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	**forfeiture in register of members**
60.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	**Effect of forfeiture**
61.	(1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.	**Forfeited shares may be sold, etc.**
	(2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	**Cancellation of forfeiture**
62.	(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.	**Members still liable to pay money owing at the time of forfeiture**
	(2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.	**Member still liable to pay money owing at time of forfeiture and interest**
	(3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.	**Cessation liability**
63.	(1) A duly verified declaration in writing that the declarant is a director, the manager or the Company Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;	**Certificate of forfeiture**
	(2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;	**Title of purchaser and transferee of forfeited shares**
	(3) The transferee shall thereupon be registered as the holder of the share; and	**Transferee to be registered as holder**
	(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.	**Transferee not affected**
64.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	**Validity of sales**
65.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same has on demand by the Company been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	**Cancellation of share certificate in respect of forfeited shares**
66.	The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	**Surrender of share certificates**

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67.	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	**Sums deemed to be calls**
68.	The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.	**Provisions as to forfeiture of shares to apply *mutatis mutandis* to debentures, etc.**
	ALTERATION OF CAPITAL	
69.	Subject to the provision of the Act, the Company may, by ordinary resolution – (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares: Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.	**Power to alter share capital**
70.	Where shares are converted into stock: (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;	**Shares may be convertied into stock**
	(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;	**Right of stockholders**
	(c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/ "member" shall include "stock" and "stock-holder" respectively.	
71.	The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules: (a) its share capital; and/or (b) any capital redemption reserve account; and/or (c) any securities premium account; and/or (d) any other reserve in the nature of share capital	**Reduction of capital**
	JOINT-HOLDERS	

Sr. No	Particulars	Marginal Notes
72.	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivorship, subject to the following and other provisions contained in these Articles:	**Joint-holders**
	(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.	**Liability of Joint holders**
	(b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.	**Death of one or more joint-holders**
	(c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.	**Receipt of one sufficient**
	(d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.	**Delivery of certificate and giving of notice to first named holder**
	(e) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.	**Executors or administrators as joint-holders**
	(f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.	**Provisions as to joint holders as to shares to apply *mutatis mutandis* to debentures, etc.**
	CAPITALISATION OF PROFITS	
73.	(1) The Company, in general meeting may, upon the recommendation of the Board, resolve – (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, securities premium account or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2)	**Capitalisation**
	(2) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards: (a) paying up any amounts for the time being unpaid on any shares held by such members respectively; (b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportion as may be determined by the law in accordance with the law; (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b). (d) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares; (e) The Board shall give effect to the resolution passed by the Company	**Sum how applied**

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	in pursuance of this Article.	
74.	1. Whenever such a resolution as aforesaid shall have been passed, the Board shall – (a) make all appropriations and applications of the amounts resolved to be authorized thereby, and all allotments and issues of fully paid shares or other securities, if any; and (b) generally, do all acts and things required to give effect thereto.	**Powers of the Board for capitalisation**
	2. The Board shall have power – (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such authorized on, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be authorized, of the amount or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on such members.	**Board's power to issue fractional certificate/coupon etc.**
BORROWING POWERS		
75.	Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act, Applicable Law and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board: (i) accept or renew deposits from Shareholders; (ii) borrow money by way of issuance of Debentures; (iii) borrow money otherwise than on Debentures; (iv) generally, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.	**Power to borrow**
	Provided further that the Board may delegate the power specified in sub clause (iii) herein above (i.e. to borrow money otherwise than on debentures) to a committee constituted for the purpose.	**Delegation of power to borrow**
76.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Members by Special Resolution in the General Meeting.	**Issue of discount etc. or with special privileges**
77.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security	**Security payment or repayment of Moneys borrowed**

Sr. No	Particulars	Marginal Notes
	upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or Company of any obligation undertaken by the Company or any person or Company as the case may be.	
78.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	**Bonds, Debentures etc. to be under the control of the Directors.**
79.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	**Mortgage of uncalled Capital.**
80.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	**Indemnity may be given**
	BUY-BACK OF SHARES	
81.	Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any Applicable Law for the time being in force, the Company may purchase its own shares or other specified securities.	**Buy-back of shares**
	GENERAL MEETINGS	
82.	All General Meetings other than Annual General Meeting shall be called Extraordinary General Meeting.	**Extraordinary general meeting**
83.	(i) The Board may, whenever it thinks fit, call an extraordinary general meeting. (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.	**Powers of Board to call extraordinary general meeting**
	PROCEEDINGS AT GENERAL MEETINGS	
84.	(1) No business shall be transacted at any general meeting unless a quorum of members is present while transacting business.	**Liability of Members**
	(2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.	**Business confined to election of Chairperson whilst chair vacant**
	(3) The quorum for a general meeting shall be as provided in section 103 of the Act.	**Quorum for general meeting**
85.	The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.	**Chairperson of the meetings**
86.	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one among themselves to be Chairperson of the meeting.	**Directors to elect a Chairperson**
87.	If at any meeting no director is willing to act as Chairperson or if no director is	**Members to elect**

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	present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by show of hands, by poll or electronically, choose one of their members to be Chairperson of the meeting.	**a Chairperson**
88.	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	**Casting vote of Chairperson at general meeting**
89.	(1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors to be prepared and signed in such manner as prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned thereof in books kept for that purpose with their pages consecutively numbered.	**Minutes of proceedings of meetings and resolutions passed by postal ballot**
	(2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting – (a) is, or could reasonably be regarded, as dematory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.	**Certain matters not to be included in Minutes**
	(3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.	**Discretion of Chairperson in relation to Minutes**
	(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.	**Minutes to be evidence**
90.	(1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: (a) be kept at the registered office of the Company; and (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all business days. Provided such member gives at least 7 days' notice in writing of his intention to do so.	**Inspection of minute books of general meeting**
	(2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of a maximum fee as prescribed in the Act for each page or part thereof, with a copy of any minutes referred to in clause (1) above: Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.	**Members may obtain copy of minutes**
91.	The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.	**Powers to arrange security at meetings**
	Notwithstanding anything contained in these Articles, the Company may, and in case of resolutions relating to such business as notified under Rule (22)(16) of the Companies (Management and Administration) Rules, 2014 or Applicable Laws to be passed by postal ballot, shall get the resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company. (2) Where the Company decides to pass the resolution by postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act read with Companies (Management and Administration) Rules, 2014, as amended from time to time.	

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	ADJOURNMENT OF MEETING	
92.	(1) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.	**Chariperson may adjourn the meeting**
	(2) No business shall be transacted at any adjourned meeting other than the business left unfinshed at the meeting from which the adjournment took place.	**Business at adjourned meeting**
	(3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.	**Notice of adjourned meeting**
	(4) Save as aforesaid, and save as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	**Notice of adjourned meeting not required**
	VOTING RIGHTS	
93.	Subject to any rights or restrictions for the time being attached to any class or classes of shares – (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.	**Entitlement to vote on show of hands and on poll**
94.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.	**Voting through electronic means**
95.	(1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.	**Vote of joint holders**
	(2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	**Seniority of names**
96.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or senior most guardian as determined in the order in which name stands in the document(s) received by the Company advising of the guardianship.	**How members *non compos mentis* and minor may vote**
97.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.	**Votes in respect of shares of deceased or insovent members, etc.**
98.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.	**Business may proceed pending poll**
99.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien. The Register of Members shall be conclusive evidence of the payment of calls, liens or other sums and in case of any error in the Register of Members, it shall not invalidate the proceedings of the Meeting.	**Restriction on voting rights**
100.	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken.	**Restriction on exercise of voting rights in other cases to be void**
101.	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other	**Equal rights of members**

Sr. No	Particulars	Marginal Notes
	members of the same class.	
PROXY		
102.	(1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.	**Member may vote in person or otherwise**
	(2) The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a authorize copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.	**Proxies when to be deposited**
103.	An instrument appointing a proxy shall be in the form as prescribed in the Rules made under section 105 of the Act.	**Form of proxy**
104.	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.	**Proxy to be valid notwithstanding death of the principal**
BOARD OF DIRECTORS		
105.	(1) The number of directors shall not be less than 3 (three) and shall not be more than fifteen. The Company by a special resolution may increase the number of directors to more than fifteen in compliance with the Act.	**Board of Directors**
	(2) The following shall be the first directors of the Company: (i) K.P. Jose (ii) K.P. Rajan	**First Directors**
	(3) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.	**Same individual may be Chairperson and Managing Director/ Chief Executive Officer**
106.	Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.	**Directors not liable to retire by rotation**
107.	(1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. (2) The Company can fix commission payable to the directors, which shall be paid monthly or quarterly or annually, and shall be subject to the applicable provisions of the Act and rules made thereunder.	**Remuneration of directors**
	(2) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or (b) in connection with the business of the Company.	**Travelling and other expenses**
108.	All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by	**Execution of negotiable instruments**

Sr. No	Particulars	Marginal Notes
	resolution determine.	
109.	(1) Subject to the provisions of Sections 149 & 161 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.	**Appointment of additional directors**
	(2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.	**Duration of office of additional director**
110.	(1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.	**Appointment of alternate director**
	(2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.	**Duration of office of alternate director**
	(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.	**Re-appointment provisions applicable to Original Director**
111.	(1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the Articles of the Company, be filled by the Board of Directors at a meeting of the Board.	**Appointment of director to fill a casual vacancy**
	(2) Provided, that the director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.	**Duration of office of Director appointed to fill casual vacancy**
	POWERS OF BOARD	
112.	Notwithstanding anything to the contrary contained in these Articles, so long as any money shall be owing by the Company to any financial institutions, corporations, banks or such other financing entities or through Debenture Trustees or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any shares/debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid entities in respect of any financial obligation or commitment of the Company remains outstanding in terms of payment of interest or repayment of principal amount, then in that event any of the said financial institutions or Debenture Trustees or such other financing entities shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board of Director as their nominee on the Board of Company in accordance with the applicable laws. The aforesaid financial institutions or Debenture Trustees or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant institution and shall be delivered to the Company and the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all General Meetings, Board Meetings and meetings of the Committee of which he or she is a member and he or she and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings in accordance with the applicable laws.	**Appointment of Nominee Director**
113.	The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as	**General powers of the Company**

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	the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.	**vested in Board**
	PROCEEDINGS OF THE BOARD	
114.	(1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.	**When meeting to be convened**
	(2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the Company Secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.	**Who may summon Board meeting**
	(3) The quorum for a Board Meeting shall be as provided in the Act.	**Quorum for Board meetings**
	(4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means as may be prescribed by the Rules or permitted under law.	**Participation at Board meetings**
115.	(1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.	**Questions at Board meeting how decided**
	(2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	**Casting vote of Chairperson at Board meeting**
116.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	**Directors not to act when number falls below minimum**
117.	(1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.	**Who to preside at meetings of the Board**
	(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.	**Directors to elect a Chairperson**
118.	(1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.	**Delegation of powers**
	(2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.	**Committee to conform to Board regulations**
	(3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or other audio-visual means, as may be prescribed by the Rules or permitted under law.	**Participation at Committee meetings**
119.	(1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.	**Chairperson of Committee**
	(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	**Who to preside at meetings of Committee**
120.	(1) A Committee may meet and adjourn as it thinks fit.	**Committee to meet**
	(2) Questions arising at any meeting of a Committee shall be determined by a	**Questions at**

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	majority of votes of the members present.	**Committee meeting how decided**
	(3) In case of an equality of votes, the Chairperson of the Committee or Meeting shall have a second or casting vote.	**Casting vote of Chairperson at Committee meeting**
121.	All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	**Act of Board or Committee valid notwithstanding defect of appointment**
122.	Subject to the provisions of the Act, a resolution of the Board may be passed by circulation, if the resolution has been circulated in draft, along with necessary documents, if any, to all Directors or members of the Committee, as the case may be, at their address registered with the Company in India by hand delivery or by post or by courier or through electronics means and has been approved by majority of Directors or Members, who are entitled to vote on the resolution.	**Passing of resolution by circulation**
CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER		
123.	(a) Subject to the provisions of the Act: Every whole-time key managerial personnel of the Company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. Whole-time key managerial personnel of the Company so appointed may be removed in pursuance to the applicable provisions of the Act.	**Chief Executive Officer, etc.**
	(b) A director may be appointed as chief executive officer, manager, Company Secretary or chief financial officer.	**Director may be chief executive officer, etc.**
REGISTERS AND INSPECTION THEREOF AND OTHER DOCUMENTS		
124.	(a) The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on each business day at the registered office of the Company by the persons entitled thereto provided such person gives at least 7 days' notice of his intention to do so, on payment of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. Such person if authorized by the Act and the Rules, can also take copies of such registers by paying a maximum fee as prescribed in the Act per page or part thereof to the Company. The Company shall take steps to provide the copies of the registers to such person within 7 days of receipt of the fees. The Board, if deem fit, may waive off this fee. (b) The Company shall, on being so required by a Member, send to him within seven days of the request and subject to payment of a maximum fee as prescribed in the Act for each copy of the documents specified in Section 17 of the Act. The Board, if deem fit, may waive off this fee.	**Statutory registers**
125.	(a) The Company may exercise the powers conferred on it by the Act with	**Foreign register**

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	regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.	
	THE SEAL	
126.	(1) The Board shall provide for the safe custody of the seal. (2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of two directors and such directors shall sign every instrument to which the seal of the Company is so affixed.	**The seal, its custody and use Affixation of seal**
	DIVIDENDS AND RESERVE	
127.	The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	**Compay in general meeting may declare dividends**
128.	Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.	**Interim dividends**
129.	(1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for authorized dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.	**Dividends only to be paid out of profits**
	(2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	**Carry forward of profits**
130.	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.	**Division of profits**
	(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.	**Payments in advance**
	(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.	**Dividends to be apportioned**
131.	(1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.	**No member to receive dividend whilst indebted to the Company and Company's right to reimbursement there from**
	(2) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	**Retention of dividends**

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	(3) Any money transferred to the Unpaid Dividend Account of the Company which remains unclaimed for a period of seven years from the date of such transfer shall be transferred to the Fund established under Section 125 of the Act.	**Transfer of unclaimed dividend**
132.	(1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.	**Dividend how remitted**
	(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	**Instrument of payment**
	(3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	**Discharge to Company**
133.	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	**Receipt of one holder sufficient**
134.	No dividend shall bear interest against the Company.	**No interest on dividends**
135.	The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	**Waiver of dividends**
136.	No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by any applicable law.	**Forfeiture of dividends**
	ACCOUNTS	
137.	(1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.	**Inspection by Directors**
	(2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board or by the Company in a general meeting.	**Restriction on inspection by members**
	WINDING UP	
138.	Subject to the applicable provisions of Chapter XX of the Act and the Rules made there under – (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	**Winding up of Company**
	INDEMNITY AND INSURANCE	

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139.	(a) Subject to the provisions of the Act, every officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such officer or in any way in the discharge of his duties in such capacity including expenses. (b) Subject as aforesaid, every officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.	**Directors and officers right to indemnity**
	(c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.	**Insurance**
140.	Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	**Secrecy**
GENERAL POWER		
141.	Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.	**General Power**
142.	The Company shall from time to time comply with all the provisions as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and the rules and the regulations made by the Securities and Exchange Board of India. Any provision of these Articles which is or may become contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Listing Agreement or the rules and regulations made by the Securities and Exchange Board of India or the provisions of the Act, the said provision shall be deemed to be amended to the extent necessary to make it compliant with such regulation, the Listing Agreement or the Act. In case of any inconsistency between the provisions of these Articles, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Listing Agreement, the SEBI Rules and Regulations and the Act, the provision / compliance which is / are more onerous shall be applicable in such case, and these Articles shall be deemed amended to such extent.	

SECTION IX -OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at Kosamattam City Centre, Floor Number 4th & 5th, T.B Road, Kottayam - 686001, Kerala, India; between 10 am to 5 pm on any Working Days from the date of the filing of this Prospectus with Stock Exchange.

Material Contracts

1. Issue Agreement dated November 21, 2023, between the Company and the Lead Manager;
2. Registrar Agreement dated November 03, 2023, between the Company and the Registrar to the Issue;
3. Debenture Trusteeship Agreement dated December 8, 2023, between the Company and Vistra ITCL (India) Limited, the Debenture Trustee;
4. Agreed form of Debenture Trust Deed to be executed between the Issuer and the Debenture Trustee.
5. Public Issue Account and Sponsor Bank Agreement dated November 21, 2023, amongst our Company, the Lead Manager, the Registrar, the Public Issue Account Bank, Sponsor Bank and the Refund Bank;
6. Syndicate Agreement dated November 21, 2023, between the Company, Lead Manager and the Syndicate Member;
7. Tripartite Agreement dated March 21, 2014 between CDSL, the Company and the Registrar to the Issue; and
8. Tripartite Agreement dated March 27, 2014 between NSDL, the Company and the Registrar to the Issue.

Material Documents

1. Original certificate of incorporation of Company dated March 25, 1987, issued by Registrar of Companies, Kerala;
2. Revised certificate of incorporation of the Company dated June 08, 2004, issued by Registrar of Companies, Kerala pursuant to change of name;
3. Fresh certificate of incorporation of the Company dated November 22, 2013, issued by Registrar of Companies, Kerala pursuant to the conversion of our Company from private limited company to a public limited company;
4. Memorandum of Association and Articles of Association of the Company, as amended to date;
5. The certificate of registration No. B-16.00117 dated December 19, 2013 issued by RBI under Section 45IA of the RBI Act;
6. Full fledged money changers license bearing license number FE.KOC.FFMC.40/2006 dated February 07, 2006 by the RBI;
7. Credit rating letter dated November 24, 2023 issued by India Ratings & Research Private Limited;
8. Copy of the Board Resolution dated October 27, 2023, approving the Issue;
9. Resolution passed by the shareholders of the Company at the Extraordinary General Meeting held on March 09, 2023, approving the overall borrowing limit of Company;
10. Copy of the Debenture Committee resolution dated December 12, 2023, approving the Draft Prospectus;

11. Copy of the Debenture Committee resolution dated December 22, 2023, approving this Prospectus;

12. Memorandum of Understanding dated May 07, 2004, between Mathew K. Cherian (representative of the "**Buyers**") and Thomas Porathur (representative of the "**Sellers**");

13. Consents of the Directors, Chief Financial Officer, Lead Manager, Debenture Trustee, Syndicate Member, Credit Rating Agency for the Issue, Company Secretary and Compliance Officer, Legal Counsel to the Issue, Public Issue Account Bank, Sponsor Bank, Refund bank, Bankers to the Company and the Registrar to the Issue, to include their names in this Prospectus;

14. Industry report titled "CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Industry Report on Gold Loans released in Mumbai in October 2023", dated November 10, 2023, prepared and issued by CRISIL Limited;

15. The consent of our Statutory Auditors, namely M/s. SGS & Company, Chartered Accountants dated December 6, 2023, for inclusion of their names as the Statutory Auditors and experts as defined under Section 2(38) of the Companies Act, 2013;

16. Annual Reports of the Company for the last three Financial Years;

17. Audited Financial Statements of the Company for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 and the Unaudited Financial Results for the six months period ended September 30, 2023.

18. A statement of tax benefits dated December 6, 2023, received from M/s. SGS & Company, Chartered Accountants regarding tax benefits available to our debenture holders;

19. In-principle listing approval letter dated December 22, 2023, issued by BSE, for the Issue;

20. Due Diligence certificate dated December 12, 2023, from the Debenture Trustee to the Issue;

21. Due Diligence certificate dated December 22, 2023, filed with SEBI by the Lead Manager.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act and the rules prescribed thereunder, the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements in this Prospectus are true, accurate and correct and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements. Furthermore, all the monies received under the offer shall be used only for the purposes and objects indicated in this Prospectus.

Signed by the Directors of our Company

Mathew K. Cherian
(Chariman and Managing Director)

Laila Mathew
(Whole-Time Director)

Paul Jose Maliakal
(Independent Director)

C. Thomas John
(Independent Director)

Sebastian Kurian
(Independent Director)

Place: Kottayam

Date :December 22, 2023

ANNEXURE I - DAY COUNT CONVENTION

Interest on the NCDs shall be computed on an actual/actual basis for the broken period, if any. Consequently, interest shall be computed on a 365 day a year basis on the principal outstanding on the NCDs for Options I, III, V, VII and VIII which have tenors on cumulative basis.

For Options II, IV and VI the interest shall be calculated from the first day till the last date of every month on an actual/actual basis during the tenor of such NCDs. Consequently, interest shall be computed on a 365 day a year basis on the principal outstanding on the NCDs. However, if period from the Deemed Date of Allotment/anniversary date of Allotment till one day prior to the next anniversary/redemption date includes February 29, interest shall be computed on 366 days a-year basis, on the principal outstanding on the NCDs.

Illustration of cash-flows: To demonstrate the day count convention, please see the following table below, which describes the cash-flow in terms of interest payment and payment of Redemption Amount per NCD for all Categories of NCD Holders.

INVESTORS SHOULD NOTE THAT THIS EXAMPLE IS SOLELY FOR ILLUSTRATIVE PURPOSES AND IS NOT SPECIFIC TO THE ISSUE

Company	Kosamattam Finance Limited	
Face Value	₹ 1,000	
Day and Date of Allotment (tentative)	Thursday, 18 January, 2024	
Options	I	II
Tenure	18	24
Coupon (%)	NA	8.75
Frequency of the Interest Payment with specified dates starting from date of allotment	Cumulative	Monthly
Day Count Convention	Actual/Actual	

Option I

Company	Kosamattam Finance Limited
Face Value	₹ 1,000
Day and Date of Allotment (tentative)	Thursday, 18 January, 2024
Day and Date of Redemption (tentative)	Thursday, 17 July, 2025
Tenure	18
Redemption Amount (₹/NCD) for NCD Holders	₹ 1,130.50
Frequency of the Interest Payment with specified dates starting from date of allotment	Cumulative
Day Count Convention	Actual/Actual

Cash Flows	Date of interest/redemption payment	No of days in coupon/maturity period	Amount
Principal/Maturity Value	Thursday, 17 July, 2025	546	1,130.50

Option II

Company	Kosamattam Finance Limited

Face Value	₹ 1,000
Day and Date of Allotment (tentative)	Thursday, 18 January, 2024
Day and Date of Redemption (tentative)	Saturday, 17 January, 2026
Tenure	24 months
Coupon (%) for NCD Holders	8.75%
Frequency of the Interest Payment with specified dates starting from date of allotment	Monthly
Day Count Convention	Actual/Actual

Cash Flows	**Date of interest/redemption payment**	**No of days in coupon/maturity period**	**Amount (in ₹)**
1st Coupon	Friday, 1 March, 2024	43.00	10.31
2nd Coupon	Monday, 1 April, 2024	31.00	7.43
3rd Coupon	Wednesday, 1 May, 2024	30.00	7.19
4th Coupon	Saturday, 1 June, 2024	31.00	7.43
5th Coupon	Monday, 1 July, 2024	30.00	7.19
6th Coupon	Thursday, 1 August, 2024	31.00	7.43
7th Coupon	Sunday, 1 September, 2024	31.00	7.43
8th Coupon	Tuesday, 1 October, 2024	30.00	7.19
9th Coupon	Friday, 1 November, 2024	31.00	7.43
10th Coupon	Sunday, 1 December, 2024	30.00	7.19
11th Coupon	Wednesday, 1 January, 2025	31.00	7.43
12th Coupon	Saturday, 1 February, 2025	31.00	7.43
13th Coupon	Saturday, 1 March, 2025	28.00	6.71
14th Coupon	Tuesday, 1 April, 2025	31.00	7.43
15th Coupon	Thursday, 1 May, 2025	30.00	7.19
16th Coupon	Sunday, 1 June, 2025	31.00	7.43
17th Coupon	Tuesday, 1 July, 2025	30.00	7.19
18th Coupon	Friday, 1 August, 2025	31.00	7.43
19th Coupon	Monday, 1 September, 2025	31.00	7.43
20th Coupon	Wednesday, 1 October, 2025	30.00	7.19
21st Coupon	Saturday, 1 November, 2025	31.00	7.43
22nd Coupon	Monday, 1 December, 2025	30.00	7.19
23rd Coupon	Thursday, 1 January, 2026	31.00	7.43
24th Coupon	Saturday, 17 January, 2026	16.00	3.84
Principal/Maturity Value	Saturday, 17 January, 2026	**730.00**	**1,000.00**

NOTES:

1. *Effect of public holidays has been ignored as these are difficult to ascertain for future period.*
2. *As per SEBI Operational Circular, in order to ensure uniformity for payment of interest/redemption on debt securities, the interest/redemption payment shall be made only on a Working Day. Therefore, if the interest payment date falls on a non-Working Day, the coupon payment shall be on the next Working Day. However, the future coupon payment dates would be as per the schedule originally stipulated. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one*

particular coupon payment has been postponed earlier because of it having fallen on a holiday. However, if the redemption date of the debt securities falls on non- Working Day, the redemption proceeds shall be paid on the previous Working Day.

3. *Deemed Date of Allotment has been assumed to be January 18, 2024.*
4. *The last coupon payment will be paid along with maturity amount at the redemption date*.

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ANNEXURE II – RATING LETTER, RATING RATIONALE AND PRESS RELEASE

APPENDED OVERLEAF

India Ratings & Research
A Fitch Group Company

FitchGroup

Mr. Mathew Cherian
Managing Director
Kosamattam Finance Limited
Kosamattam City Centre, Floor 4th & 5th Floor,
T.B. Road, Kottayam,
Kerala 686001

November 24, 2023

Dear Sir/Madam,

Re: Rating Letter of Kosamattam Finance Limited

India Ratings and Research (Ind-Ra) has taken the following rating actions on Kosamattam Finance Limited's (KFL) debt facilities:

Instrument Type	**Date of Issuance**	**Coupon Rate (%)**	**Maturity Date**	**Size of Issue (million)**	**Rating/Outlook**	**Rating Action**
Non-convertible debentures (NCDs)*	-	-	-	INR22,097 (reduced from INR24,788)	IND A-/Stable	Affirmed
Bank loans	-	-	-	INR27,000	IND A-/Stable	Affirmed
NCDs*				INR2,000	IND A-/Stable	Assigned

*Details in annexure

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, “India Ratings” means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

Abhishek Bhattacharya
Senior Director

Annexure: Facilities Breakup

Instrument Description	Banks Name	Ratings	Outstanding/Rated Amount(INR million)
Term Loan	Bandhan Bank	IND A-/Stable	249.90
Cash Credit	Bandhan Bank	IND A-/Stable	10.00
Term Loan	Bandhan Bank	IND A-/Stable	750.00
Cash Credit	Bank of Baroda	IND A-/Stable	750.00
Term Loan	Bank of Baroda	IND A-/Stable	145.80
Term Loan	Bank of Baroda	IND A-/Stable	41.70
Term Loan	Bank of Baroda	IND A-/Stable	1000.00
Term Loan	Bank of Maharashtra	IND A-/Stable	548.70
Term Loan	Bank of Maharashtra	IND A-/Stable	973.00
Term Loan	Canara Bank	IND A-/Stable	70.50
Term Loan	Canara Bank	IND A-/Stable	155.80
Term Loan	Canara Bank	IND A-/Stable	179.20
Term Loan	Canara Bank	IND A-/Stable	173.00
Term Loan	Canara Bank	IND A-/Stable	416.60
Term Loan	City Union Bank	IND A-/Stable	76.80
Working Capital Demand Loan	CSB Bank Limited	IND A-/Stable	300.00
Working Capital Demand Loan	CSB Bank Limited	IND A-/Stable	200.00
Term Loan	CSB Bank Limited	IND A-/Stable	124.40
Working Capital Demand Loan	CSB Bank Limited	IND A-/Stable	340.00
Working Capital Demand Loan	DCB Bank	IND A-/Stable	200.00
Working Capital Demand Loan	DCB Bank	IND A-/Stable	200.00
Cash Credit	Dhanlaxmi Bank	IND A-/Stable	150.00
Working Capital Demand Loan	Dhanlaxmi Bank	IND A-/Stable	350.00
Term Loan	Equitas Small Finance Bank	IND A-/Stable	40.00
Term Loan	ESAF Small Finance Bank	IND A-/Stable	244.10
Term Loan	ESAF Small Finance Bank	IND A-/Stable	75.00
Cash Credit	Federal Bank	IND A-/Stable	8.00
Working Capital Demand Loan	Federal Bank	IND A-/Stable	12.00
Working Capital Demand Loan	Federal Bank	IND A-/Stable	400.00
Working Capital Demand Loan	Federal Bank	IND A-/Stable	200.00
FCTL	Federal Bank	IND A-/Stable	400.00
Term Loan	Federal Bank	IND A-/Stable	500.00
Working Capital Demand Loan	HDFC Bank Limited	IND A-/Stable	400.00
Working Capital Demand Loan	HDFC Bank Limited	IND A-/Stable	100.00
Working Capital Demand Loan	HDFC Bank Limited	IND A-/Stable	500.00

Term Loan	IDFC First Bank	IND A-/Stable	63.20
Term Loan	IDFC First Bank	IND A-/Stable	500.00
Cash Credit	IDFC First Bank	IND A-/Stable	20.00
Working Capital Demand Loan	IDFC First Bank	IND A-/Stable	30.00
Term Loan	IDFC First Bank	IND A-/Stable	750.00
Cash Credit	Indian Bank	IND A-/Stable	100.00
Term Loan	Indian Bank	IND A-/Stable	120.00
Term Loan	Indian Bank	IND A-/Stable	147.00
Term Loan	Indian Overseas Bank	IND A-/Stable	205.70
Working Capital Demand Loan	IndusInd Bank Limited	IND A-/Stable	250.00
Working Capital Demand Loan	IndusInd Bank Limited	IND A-/Stable	250.00
Term Loan	Jana Small Finance Bank	IND A-/Stable	233.10
Term Loan	Jana Small Finance Bank	IND A-/Stable	595.80
Term Loan	Karnataka Bank Ltd	IND A-/Stable	227.50
Cash Credit	Karur Vysya Bank	IND A-/Stable	50.00
Working Capital Demand Loan	Karur Vysya Bank	IND A-/Stable	200.00
Working Capital Demand Loan	Karur Vysya Bank	IND A-/Stable	250.00
Term Loan	Karur Vysya Bank	IND A-/Stable	104.20
Term Loan	Karur Vysya Bank	IND A-/Stable	454.50
Working Capital Demand Loan	Kotak Mahindra Bank	IND A-/Stable	300.00
Term Loan	Northern ARC Capital Limited	IND A-/Stable	164.90
Term Loan	Northern ARC Capital Limited	IND A-/Stable	154.00
Term Loan	Northern ARC Capital Limited	IND A-/Stable	250.00
Cash Credit	Punjab National Bank	IND A-/Stable	100.00
Working Capital Demand Loan	Punjab National Bank	IND A-/Stable	150.00
Cash Credit	South Indian Bank	IND A-/Stable	500.00
Working Capital Demand Loan	South Indian Bank	IND A-/Stable	750.00
Term Loan	South Indian Bank	IND A-/Stable	343.80
Cash Credit	State Bank of India	IND A-/Stable	700.00
Term Loan	State Bank of India	IND A-/Stable	70.50
Term Loan	State Bank of India	IND A-/Stable	375.50
Term Loan	State Bank of India	IND A-/Stable	985.60
Working Capital Demand Loan	State Bank of India	IND A-/Stable	1100.00
Term Loan	STCI Finance Limited	IND A-/Stable	250.00
Term Loan	Tata Capital Financial Services Ltd	IND A-/Stable	90.90
Term Loan	Tata Capital Financial Services Ltd	IND A-/Stable	118.90
Term Loan	UCO Bank	IND A-/Stable	149.90
Cash Credit	Union Bank of India	IND A-/Stable	300.00
Working Capital Demand Loan	Union Bank of India	IND A-/Stable	450.00
Term Loan	Union Bank of India	IND A-/Stable	272.70

Term Loan	Vivriti Capital Private Limited	IND A-/Stable	250.00
Term Loan	Vivriti Capital Private Limited	IND A-/Stable	91.70
Term Loan	Vivriti Capital Private Limited	IND A-/Stable	50.00
Term Loan	Woori Bank	IND A-/Stable	350.00
Working Capital Demand Loan	Yes Bank Ltd	IND A-/Stable	250.00
Working Capital Demand Loan	Yes Bank Ltd	IND A-/Stable	250.00
Term Loan	NA	IND A-/Stable	3346.10

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)
NCD (Secured)	INE403Q07623	01/02/2017	10.41	31/01/2024	IND A-/Stable	186
NCD (Unsecured)	INE403Q08084	09/05/2017	10.16	08/07/2024	IND A-/Stable	125
NCD (Secured)	INE403Q07771	29/08/2017	9.91	27/12/2024	IND A-/Stable	134
NCD (Unsecured)	INE403Q08092	08/01/2018	10	07/05/2025	IND A-/Stable	186
NCD (Unsecured)	INE403Q08100	08/01/2018	9.91	07/05/2025	IND A-/Stable	114
NCD (secured)	INE403Q07912	23/04/2018	9.91	22/08/2025	IND A-/Stable	166
NCD (secured)	INE403Q07979	24/09/2018	10.25	22/09/2023	WD	19
NCD (Unsecured)	INE403Q08118	24/09/2018	10.25	23/09/2025	IND A-/Stable	73
NCD (Unsecured)	INE403Q08126	24/09/2018	10.41	23/09/2025	IND A-/Stable	212
NCD (secured)	INE403Q07AD5	31/01/2019	10	30/01/2024	IND A-/Stable	44
NCD (Unsecured)	INE403Q08134	31/01/2019	10.25	30/01/2026	IND A-/Stable	50
NCD (Unsecured)	INE403Q08142	31/01/2019	10.41	30/01/2026	IND A-/Stable	148
NCD (Secured)	INE403Q07AJ2	06/05/2019	10	04/05/2024	IND A-/Stable	38
NCD (Unsecured)	INE403Q08159	06/05/2019	10.25	05/05/2026	IND A-/Stable	41
NCD (Unsecured)	INE403Q08167	06/05/2019	10.41	05/05/2026	IND A-/Stable	130
NCD (Secured)	INE403Q07AO2	21/08/2019	10.67	19/08/2023	WD	341
NCD (Secured)	INE403Q07AP9	21/08/2019	10	20/08/2024	IND A-/Stable	64
NCD (Unsecured)	INE403Q08175	21/08/2019	10.25	20/08/2026	IND A-/Stable	53
NCD (Unsecured)	INE403Q08183	21/08/2019	10.41	20/08/2026	IND A-/Stable	192
NCD (Secured)	INE403Q07AU9	10/12/2019	10.67	09/12/2023	IND A-/Stable	298
NCD (Secured)	INE403Q07AV7	10/12/2019	10.71	09/06/2025	IND A-/Stable	51
NCD (Secured)	INE403Q07AW5	10/12/2019	10.25	09/12/2026	IND A-/Stable	103
NCD (Secured)	INE403Q07AX3	10/12/2019	10.41	09/12/2026	IND A-/Stable	234
NCD (Secured)	INE403Q07BA9	29/05/2020	10	28/08/2023	WD	1037
NCD (Secured)	INE403Q07BB7	29/05/2020	10.54	28/08/2023	WD	365
NCD (Secured)	INE403Q07BC5	29/05/2020	10.67	28/05/2024	IND A-/Stable	315
NCD (Secured)	INE403Q07BD3	29/05/2020	10.71	20/11/2025	IND A-/Stable	84
NCD (Unsecured)	INE403Q08191	29/05/2020	10.25	28/05/2027	IND A-/Stable	93
NCD (Unsecured)	INE403Q08209	29/05/2020	10.41	28/05/2027	IND A-/Stable	180

NCD (Secured)	INE403Q07BH4	14/10/2020	10	12/01/2024	IND A-/Stable	971
NCD (Secured)	INE403Q07BI2	14/10/2020	9.87	12/04/2024	IND A-/Stable	93
NCD (Secured)	INE403Q07BJ0	14/10/2020	10.22	13/12/2024	IND A-/Stable	204
NCD (Secured)	INE403Q07BK8	14/10/2020	10.25	13/10/2027	IND A-/Stable	133
NCD (Secured)	INE403Q07BL6	14/10/2020	10.41	13/10/2027	IND A-/Stable	181
NCD (Secured)	INE403Q07CI0	18/04/2022	8.04	17/10/2023	WD	929
NCD (Secured)	INE403Q07CJ8	18/04/2022	8.75	17/04/2025	IND A-/Stable	285
NCD (Secured)	INE403Q07CK6	18/04/2022	9	17/04/2025	IND A-/Stable	414
NCD (Secured)	INE403Q07CL4	18/04/2022	9.25	17/10/2025	IND A-/Stable	261
NCD (Secured)	INE403Q07CM2	18/04/2022	9.5	17/04/2026	IND A-/Stable	226
NCD (Secured)	INE403Q07CN0	18/04/2022	9.43	17/10/2026	IND A-/Stable	258
NCD (Secured)	INE403Q07CO8	18/04/2022	10	17/04/2027	IND A-/Stable	1183
NCD (Secured)	INE403Q07CP5	18/04/2022	9.91	17/08/2029	IND A-/Stable	283
NCD (Secured)	INE403Q07CY7	16/01/2023	8	15/07/2024	IND A-/Stable	322
NCD (Secured)	INE403Q07CZ4	16/01/2023	8.25	15/01/2025	IND A-/Stable	98
NCD (Secured)	INE403Q07DA5	16/01/2023	8.49	15/07/2025	IND A-/Stable	110
NCD (Secured)	INE403Q07DB3	16/01/2023	9	15/01/2026	IND A-/Stable	337
NCD (Secured)	INE403Q07DE7	16/01/2023	9.25	15/04/2026	IND A-/Stable	422
NCD (Secured)	INE403Q07DF4	16/01/2023	9.5	15/01/2027	IND A-/Stable	1036
NCD (Secured)	INE403Q07DC1	16/01/2023	9.43	15/07/2027	IND A-/Stable	217
NCD (Secured)	INE403Q07DD9	16/01/2023	9.91	15/05/2030	IND A-/Stable	194
NCD (Secured)	INE403Q07DK4	29/04/2023	8.5	28/07/2024	IND A-/Stable	285
NCD (Secured)	INE403Q07DL2	29/04/2023	8.75	28/04/2025	IND A-/Stable	170
NCD (Secured)	INE403Q07DH0	29/04/2023	8.85	28/10/2025	IND A-/Stable	123
NCD (Secured)	INE403Q07DN8	29/04/2023	9	28/04/2026	IND A-/Stable	169
NCD (Secured)	INE403Q07DM0	29/04/2023	9.25	28/07/2026	IND A-/Stable	189
NCD (Secured)	INE403Q07DG2	29/04/2023	9.5	28/04/2027	IND A-/Stable	561
NCD (Secured)	INE403Q07DI8	29/04/2023	9.43	28/10/2027	IND A-/Stable	114
NCD (Secured)	INE403Q07DJ6	29/04/2023	9.91	28/08/2030	IND A-/Stable	115
NCD (Secured)	INE403Q07DW9	30/08/2023	11	30/11/2024	IND A-/Stable	250
NCD (Secured)	INE403Q07DO6	28/09/2023	8.52	27/05/2025	IND A-/Stable	316
NCD (Secured)	INE403Q07DT5	28/09/2023	8.75	27/09/2025	IND A-/Stable	124
NCD (Secured)	INE403Q07DP3	28/09/2023	8.85	27/03/2026	IND A-/Stable	97
NCD (Secured)	INE403Q07DU3	28/09/2023	9.25	27/09/2026	IND A-/Stable	128
NCD (Secured)	INE403Q07DQ1	28/09/2023	9.25	27/12/2026	IND A-/Stable	243
NCD (Secured)	INE403Q07DV1	28/09/2023	10	27/09/2027	IND A-/Stable	883
NCD (Secured)	INE403Q07DS7	28/09/2023	9.43	27/03/2028	IND A-/Stable	143
NCD (Secured)	INE403Q07DR9	28/09/2023	9.91	27/01/2031	IND A-/Stable	66
NCD (Unutilised)					IND A-/Stable	9579

India Ratings Rates Kosamattam Finance’s Additional NCDs ‘IND A-’/Stable; Affirms Existing Ratings

Nov 24, 2023 | Non Banking Financial Company (NBFC)

India Ratings and Research (Ind-Ra) has taken the following rating actions on Kosamattam Finance Limited’s (KFL) debt facilities:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Non-convertible debentures (NCDs)*	-	-	-	INR22,097 (reduced from INR24,788)	IND A-/Stable	Affirmed
Bank loans	-	-	-	INR27,000	IND A-/Stable	Affirmed
NCDs*				INR2,000	IND A-/Stable	Assigned

*Details in annexure

ANALYTICAL APPROACH: Ind-Ra continues to take a standalone view of KFL to arrive at the rating.

Key Rating Drivers

Focus on Profitability and Deepening Presence in Southern Geographies: KFL has successfully established its presence over three decades in the gold finance business and has managed multiple cycles in the business, during which there were considerable fluctuations in gold prices. KFL has been expanding its franchisee in the core gold finance business while deepening its presence in south geographies (around 98% of assets under management (AUM) at end-September 2023) and expanding in non-southern states (around 2% of AUM). Its gross AUM grew 17% yoy to INR50.7 billion at end-September 2023 (FYE23: up 20.9% yoy; FYE22: 15.2%; FYE21: 17%), with the AUM per branch for gold loans increasing to INR51 million (FY23: INR49 million), resulting from improved operational efficiencies. Its tier 1 capital ratio increased to 15.43% 1HFY24 (FY23: 14.5%; FY22: 14.5%; FY21: 13.6%). KFL had 994 branches at end-September 2023 (FYE23: 986; FYE22: 988; FYE21: 945) and plans to add 50 new branches in FY24-FY25 in the southern states and in selective, profitable non-south geographies. It also plans to increase the loan book by 15%-20% in FY24 by increasing its branch productivity and deriving more business from the existing branches.

Improved Profitability, but Room for Improvement in Operational Efficiency: KFL’s return on assets slightly declined to 2.09% in 1HFY24 (FY23: 2.14%; FY22: 1.87%; FY21: 1.8%), because of the denominator effect. However, KFL’s net interest margin (NIM) stood at 6.7% (as per Ind-Ra’s calculations) in 1HFY24 (FY23: 7.8%;

FY22: 6.7%; FY21: 6.9%), driven by lending to the high-yield segment and stable cost of funds of 10.07% in (10.23; 10.06%; 9.98%). Due to the improved NIMs, the company was able to improve the profitability despite steady operating costs (1HFY24: 3.2%; FY23: 3.4%; FY22: 3.5%). KFL increased its proportion of bank funding to 47% of the total debt in 1HFY24 (FY23; 42%; FY22: 34%), which was shielding it from the rise in the cost of funds to some extent. The agency believes the trajectory of its profitability will depend on the company's improved productivity and its ability to maintain margins and manage credit costs over the medium term.

Stable Asset Quality despite Pandemic-led Challenges: The gold loan segment witnessed a considerable resilience during COVID-19-related disruptions, with a stable asset quality. The gross non-performing assets (NPAs) in gold loans remained low at 0.45% in 1HFY24 (FY23: 0.42%; FY22: 0.66%; FY21: 0.47%; FY20: 0.47%). Although the borrower class was vulnerable, the ultimate credit loss was capped due to the loan-to-value remaining capped at 75% at the time of disbursement and the liquid nature of the collateral. Being in the gold loan business, KFL's credit cost has always been modest and less volatile through the cycle, leading to better operating profit buffers.
KFL maintains a risk filter, wherein a resolution is initiated if the principal-plus-interest reaches 90% of the collateral value, leading to the closing of the loan by the borrower; in case of a delay in repayment, it conducts auctions after intimating the borrower about the same. The company auctioned gold worth INR266 million 1HFY24 (FY23: INR1.2 billion). KFL did not witness any significant losses in the auctions during the year.

Funding Mix on Path of Diversification: KFL's banking relationships have improved since FY21, with the total number of banks providing funding to KFL rising to 31 at end-September 2023 (FY21: 12). The company has been able to raise funds from a mix of both public and private sector banks. However, the funds mobilised through the NCDs and subordinated debt route still form a major portion of the funding mix, with a share of 54% at end-September 2023 (FY23: 58%; FY22: 66%); bank funding through working capital (end-September 2023: 20%; FY23:18%; FY22: 19%) and term loans (27%; 23%, 17%) constituted the remainder. A sustained and substantial increase in the exposure taken by the banks over the medium term will be a key rating monitorable.

Liquidity Indicator - Adequate: As per KFL's end-September 2023 asset-liability statement, the company had a matched asset-liability profile with a cumulative surplus in all time buckets up to one-year. The average asset tenor was six-to-nine months and the average liability tenor was around 36 months at end-September 2023. This, along with the highly liquid nature of gold, helps KFL maintain a matched liquidity profile.

Geographically Concentrated Portfolio: KFL's portfolio is concentrated in southern India, with Tamil Nadu constituting around 54% of the gold loan portfolio at end-September 2023 (FY23: 54%; FY22: 56%; FY21: 53%; FY20: 52%). Tamil Nadu, Kerala, Karnataka, Andhra Pradesh and Telangana accounted for around 99.5% of the gold loan portfolio at end-September 2023. As per company's strategy, the portfolio is likely to remain concentrated in south India over the medium term. Also, on the funding side, the funds mobilised through the NCD route remain geographically concentrated, as a major portion is being raised from Kerala.

Rating Sensitivities

Positive: Continued profitable growth in the franchisee while maintaining adequate capital buffers, a diversification of funding avenues with a higher share of bank funding, geographical diversification, and a further improvement in the operational efficiencies could lead to a positive rating action.

Negative: Any sharp rise in delinquency, which could restrict capital and funding, adverse regulatory development that could impair the ability of the company to conduct its business and the tier 1 ratio reducing below 13%, on a sustained basis, could lead to a negative rating action.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on KFL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

Company Profile

Kerala-based KFL is a non-deposit taking non-banking financial company, lends money against high-yielding gold jewellery. It had around 994 branches at end-September 2023, mainly in the southern region of India.

FINANCIAL SUMMARY

Particulars	1HFY24	FY23	FY22
Total assets (INR million)	59,765	54,292	45,574
Total equity (INR million)	8,330	7,488.70	6,455.2
Net profit (INR million)	576.7	1,071	800
Return on average assets (%)	2.02	2.14	1.87
Equity/assets (%)	27.9	13.8	14.2
Tier 1 capital (%)	15.4	14.6	14.5
Source: KFL; Ind-Ra			

Non-Cooperation with previous rating agency

Not applicable

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook					
	Rating Type	Rated Limits (million)	Rating	10 August 2023	17 February 2023	23 November 2022	24 February 2022	27 August 2021	28 August 202
Bank loans	Long-term	INR27,000	IND A-/Stable	IND A-/Stable	IND A-/Stable	IND A-/Stable	IND BBB+/Stable	IND BBB+/Stable	IND BBB/Stable
NCDs	Long-term	INR24,097	IND A-/Stable	IND A-/Stable	IND A-/Stable	IND A-/Stable	IND BBB+/Stable	IND BBB+/Stable	IND BBB/Stable

Annexure

Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/ Outlook
NCD (Secured)	INE403Q07623	1 February 2017	10.41	31 January 2024	INR 186	IND A-/Stable
NCD (Unsecured)	INE403Q08084	9 May 2017	10.16	8 July 2024	INR125	IND A-/Stable
NCD (Secured)	INE403Q07771	29 August 2017	9.91	27 December 2024	INR134	IND A-/Stable
NCD (Unsecured)	INE403Q08092	8 January 2018	10	7 May 2025	INR186	IND A-/Stable
NCD (Unsecured)	INE403Q08100	8 January 2018	9.91	7 May 2025	INR114	IND A-/Stable
NCD (secured)	INE403Q07912	23 April 2018	9.91	22 August 2025	INR166	IND A-/Stable
NCD (secured)	INE403Q07979	24 September 2018	10.25	22 September 2023	INR19	WD (paid in full)
NCD (Unsecured)	INE403Q08118	24 September 2018	10.25	23 September 2025	INR73	IND A-/Stable
NCD (Unsecured)	INE403Q08126	24 September 2018	10.41	23 September 2025	INR212	IND A-/Stable
NCD (secured)	INE403Q07AD5	31 January 2019	10	30 January 2024	INR44	IND A-/Stable
NCD (Unsecured)	INE403Q08134	31 January 2019	10.25	30 January 2026	INR50	IND A-/Stable
NCD (Unsecured)	INE403Q08142	31 January 2019	10.41	30 January 2026	INR148	IND A-/Stable
NCD (Secured)	INE403Q07AJ2	6 May 2019	10	4 May 2024	INR38	IND A-/Stable
NCD (Unsecured)	INE403Q08159	6 May 2019	10.25	5 May 2026	INR41	IND A-/Stable
NCD (Unsecured)	INE403Q08167	6 May 2019	10.41	5 May 2026	INR130	IND A-/Stable
NCD (Secured)	INE403Q07AO2	21 August 2019	10.67	19 August 2023	INR341	WD (paid in full)
NCD (Secured)	INE403Q07AP9	21 August 2019	10	20 August 2024	INR64	IND A-/Stable
NCD (Unsecured)	INE403Q08175	21 August 2019	10.25	20 August 2026	INR53	IND A-/Stable
NCD (Unsecured)	INE403Q08183	21 August 2019	10.41	20 August 2026	INR192	IND A-/Stable
NCD (Secured)	INE403Q07AU9	10 December 2019	10.67	9 December 2023	INR298	IND A-/Stable
NCD (Secured)	INE403Q07AV7	10 December 2019	10.71	9 June 2025	INR51	IND A-/Stable
NCD (Secured)	INE403Q07AW5	10 December 2019	10.25	9 December 2026	INR103	IND A-/Stable
NCD (Secured)	INE403Q07AX3	10 December 2019	10.41	9 December 2026	INR234	IND A-/Stable
NCD (Secured)	INE403Q07BA9	29 May 2020	10	28 August 2023	INR1037	WD (paid in full)
NCD (Secured)	INE403Q07BB7	29 May 2020	10.54	28 August 2023	INR365	WD (paid in full)
NCD (Secured)	INE403Q07BC5	29 May 2020	10.67	28 May 2024	INR315	IND A-/Stable
NCD (Secured)	INE403Q07BD3	29 May 2020	10.71	20 November 2025	INR84	IND A-/Stable
NCD (Unsecured)	INE403Q08191	29 May 2020	10.25	28 May 2027	INR93	IND A-/Stable
NCD (Unsecured)	INE403Q08209	29 May 2020	10.41	28 May 2027	INR180	IND A-/Stable
NCD (Secured)	INE403Q07BH4	14 October 2020	10	12 January 2024	INR971	IND A-/Stable
NCD (Secured)	INE403Q07BI2	14 October 2020	9.87	12 April 2024	INR93	IND A-/Stable
NCD (Secured)	INE403Q07BJ0	14 October 2020	10.22	13 December 2024	INR204	IND A-/Stable
NCD (Secured)	INE403Q07BK8	14 October 2020	10.25	13 October 2027	INR133	IND A-/Stable
NCD (Secured)	INE403Q07BL6	14 October 2020	10.41	13 October 2027	INR181	IND A-/Stable
NCD (Secured)	INE403Q07CI0	18 April 2022	8.04	17 October 2023	INR929	WD (paid in full)
NCD (Secured)	INE403Q07CJ8	18 April 2022	8.75	17 April 2025	INR285	IND A-/Stable
NCD (Secured)	INE403Q07CK6	18 April 2022	9	17 April 2025	INR414	IND A-/Stable
NCD (Secured)	INE403Q07CL4	18 April 2022	9.25	17 October 2025	INR261	IND A-/Stable
NCD (Secured)	INE403Q07CM2	18 April 2022	9.5	17 April 2026	INR226	IND A-/Stable
NCD (Secured)	INE403Q07CN0	18 April 2022	9.43	17 October 2026	INR258	IND A-/Stable
NCD (Secured)	INE403Q07CO8	18 April 2022	10	17 April 2027	INR1,183	IND A-/Stable
NCD (Secured)	INE403Q07CP5	18 April 2022	9.91	17 August 2029	INR283	IND A-/Stable
NCD (Secured)	INE403Q07CY7	16 January 2023	8	15 July 2024	INR322	IND A-/Stable
NCD (Secured)	INE403Q07CZ4	16 January 2023	8.25	15 January 2025	INR98	IND A-/Stable
NCD (Secured)	INE403Q07DA5	16 January 2023	8.49	15 July 2025	INR110	IND A-/Stable
NCD (Secured)	INE403Q07DB3	16 January 2023	9	15 January 2026	INR337	IND A-/Stable
NCD (Secured)	INE403Q07DE7	16 January 2023	9.25	15 April 2026	INR422	IND A-/Stable
NCD (Secured)	INE403Q07DF4	16 January 2023	9.5	15 January 2027	INR1036	IND A-/Stable
NCD (Secured)	INE403Q07DC1	16 January 2023	9.43	15 July 2027	INR217	IND A-/Stable
NCD (Secured)	INE403Q07DD9	16 January 2023	9.91	15 May 2030	INR194	IND A-/Stable
NCD (Secured)	INE403Q07DK4	29 April 2023	8.5	28 July 2024	INR285	IND A-/Stable
NCD (Secured)	INE403Q07DL2	29 April 2023	8.75	28 April 2025	INR170	IND A-/Stable
NCD (Secured)	INE403Q07DH0	29 April 2023	8.85	28 October 2025	INR123	IND A-/Stable
NCD (Secured)	INE403Q07DN8	29 April 2023	9.00	28 April 2026	INR169	IND A-/Stable
NCD (Secured)	INE403Q07DM0	29 April 2023	9.25	28 July 2026	INR189	IND A-/Stable
NCD (Secured)	INE403Q07DG2	29 April 2023	9.5	28 April 2027	INR561	IND A-/Stable
NCD (Secured)	INE403Q07DI8	29 April 2023	9.43	28 October 2027	INR114	IND A-/Stable
NCD (Secured)	INE403Q07DJ6	29 April 2023	9.91	28 August 2030	INR115	IND A-/Stable
NCD (Secured)	INE403Q07DW9	30 August 2023	11.00	30 November 2024	INR250	IND A-/Stable
NCD (Secured)	INE403Q07DO6	28 September 2023	8.52	27 May 2025	INR316	IND A-/Stable
NCD (Secured)	INE403Q07DT5	28 September 2023	8.75	27 September 25	INR124	IND A-/Stable
NCD (Secured)	INE403Q07DP3	28 September 2023	8.85	27 March 2026	INR97	IND A-/Stable
NCD (Secured)	INE403Q07DU3	28 September 2023	9.25	27 September 2026	INR128	IND A-/Stable

NCD (Secured)	INE403Q07DQ1	28 September 2023	9.25	27 December 2026	INR243	IND A-/Stable
NCD (Secured)	INE403Q07DV1	28 September 2023	10.00	27 September 2027	INR883	IND A-/Stable
NCD (Secured)	INE403Q07DS7	28 September 2023	9.43	27 March 2028	INR143	IND A-/Stable
NCD (Secured)	INE403Q07DR9	28 September 2023	9.91	27 January 2031	INR66	IND A-/Stable
Utilised limit					INR14,518	
Unutilised limit					INR9,579	
Total limit rated					INR24,097	

Bank wise Facilities Details

Click here to see the details

Complexity Level of Instruments

Instrument Type	Complexity Indicator
NCDs	Low
Bank loans	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

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APPLICABLE CRITERIA

Financial Institutions Rating Criteria

Non-Bank Finance Companies Criteria

Evaluating Corporate Governance

The Rating Process

DISCLAIMER

ANNEXURE III – CONSENT LETTER FROM DEBENTURE TRUSTEE

APPENDED OVERLEAF

ANNEXURE A

To,
Stock Exchange,
Dear Sir / Madam,
SUB.: ISSUE OF KOSAMATTAM FIN LOA OP VII aggregating to 2000000000 BY KOSAMATTAM FINANCE LIMITED LTD.

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.

2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:
We confirm that:

a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.

b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).

c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.

d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.

e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.

g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.
We have satisfied ourselves about the ability of the Issuer to service the debt securities.

PLACE: Mumbai

DATE: 2023-12-12