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# CHEMMANUR CREDITS AND INVESTMENTS LIMITED

Chemmanur Credits and Investments Limited ("**our Company**" or "**the Company**" or "**the Issuer**" or "**CCIL**") was incorporated as 'Chemmanur Credits and Investments Limited', a public limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated December 16, 2008, issued by Registrar of Companies, Kerala and Lakshadweep ("**RoC**"). Our Company holds a certificate of registration dated June 10, 2010 bearing registration number N-16-00185 issued by the Reserve Bank of India ("**RBI**") to carry on the activities of a Non-Banking Financial Company ("**NBFC**") without accepting public deposits under Section 45 IA of the Reserve Bank of India Act, 1934. For further details about our Company including details regarding changes in Registered Office, see "*History and Certain Other Corporate Matters*" on page 94.

**Corporate Identification Number:** U65923KL2008PLC023560; **PAN**: AADCC5470E **E-mail**: mail@chemmanurcredits.com; **Website**: www.chemmanurcredits.com

**Registered Office**: Door No. D1 to D4, 3rd Floor, Avenue Tower, East Fort, Thrissur East, Thrissur - 680005, Kerala, India; **Telephone:** +91 487-7121200/2424010

**Compliance Officer and Company Secretary**: Anju Thomas; **E-mail**: cs@chemmanurcredits.com; **Telephone:** +91 487-7121200/2424010 (Extn. 204)

**Chief Financial Officer:** Jasmine M.P; **Email**: cfo@chemmanurcredits.com; **Tel**: +91 487-7121200/2424010 (Extn. 213)

**PUBLIC ISSUE BY OUR COMPANY OF UP TO 10,00,000 SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH, ("NCDS") AT PAR, AMOUNTING UP TO ₹ 5,000 LAKH, HEREINAFTER REFERRED TO AS THE "BASE ISSUE" WITH AN OPTION TO RETAIN OVER-SUBSCRIPTION UP TO ₹ 5,000 LAKH AGGREGATING UP TO ₹ 10,000 LAKH, HEREINAFTER REFERRED TO AS THE "OVERALL ISSUE SIZE". THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 AS AMENDED ("SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER, AS AMENDED AND THE SEBI MASTER CIRCULAR. THE ISSUE IS NOT PROPOSED TO BE UNDERWRITTEN.**

## OUR PROMOTER

Our Promoter is Chemmanur Devassykutty Boby, **Email**: boby@chemmanurcredits.com, **Tel**: +91 487-2424010. For further details see, "Our Promoter" on page 107.

## GENERAL RISKS

Investment in debt securities involves a degree of risk 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 Issue. For taking an investment decision, the Investors must rely on their own examination of the Issuer and the Issue, including the risks involved in it. Specific attention of the Investors is invited to the chapter titled "*Risk Factors*" on page 17 and "*Material Developments*" on page 112, before making an investment in this Issue. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities or investor's decision to purchase such securities. The contents of this Draft Prospectus including recommendation to invest in debt securities have not been and will not be approved by any regulatory authority in India, including the RBI, the Securities and Exchange Board of India ("**SEBI**"), the RoC or any stock exchange in India.

## CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated 'IND BBB-/Stable'; by India Ratings & Research Private Limited ("**India Ratings**") *vide* its letter dated February 04, 2026 read with rating rationale dated February 04, 2026.The rating given by India Ratings is valid as on the date of this Draft Prospectus and shall remain valid as on the date of issue, allotment and listing of NCDs on BSE. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. These ratings are subjected to a periodic review during which it may be affirmed, changed, suspended, withdrawn, or placed on rating watch, based on one or more specific events. The Credit Rating Agencies' website will have the latest information on all its outstanding ratings. For the rating letter and the rating rationale, see "*Annexure II*" of this Draft Prospectus.

## COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT, ELIGIBLE INVESTORS & DETAILS OF DEBENTURE TRUSTEE

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount, please see "*Issue Structure – Specific terms of NCDs*" on page 181 and "*Annexure I – Illustrative Cash Flow*" on page 243 and for eligible Investors of the NCDs, please see "*Issue Structure*" on page 175, and for details of Debenture Trustee please see "*General Information – Debenture Trustee*" on page 40.

## LISTING

The NCDs offered through this Draft Prospectus are proposed to be listed on the BSE Limited ("**BSE**"). Our Company has obtained 'in-principle' approval for the Issue from BSE *vide* its letter dated [•] and bearing reference number [•]. BSE shall be the Designated Stock Exchange for this Issue.

## PUBLIC COMMENTS

The Draft Prospectus has been filed with the BSE, pursuant to the provisions of the SEBI NCS Regulations and will be kept open for public comments for a period of five days (i.e., until 5:00 pm) from the date of filing of this Draft Prospectus with BSE. All the comments on this Draft Prospectus are to be forwarded to the attention of the Compliance Officer of our Company and/or to the Lead Manager to the Issue. Comments by post and mail shall be accepted. All comments received on this Draft Prospectus will be suitably addressed prior to filing of the Prospectus with the RoC.

| LEAD MANAGER | DEBENTURE TRUSTEE* | REGISTRAR TO THE ISSUE |
|---|---|---|
| **VIVRO FINANCIAL SERVICES PRIVATE LIMITED**<br>Vivro House 11, Shashi Colony, Opposite Suvidha Shopping Center, Paldi, Ahmedabad – 380007, Gujarat, India<br>**Telephone:** +91 7940404242/40/41<br>**Email**: investors@vivro.net<br>**Website**: www.vivro.net<br>**Contact Person**: Jay Dodiya / Megha Kella | **MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED**<br>1402/1403, B-Wing, Dalamal Towers, 14th Floor, Free Press Journal Marg, 211, Nariman Point, Mumbai – 400 021, Maharashtra, India<br>**Telephone**: +91 22 2282 8200<br>**Email**: contact@mitconcredentia.in<br>**Website**: www.mitconcredentia.in<br>**Contact Person**: Vaishali Urkude | **KFIN TECHNOLOGIES LIMITED**<br>Selenium Tower-B, Plot 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana, India<br>**Telephone:** +91 40 6716 2222 / 18003094001<br>**Fax Number:** +91 40 6716 1563<br>**Email:** ccil.ncdipo@kfintech.com<br>**Website:** www.kfintech.com<br>**Contact Person:** M Murali Krishna |

| CREDIT RATING AGENCY | STATUTORY AUDITORS |
|---|---|
| **India Ratings and Research Private Limited**<br>**Address**: Wockhardt Towers, 4th Floor, West Wing Bandra Kurla Complex, Bandra (E) Mumbai – 400051<br>**Telephone:** 022-40001700<br>**Fax**: 022-40001701<br>**Email**: infogrp@indiaratings.co.in<br>**Website**: www.indiaratings.co.in<br>**Contact Person**: Ismail Ahmed | **C.M. JOSEPH & ASSOCIATES**<br>*Chartered Accountants*<br>MRA 5A, Pallath Lane, San Clinic Building, Mount Carmel Church Road, Mamangalam, Palarivattom P.O., Cochin – 682025, Kerala, India<br>**Tel:** (0484) 4047884, 2338303, 2989303<br>**E-mail:** cmjosephfca@gmail.com, cmjfca@gmail.com<br>**Website**: www.cmjassociates.in<br>**Contact Person**: C.M. Joseph |

## ISSUE PROGRAMME

| ISSUE OPENS ON: AS SPECIFIED IN THE PROSPECTUS | ISSUE CLOSES ON: AS SPECIFIED IN THE PROSPECTUS ** |
|---|---|

** Mitcon Credentia Trusteeship Services Limited, by its letter dated February 06, 2026 has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Prospectus and in all the subsequent periodical communications sent to the holders of the Debenture issued pursuant to this Issue. For further details, please refer to "General Information – Debenture Trustee" on page 40.*

***The 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 the Issue may close on such earlier date or extended date (subject to a minimum period of 2 Working Days and a maximum period of 10 Working Days from the date of the issue and subject to not exceeding 30 days from the date of filing of the Prospectus with ROC including any extensions) as may be decided by the Board of Directors of our Company ("**Board**") or the Debenture Committee, subject to approvals in accordance with the SEBI NCS Regulations. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in an English national daily newspaper and a regional daily newspaper in the state of Kerala, with wide circulation on or before such earlier date or extended date of 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 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. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. on the Issue Closing Date. For further details please see "General Information" on page 38.*

*A copy of the Prospectus and written consents of our Directors, our Chief Executive Officer, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Auditor, the Lead Manager, the Registrar to the Issue, Public Issue Account Bank, Refund Bank, Sponsor Bank, Credit Rating Agency, the legal advisor, the Bankers to our Company, the Debenture Trustee, ICRA (Industry Report Provider) and the Syndicate Member to act in their respective capacities shall be delivered for filing with the RoC, in terms of Section 26 of the Companies Act, 2013 along with the requisite endorsed/certified copies of all requisite documents. For further details, please see "Material Contracts and Documents for Inspection" beginning on page 240.*

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## SECTION I – GENERAL

## DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Draft Prospectus to "**Issuer**", "**our Company**", "**the Company**", "**CCIL**" are to Chemmanur Credits and Investments Limited, a company incorporated under the Companies Act, 1956, registered as non-deposit taking non-banking financial company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934. The Registered Office of the Company is situated at Door No. D1 to D4, 3rd Floor, Avenue Tower, East Fort, Thrissur East, Thrissur - 680005, Kerala, India.

Unless specified elsewhere or the context otherwise indicates, all references in this Draft Prospectus to "we" or "us" or "our" are to our Company.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Draft Prospectus and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.

*The words and expressions used in this Draft 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.*

### Company Related Terms

| Term | Description |
|---|---|
| AoA/ Articles/ Articles of Association | Articles of Association of our Company, as amended from time to time |
| Associates | The associates of our Company as mentioned in the section "*History and Certain Other Corporate Matters*" on page 94 |
| Audit Committee | Audit committee of the Board of Directors of our Company, constituted in accordance with applicable laws |
| Audited Financial Statements | The audited financial statements of our Company for the financial years ended March 31, 2025 and March 31, 2024 comprising of the statement of assets and liabilities and the schedules forming part thereof, the statement of financial results and the schedules forming part thereof, statement of changes in equity, the statement of cash flow for the respective periods, statement of significant accounting policies, and other explanatory statements including notes thereto, issued by Statutory Auditor of the Company |
| Auditor/ Statutory Auditor | The current statutory auditor of our Company, M/s. C. M. Joseph & Associates, Chartered Accountants for the financial year 2025-2026 holding valid certificate issued by the peer review board of the Institute of Chartered Accountants of India |
| Board/ Board of Directors | Board of directors of our Company or any duly constituted committee thereof |
| Corporate Social Responsibility Committee | Corporate social responsibility committee of the Board of Directors of our Company, constituted in accordance with applicable laws |
| Committee | A committee constituted by the Board, from time to time |
| Debenture Committee | The committee of the Board of Directors of the Company constituted for the purposes of, *inter alia*, issuance of debentures of the Company. For further details, see "*Our Management*" on page 96 |
| Equity Shares | Equity shares of face value of ₹ 10 each of our Company |
| KMP/ Key Managerial Personnel | The key managerial personnel of our Company as defined under Section 2 (sa) SEBI NCS Regulations. For details, see "*Our Management*" on page 96 |
| Group Companies | Chemmanur Gold Palace International Limited, Boby Chemmanur (No.1) Chits Private Limited, Boby Bazar Private Limited, Phygicart E-commerce Private Limited, Boche Bhumi Putra Private Limited and Boche Tours and Travels Private Limited |
| JLG | Joint Liability Group |
| Loan Assets | Assets under financing activities |
| Memorandum/ MoA/ Memorandum of Association | Memorandum of association of our Company, as amended from time to time |
| NBFC | Non-banking financial company as defined under Section 45-IA of the RBI Act, 1934 |
| Nomination and | Nomination and remuneration committee of the Board of Directors of our Company, |

| Term | Description |
|---|---|
| Remuneration Committee | constituted in accordance with applicable laws |
| Networth | As defined in Section 2(57) of the Companies Act, 2013, as follows:<br><br>"*Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.*" |
| Promoter | Chemmanur Devassykutty Boby |
| Promoter Group | Includes the individuals and entities covered by the definition under Regulation 2(1) (ff) of the SEBI NCS Regulations |
| Registered Office | The registered office of our Company is situated at Door No. D1 to D4, 3rd Floor, Avenue Tower, East Fort, Thrissur East, Thrissur - 680005, Kerala, India |
| Risk Management Committee | The committee of the Board of Directors of the Company constituted for the purposes of *inter alia*, to assist the Board in the execution of its risk management accountabilities. For further details, see "*Our Management*" on page 96 |
| Senior Management Personnel or SMP | Senior Management Personnel of our Company in accordance with definition of Senior Management in Regulation 2 (iia) of the SEBI NCS Regulations, as described in "*Our Management*" on page 96 |
| RoC | Registrar of Companies, Kerala and Lakshadweep |
| Shareholders | The shareholders of our Company |
| Special Purpose Audited Financial Statements | The special purpose audited financial statements of our Company for the financial year ended March 31, 2023 comprising of the statement of assets and liabilities and the schedules forming part thereof, the statement of financial results and the schedules forming part thereof, statement of changes in equity, the statement of cash flow for the respective periods, statement of significant accounting policies, and other explanatory statements including notes thereto, issued by Statutory Auditor of the Company. |
| Limited Review Unaudited Financial Results / Unaudited Financial Results | The limited review unaudited financial results of the Company for the nine months period ended December 31, 2025, along with the limited review report, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 and Regulation 52 of the SEBI Listing Regulations. |

**Issue Related Terms**

| Term | Description |
|---|---|
| Abridged Prospectus | A memorandum accompanying the Application Form containing the salient features of the Prospectus in the format as specified by SEBI |
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form |
| Allotment Advice | The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment |
| Allot/ Allotment/ Allotted | The issue and allotment of the NCDs to successful Applicants pursuant to the Issue |
| Allottee(s) | The successful Applicant to whom the NCDs are being/have been Allotted pursuant to the Issue |
| Applicant/Investor | Any prospective applicant who makes an Application pursuant to the Prospectus and the Application Form |
| Application Supported by Blocked Amount/ 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 the relevant SCSB to block the Application Amount in the relevant 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/ | Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the |

| Term | Description |
|---|---|
| ASBA Form | 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 Application Amount in the specified bank account maintained with such SCSB |
| ASBA Account | A bank account maintained with an SCSB by an Applicant, as specified in the Application Form submitted by the Applicant for blocking the Application Amount mentioned in the relevant ASBA Form and includes a bank account maintained by a UPI Investor linked to a UPI ID, which is blocked upon acceptance of a UPI Mandate Request made by the UPI Investor using the UPI Mechanism |
| Base Issue | ₹ 5,000 lakh |
| 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*" on page 221 |
| Broker Centres | Broker centres notified by the Stock Exchange, where Applicants can submit the Application Forms (including ASBA Forms under UPI in case of UPI Investors) to a Trading Member. The details of such broker centres, along with the names and contact details of the Trading Members are available on the website of the Stock Exchange and updated from time to time |
| Business Days | 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 |
| CIBIL | TransUnion CIBIL Limited |
| 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 under 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 Master Circular |
| Coupon Rate / Interest Rate | The aggregate rate of interest payable in connection with the NCDs in accordance with this Draft Prospectus. For further details, see "*Issue Structure*" on page 175 and "*Annexure I – Illustrative Cash Flow"* on page 243. |
| Credit Rating Agency | For the present Issue, the credit rating agency being, India Ratings and Research Private Limited |
| Debenture Trust Deed | The trust deed to be executed by our Company and the Debenture Trustee for creating the security over the NCDs issued under the Issue |
| Debenture Trustee Agreement | Debenture Trustee Agreement dated February 04, 2026 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 on which the Board or Debenture Committee approves the Allotment of NCDs. All benefits relating 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 |
| 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 |
| Depository(ies) | National Securities Depository Limited and/or Central Depository Services (India) Limited |
| 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 Locations | Such centres of the Collecting Depository Participants where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with the names |

| Term | Description |
|---|---|
| | 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 instruction to SCSBs for unblocking of funds from the ASBA Accounts to the Public Issue Account in terms of the Prospectus, the Public Issue Account and Sponsor Bank Agreement and following which the Board, shall Allot the NCDs to the successful Applicants |
| Designated Intermediaries | The Members of the Syndicate, SCSBs, Registered Stock Brokers, Trading Members, RTAs and CDPs who are authorized to collect Application Forms from the Applicants, in relation to the Issue |
| Designated Stock Exchange/ DSE | BSE Limited |
| Designated RTA Locations | Such centres of the RTAs 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 RTAs are available on the website of the Stock Exchange 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 | This Draft Prospectus dated February 06, 2026 filed with the Designated Stock Exchange and with SEBI for receiving public comments, in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations |
| Existing Secured Creditors | Dhanlaxmi Bank, State Bank of India, Federal Bank, Indian Overseas Bank and the secured debenture holders of the debentures issued by way of public issue. |
| Fugitive Economic Offender | Fugitive economic offender means 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 | As specified in "*Issue Structure – Specific terms of NCDs*" on page 181 and "*Annexure I - Illustrative Cash Flow"* on page 243 |
| 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 under 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, and multilateral and bilateral development financial institutions, which are authorised to invest in the NCDs, provident funds of minimum corpus of ₹ 2,500 lakh, pension funds of minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity fund, which are authorised to invest in the NCDs, resident venture capital funds and/or alternative investment funds registered with SEBI, insurance companies registered with the IRDAI, 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 companies |
| Issue | Public issue of NCDs by our Company amounting up to ₹ 5,000 lakh, with an option to retain over-subscription up to ₹ 5,000 lakh, aggregating up to ₹ 10,000 lakh, on the terms and in the manner set forth herein |
| Issue Agreement | The Issue Agreement dated February 06, 2026 entered between the Company and the Lead Manager to the Issue |
| Issue Closing Date | As specified in the Prospectus |
| Issue Opening Date | As specified in the Prospectus |
| Issue Size | Public issue of NCDs by our Company amounting up to ₹ 5,000 lakh, with an option to retain over-subscription up to ₹ 5,000 lakh, aggregating up to ₹ 10,000 lakh |
| Lead Manager | Vivro Financial Services Private Limited |
| Listing Agreement | The uniform listing agreement entered into between our Company and the Stock Exchange in connection with the listing of debt securities of our Company |
| Market Lot | 1 (one) NCD |
| 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 |
| 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 |

| Term | Description |
|---|---|
| Maturity Date or Redemption Date | As specified in "*Issue Structure – Specific terms of NCDs*" on page 181 and "*Annexure I - Illustrative Cash Flow"* on page 243 |
| NCD Holder/Debenture Holder | Any debenture holder who holds the NCDs issued pursuant to 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 ₹ 2 lakh |
| OCB or Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue |
| Offer Document | This Draft Prospectus, the Prospectus, the Abridged Prospectus, the Application Form and supplemental information, if any, read with any notices, corrigenda and 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 | Banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with whom the Public Issue Account will be opened |
| Public Issue Account and Sponsor Bank Agreement | The agreement to be entered into amongst our Company, the Registrar to the Issue, the Lead Manager, the Public Issue Account Bank, the Sponsor Bank for collection of the Application Amounts from ASBA Accounts under the UPI Mechanism and the Refund Bank for collection of the Application Amounts from ASBA Accounts and where applicable remitting refunds, if any, to such 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 15 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, as the case may be.<br><br>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 |
| 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 |
| Refund Bank | As specified in the Prospectus |
| Registrar to the Issue/ Registrar | Kfin Technologies Limited |
| Registrar Agreement | Agreement dated February 04, 2026 entered into between the Issuer and the Registrar under the terms of which the Registrar has agreed to act as the Registrar to the Issue |
| Registered Brokers | Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulation, 1992 and the stock exchange having nationwide terminals, other than the Members of the Syndicate 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 |

| Term | Description |
|---|---|
| | Holders, which will be prepared and maintained by our Company/Registrar in terms of the applicable provisions of the Companies Act |
| Retail Investor Portion | Portion of Applications received from Category III of persons eligible to apply for the Issue which includes resident Indian individuals and Hindu undivided families through the Karta aggregating to a value not exceeding and including ₹ 2 lakh |
| 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 under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, including blocking of an ASBA Account and a list of which is available on https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time.<br><br>Additionally, the banks registered with SEBI, enabled for UPI Mechanism, list of which is available on https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time.<br><br>A list of the branches of the SCSBs where ASBA Applications submitted to the Lead Manager, Members of the Syndicate or the Trading Member(s) of the Stock Exchange, will be forwarded by such Lead Manager, Members of the Syndicate or the Trading Members of the Stock Exchange is available at https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time |
| Security | The principal amount of the NCDs to be issued in terms of this Draft 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 existing secured creditors, on all movable assets, including book debts and receivables, cash and bank balances, loans and advances both present and future of the Company (excluding (a) reserves created in accordance with law; (b) receivables of the Company, fixed deposits, cash collateral, immovable and movable assets over which exclusive charge is created in favour of State Bank of India, Dhanlaxmi Bank, Federal Bank and Indian Overseas Bank or any other lender), such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs. |
| 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 | The Banker to the Issue registered with SEBI which is appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Requests and/or payment instructions of the UPI Investors into the UPI and carry out any other responsibilities, in terms of the SEBI Master Circular |
| Stock Exchange | BSE Limited |
| Syndicate Agreement | Syndicate Agreement to be entered between the Company and Syndicate Member |
| Syndicate ASBA | Applications through the Designated Intermediaries |
| Syndicate ASBA Application Locations | Collection centres where the Designated Intermediaries shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at https://www.sebi.gov.in and at such other websites as may be prescribed by SEBI from time to time |
| Syndicate Member | As specified in the Prospectus |
| 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 | Please see the section titled "*Term of the Issue*" on page 183 |
| 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 slips 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 |

| Term | Description |
|---|---|
| | proof of upload of the Application on the application platform of the Stock Exchange |
| Tripartite Agreement(s) | Agreements as entered into between the Issuer, Registrar and each of the Depositories under the terms of which the Depositories shall act as depositories for the securities issued by our Company |
| Trustee/ Debenture Trustee | Trustee for the holders of the NCDs, in this case being Mitcon Credentia Trusteeship Services 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 persons' bank accounts using a payment address which uniquely identifies a person's bank account |
| UPI ID | ID created on UPI for single-window mobile payment system developed by the NPCI |
| 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 Investors 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 the relevant ASBA Account through the UPI, and the subsequent debit of funds in case of Allotment |
| UPI Mechanism | The optional bidding mechanism that may be used by UPI Investors to make Applications in the Issue, in accordance with SEBI Master Circular and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time |
| UPI PIN | Password to authenticate UPI transaction |
| Wilful Defaulter | A person who is categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes an issuer whose director or promoter is categorised as such |
| 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 Mumbai. Furthermore, for the purpose of post issue period, i.e., period beginning from the Issue Closing Date to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Saturday, Sundays and bank holidays in Thrissur, 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 Thrissur |

**Business/Industry Related Terms**

| Term | Description |
|---|---|
| AFCs | Asset Finance Companies |
| BFIL | Bharat Financial Inclusion Limited |
| BNPL | Buy-now-pay-later |
| CAD | Current Account Deficit |
| CIC | Core Investment Companies |
| CIC-ND-SI | Systemically Important Core Investment Company |
| DFI | Development Finance Institutions |
| DMs | Developed Markets |
| EIR | Effective Interest Rate |
| EMI | Equated Monthly Instalments |
| Ems | Emerging Markets |
| ETF | Exchange-Traded Fund |
| FOMC | Federal Open Market Committee |
| GDP | Gross Domestic Product |
| GDS | Gold Deposit Scheme |
| GFCE | Government Final Consumption Expenditure |
| GFCF | Gross Fixed Capital Formation |
| GLP | Gross Loan Portfolio |
| GMS | Gold Monetisation Scheme |
| GNI | Gross National Income |
| GST | Goods and Service Tax |

| Term | Description |
|---|---|
| GVA | Gross Value Added |
| HFC | Housing Finance Company |
| IBE | International Bullion Exchange |
| ICs | Investment Companies |
| ICCs | Investment and Credit Companies |
| ICRA | ICRA Limited |
| IDF – NBFC | Infrastructure Debt Funds – NBFCs |
| IFCs | Infrastructure Finance Companies |
| IFSCA | International Financial Services Centres Authority |
| IGPC | India Gold Policy Centre |
| IIP | Index of Industrial Production |
| IMF | International Monetary Fund |
| Ind AS | Indian Accounting Standards |
| India Ratings | India Ratings & Research Private Limited |
| 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 |
| LCs | Loan Companies |
| LOLR | Lender of Last Resort |
| LPA | Long period Average |
| LTV | Loan to value |
| SBR Directions | RBI's Master Direction – Reserve Bank of India (Non-Banking Financial Company – Registration, Exemptions and Framework for Scale based Regulations) Directions, 2025, dated November 28, 2025, as amended |
| MFIs | Micro Finance Institutions |
| MFIN | Microfinance Institutions Network |
| MSMEs | Micro, Small and Medium Enterprises |
| MT | Million Tonnes |
| NAV | Net Asset Value |
| NBFC | Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934 |
| NBFC-AA | NBFC-Account Aggregator |
| 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 (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 |
| 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-ND | NBFC registered as a non-deposit accepting NBFC |
| NBFC-MFIs | Non-banking financial company-microfinance institutions |
| NBFC-AA | NBFC-Account Aggregator |
| 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 |
| NOF | Net Owned Fund |
| NPCI | National Payments Corporation of India |
| NPA | Non-Performing Assets |
| NOFHC | NBFC-Non-Operative Financial Holding Company |
| OGL | Online Gold Loans |
| PFCE | Private Final Consumption Expenditure |

| Term | Description |
|---|---|
| PMI | Purchasing Managers Index |
| PPP | Purchasing Power Parity |
| PSL | Priority Sector Lending |
| PMJDY | Pradhan Mantri Jan Dhan Yojana |
| R-GDS | Revamped Gold Deposit Scheme |
| R-GML | Revamped Gold Metal Loan Scheme |
| SEBI | Securities and Exchange Board of India |
| SFBs | Small finance banks |
| SME | Small and medium enterprises |
| SROs | Self-Regulatory Organizations |
| STPL | Small Ticket Personal Loan |
| TAT | Turnaround Time |
| TLTRO | Targeted Long-Term Repo Operation |
| Tier I Capital | 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 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 | Tier II capital includes the following:<br>(a) preference shares other than those which are compulsorily convertible into equity;<br>(b) revaluation reserves at discounted rate of fifty five percent;<br>(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;<br>(d) hybrid debt capital instruments;<br>(e) subordinated debt; and<br>(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 |
| WGC | World Gold Council |
| WEO | World Economic Outlook |

**Conventional and General Terms or Abbreviations**

| Term | Description |
|---|---|
| AGM | Annual General Meeting |
| Asset Under Management /AUM | AUM represents aggregate value of outstanding loans before adjustment of provisions for NPA in accordance with Ind AS or Indian GAAP, as applicable |
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate |
| CDSL | Central Depository Services (India) Limited |
| CGST Act | Central Goods and Services Tax Act, 2017 |
| Cr.P.C | Code of Criminal Procedure, 1973 |
| Companies Act, 1956 | The erstwhile Companies Act, 1956 |
| Companies Act/ Companies Act 2013 | The Companies Act, 2013 read with rules framed by the Government of India from time to time |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India |
| DRR | Debenture Redemption Reserve |
| EGM | Extraordinary General Meeting |
| EPS | Earnings per share |
| FDI Policy | The Government policy, rules and the regulations (including the applicable provisions of the FEMA Non-Debt Rules) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time |

| Term | Description |
|---|---|
| FEMA | Foreign Exchange Management Act, 1999 |
| FEMA Non-Debt Regulations | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| FEMA Debt Regulations | Foreign Exchange Management (Debt Instrument) Regulations, 2019 |
| FPI | Foreign Portfolio Investors defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 |
| Financial Year/FY/Fiscal | Financial year ending March 31 |
| 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 |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Industry Report Provider | ICRA Limited/ ICRA |
| Insurance Act | The Insurance Act, 1938 |
| IT Act | The Income Tax Act, 1961 |
| IT | Information Technology |
| ISD | International Subscriber Dialling |
| 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 |
| OCI | Overseas Citizenship of India |
| PAN | Permanent Account Number |
| RBI | Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934 |
| RIBs | Retail Individual Bidder(s) |
| RM | Relationship Manager |
| RTA Master Circular | Securities and Exchange Board of India Master Circular for Registrars to an Issue and Share Transfer Agents' dated June 23, 2025, bearing reference number SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91. |
| 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 |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended 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 | SEBI (Delisting of Equity Shares) Regulations, 2021 |
| SEBI Listing Regulations/ Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |

| Term | Description |
|---|---|
| SEBI Debenture Trustee Master Circular | SEBI Circular SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated August 13, 2025, as amended form time to time |
| SEBI Master Circular | SEBI Circular SEBI/HO/DDHS-PoD/P/CIR/2025/0000000137 dated October 15, 2025, as amended from time to time |
| SGST Act | State Goods and Services Tax Act, 2017, as enacted by various state governments |
| STD | Subscriber Trunk Dialling |
| TDS | Tax Deducted at Source |
| VOIP | Voice Over Internet Protocol |
| WDM | Wholesale Debt Market |

Notwithstanding anything contained herein, capitalised terms that have been defined in the chapters titled "*Capital Structure*", "*History and Certain Other Corporate Matters*", "*Our Management*", "*Financial Statements*", "*Financial Indebtedness*", "*Issue Procedure*", "*Outstanding Litigations*", "*Key Regulations and Policies*", and "*Summary of Main Provisions of the Articles of Association*" and on pages 45, 94, 96, 111, 113, 199, 134, 163 and 228 respectively will have the meanings ascribed to them in such chapters.

## PRESENTATION OF FINANCIAL, INDUSTRY AND OTHER INFORMATION

### General Risk

Investment in debt securities involves a degree of risk 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, investors must rely on their examination of the issue including the risks involved in it.

Specific attention of investors is invited to statement of risk factors contained under section "*Risk Factors*" on page 17. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities or investor's decision to purchase such securities.

### Certain Conventions

In this Draft Prospectus, unless the context otherwise indicates or implies references to "you," "offeree," "purchaser," "subscriber," "recipient," "investors" and "potential investor" are to the prospective Investors to this Issue, references to "our Company", the "Company" or the "Issuer" are to Chemmanur Credits and Investments Limited.

Unless otherwise stated, references in this Draft Prospectus to a particular year are to the calendar year ended on December 31 and to a particular "fiscal" or "financial year" are to the financial 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.

The Company's Limited Review Unaudited Financial Results for the nine months period ended December 31, 2025 has been prepared by the Company in accordance with Ind AS notified under the Companies Act, 2013 and other applicable statutory and / or regulatory requirements, as applicable, and has been reviewed by Statutory Auditor, C.M. Joseph & Associates.

The Company's Audited Financial Statements for the financial year ended March 31, 2025 has been prepared by the Company and audited by the Statutory Auditor, C.M. Joseph & Associates in accordance with Ind AS notified under the Companies Act, 2013 and other applicable statutory and / or regulatory requirements, as applicable.

The Company's Audited Financial Statements for the financial year ended March 31, 2024 has been prepared by the Company and audited by the Statutory Auditor, C.M. Joseph & Associates in accordance with Ind AS notified under the Companies Act, 2013 and other applicable statutory and / or regulatory requirements, as applicable.

The Company's Special Purpose Audited Financial Statements for the financial year ended March 31, 2023 has been prepared by the Company and audited by the Statutory Auditor, C.M. Joseph & Associates in accordance with the accounting standards notified under the Companies Act, 2013 and other applicable statutory and / or regulatory requirements.

The Company's Special Purpose Audited Financial Statements for the financial year ended March 31, 2023 has been prepared on the basis of audited financial statements prepared by V K S Narayan & Co in accordance with Ind AS, notified under the Companies Act, 2013 and other applicable statutory and / or regulatory requirements.

The Unaudited Financial Results for the nine months period ended December 31, 2025, Audited Financial Statements for the financial year ended March 31, 2025, Audited Financial Statements for the financial year ended March 31, 2024 and Special Purpose Audited Financial Statements for the financial year ended March 31, 2023 are included in this Draft Prospectus, in the chapter titled *"Financial Statements"* on page 111.

Unless stated otherwise, the financial data in this Draft Prospectus is derived from the Limited Review Unaudited Financial Results for the nine months period ended December 31, 2025, Audited Financial Statements for the financial year ended March 31, 2025, Audited Financial Statements for the financial year ended March 31, 2024 and Special Purpose Audited Financial Statements for the financial year ended March 31, 2023, of the Company.

In this Draft 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.

**Currency and units of Presentation**

In this Draft Prospectus, all references to 'Rupees'/'Rs.'/'INR'/'₹' are to Indian Rupees, the legal currency of the Republic of India.

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

**Industry and Market Data**

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been obtained from industry publications and publicly available information. Industry publications and publicly available information 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. The extent to which the market and industry data used in this Draft 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 Draft Prospectus has been extracted from an industry report titled "*Organised gold loan AUM projected to reach Rs. 15 trillion in FY2026; banks continue to increase share*" dated October 08, 2025, "GDP growth jumped to 8.2% in Q2 FY2026, led by higher-than-expected growth in services; FY2026 forecast now pegged at 7.4%" dated November 28, 2025 and "Reduction in GST rates to boost domestic demand and offset global uncertainties" dated October 31, 2025 prepared and issued by ICRA ("**Industry Report**"). Please refer to "*Industry Overview*" on page 59 for further details.

Following is the disclaimer of ICRA in relation to the Industry Report:

"All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents."

**Exchange Rates**

The exchange rates Rupees (₹) vis-à-vis of USD, as of December 31, 2025, March 31, 2025, March 31, 2024 and March 31, 2023, are provided below:

| Currency | December 31, 2025 | March 31, 2025 | March 31, 2024 | March 31, 2023 |
|---|---|---|---|---|
| 1 USD | 89.91 | 85.58 | 83.37 | 82.22 |

Source: *https://www.fbil.org.in/#/home* and *https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx*

*The above exchange rates are for the purpose of information only and may not represent the rates used by the Company for purpose of preparation or presentation of its financial statements. The rates presented are not a guarantee that any person could have on the relevant date converted any amounts at such rates or at all.*

## FORWARD LOOKING STATEMENTS

This Draft 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 Draft Prospectus that are not historical facts.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results, performance or achievements to differ materially from those contemplated by the relevant statement.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to our businesses and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry.

Important factors that could cause actual results to differ materially from our expectations include, but not limited to, the following:

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

2. We are subject to certain legal proceedings and any adverse decision in such proceedings may have a material adverse effect on our business and results of operations;

3. We do not own the trademark. i.e.  we have been authorised to use it by our Promoter, Chemmanur Devassykutty Boby vide NOC dated September 22, 2025. Termination or withdrawal or unfavourable terms of this authorisation to use or any negative impact on the 'Chemmanur' brand may adversely affect our business, reputation, goodwill, financial condition and results of operations;

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

5. 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;

6. 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 decline;

7. We may not be able to realise the full value of our pledged gold jewellery in case of a default, which exposes us to a potential loss;

8. 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;

9. 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 in recovering 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;

10. There is no assurance that the NCDs issued pursuant to this Issue will be listed on BSE Limited in a timely manner, or at all;

Other factors discussed in this Draft Prospectus, including under the chapter titled "*Risk Factors*" on page 17.

For further discussion of factors that could cause our actual results to differ from our expectations, please refer to the chapters "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 17, 59 and 78, respectively.

By their nature, certain market risk disclosures are only estimate 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. Forward looking statements speak only as on the date of this Draft Prospectus. The forward-looking statements contained in this Draft Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although we believe 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 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. Neither our Company nor the Lead Manager, nor its Directors, the KMPs, the SMPs or any of its affiliates have any obligation to, and do not intend 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. Our Company and the Lead Manager will ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

## SECTION II - RISK FACTORS

*The following are some of the important factors that could cause actual results to differ materially from the Company's expectations:*

*An investment in NCDs involves a certain degree of risk. You should carefully consider all the information contained in this Draft Prospectus, including the risks and uncertainties described below, and the information provided in the sections titled "Our Business" on page 78 and "Financial Statements" on page 111 before making an investment decision. The following are the risks envisaged by the management of the Company relating to the Company, the NCDs and the market in general. Potential investors should carefully consider all the risk factors stated in this Draft Prospectus in relation to the NCDs for evaluating the Company and its business and the NCDs before making any investment decision relating to the NCDs. The Company believes that the factors described below represents the principal risks inherent in investing in the NCDs but does not represent that the statements below regarding the risks of holding the NCDs are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Potential investors should also read the detailed information set out elsewhere in this Draft Prospectus and reach their own views prior to making any investment decision. 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.*

*If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's NCDs could decline and/or the Company's ability to meet its obligations in respect of the NCDs could be affected. More than one risk factor may have simultaneous affect with regard to the NCDs such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the NCDs and/or the Company's ability to meet its obligations in respect of the NCDs.*

*These risks and uncertainties are not the only issues that the Company faces. These risk factors are determined on the basis of their materiality. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below.*

*This Draft 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 Draft Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with the Unaudited Financial Results, Audited Financial Statements and Special Purpose Audited Financial Statements.*

***Internal Risk Factors***

***1. We are 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 RBI under Section 45N of the RBI Act, 1934 ("**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 respond to observations made by such authorities and address them appropriately; 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. For instance, pursuant to a past inspection by the RBI on the financial position of the Company as on March 31, 2022, certain supervisory concerns were raised relating to corporate governance, committee compositions, regulatory filings, KYC compliance, hypothecation documentation, grievance redressal mechanisms, and agency arrangements. The Company has taken corrective actions, implemented necessary compliance measures, and continues to ensure that these measures are sustained.

However, there can be no positive assurance that the RBI or other regulatory authorities will not conduct further

inspections or that such inspections will not result in observations or findings. Any future inspection could lead to regulatory action, including warnings, penalties, or restrictions, and may also impact the Company's reputation, stakeholder confidence, and relationships with financial institutions, investors, and customers. Accordingly, the Company is exposed to potential regulatory and reputational risks arising from such inspections, the outcomes of which cannot be predicted with certainty.

2. ***We are subject to certain legal proceedings and any adverse decision in such proceedings may have a material adverse effect on our business and results of operations.***

We are subject to certain legal proceedings including civil suits, statutory and regulatory proceedings, recovery proceedings etc. We incur cost in defending these proceedings before a court of law. Moreover, we are unable to assure you that we shall be successful in any or all of these actions. In the event we suffer any adverse order, our reputation may suffer and may have an adverse impact on our business and results of operations. Further, our Company is involved in certain criminal proceeding with few of our employees and third parties in relation to our business operations. Any adverse decision in such proceedings may have a material adverse effect on our business.

Our Company, our Promoter, our Directors and our Group Companies are party to legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and statutory, regulatory and other judicial authorities in India, and, if determined against us, could adversely affect our business, results of operations and financial condition. We can give no assurance that these legal proceedings will be decided in our favour or that no further liability may arise from these claims in the future.

Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities, which could adversely affect our results of operations.

A summary of the outstanding proceedings involving our Company, Directors, Promoter and Group Companies in accordance with requirements under the SEBI NCS Regulations, as disclosed in this Draft Prospectus, to the extent quantifiable, have been set out below:

| Name | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges | Material Civil Litigations | Aggregate amount involved (₹ in lakh) |
|---|---|---|---|---|---|---|
| ***Company*** | | | | | | |
| By the Company | 25 | Nil | Nil | Nil | 1 | 152.40 |
| Against the Company | Nil | 1 | Nil | Nil | Nil | 9.32 |
| ***Directors*** | | | | | | |
| By the Directors | 2 | Nil | Nil | Nil | 2 | 23.25 |
| Against the Directors | 3 | Nil | 1 | Nil | 3 | 1,006.67 |
| ***Promoters*** | | | | | | |
| By the Promoters | Nil | Nil | Nil | Nil | Nil | Nil |
| Against the Promoters | Nil | Nil | Nil | Nil | Nil | Nil |
| ***Group Companies*** | | | | | | |
| By the Group Companies | 585 | Nil | Nil | Nil | Nil | 148.49 |
| Against the Group Companies | Nil | 1 | 2 | 1 | 1 | 122.46 |
| ***Subsidiaries*** | | | | | | |
| By the Subsidiaries | Not Applicable | | | | | |
| Against the Subsidiaries | | | | | | |

For, further details of the legal proceedings that we are subject to, please refer to the chapter titled "*Outstanding Litigations*" on page 134.

3. ***We do not own the trademark. i.e.***  ***we have been authorised to use it by our Promoter, Chemmanur Devassykutty Boby vide NOC dated September 22, 2025. Termination or withdrawal or unfavourable terms of this authorisation to use or any negative impact on the 'Chemmanur' brand may adversely affect our business, reputation, goodwill, financial condition and results of operations.***

The trademark  is in the process of registration with the Registrar of Trademarks in India in the name of our Promoter i.e. Chemmanur Devassykutty Boby. Further, our Promoter, Chemmanur Devassykutty Boby has applied for registration of Trademark to the Trademark Authority vide application dated September 20, 2025 and the status of application is 'Formalities Chk Pass'. We cannot assure you that we will continue to have uninterrupted use of this trademark. Further, termination or use of this trademark without authorization may adversely affect our business, reputation, goodwill, financial condition and results of operations.

Further, some of the other companies, wherein our Promoter is interested, also use this trademark. Any of the actions of our Promoter or companies in which they hold interest, may negatively affect our brand, reputation, business and financial condition, because this logo/ trademark of our Promoter, as appearing on the cover page of this Draft Prospectus, has not been registered, therefore, we cannot assure you that misuse of the same by any third party will not be detrimental to our business.

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

Our liquidity and on-going profitability are largely dependent upon our timely access to and the costs associated in, raising financial resources at low costs. Our funding requirements historically have been met from a combination of borrowings such as term loans, working capital limits from banks / financial institutions, debenture issuances on public and private placement basis and subordinated debts. 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 depend on various factors like 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 RBI vide the Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025, as amended, issued certain guidelines with respect to private placement of non-convertible debentures (maturity more than one year) by NBFCs. These guidelines include (i) restrictions on the minimum subscription amount for a single investor at ₹ 20,000; (ii) the issuance of private placement of non-convertible debentures 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 per investor; (iii) the restriction of number of investors in an issue to 200 investors for every financial year for a maximum subscription of less than ₹ 1 crore which shall be fully secured; (iv) 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; (v) 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; and (vi) prohibition on providing loan against its own debentures. 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. Our Company's total amount of loans, non-convertible debentures and other borrowings (before EIR adjustment) of ₹ 63,752.20 lakh, is outstanding as of December 31, 2025. Loans, non-convertible debentures and other borrowings amounting to ₹ 20,659.67 lakh will mature during the next 12 months. 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 an 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 could have a material adverse effect on our liquidity and financial condition.

5. ***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. Interest Income is the largest component of our total income, and constituted 94.30%, 86.95%, 92.01%, and 89.01% of our total income for the nine months period ended on December 31, 2025, Fiscals 2025, 2024 and 2023, 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 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 the interest earning assets (which bear fixed interest rates), with interest bearing liabilities. A significant portion of our liabilities, such as our non-convertible debentures and subordinated debts carry fixed rates of interest and the remaining are linked to the respective banks' benchmark prime lending rate/base rate/marginal cost of lending. As of December 31, 2025, 91.22%, March 31, 2025, 87.12%, March 31, 2024, 85.38% and as of March 31, 2023, 88.75% of our borrowings were at 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.

Any mismatch between the yield on our assets and the cost of our funds due to market action/factors could have an impact on our profitability.

6. ***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 decline.***

Our principal business is providing gold loan to customers in India secured by household 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 competitive 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.

There is increased competition from other lenders in the gold loan industry, including commercial banks and other NBFCs, who also have access to funding from customers' in the form of savings and current deposits. We rely on higher cost loans and debentures for our funding requirements, which could reduce our margins. Our ability to compete effectively will depend on our ability to raise low cost funding. 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.

In our microfinance business, we face competition from other microfinance NBFCs, commercial banks, small finance banks and local money lenders. Level of competition depends on the number of microfinance institutions that operate in such area. Further banks enjoy economies of scale and low cost of borrowing due to the schemes such as Pradhan Mantri Jan-Dhan Yojana by having an extensive customer and depositor base, larger branch networks, and accordingly, we may not be able to compete with them.

7. ***We may not be able to realise the full value of our pledged gold jewellery in case of a default, which exposes us to a potential loss.***

We may not be able to realise the full value of our pledged gold, due to, defects in the quality of gold or sharp downward movement in the price of gold which could result in fall in collateral value. In the event of any decrease in the price of gold, customers may not repay their loans and the value of collateral gold jewellery securing the loans may have decreased significantly, resulting in losses which we may not be able to support. Although, we have in place an extensive internal policy on determining the quality of gold prior to disbursement of the gold loan, we cannot assure that methods followed by us are full proof and the impurity levels in the gold can be accurately assessed. The impact on our financial position and results of operations of a decrease in gold values cannot be reasonably estimated because the market and competitive response to changes in gold values is not pre-determinable.

In the case of a default, amongst others 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.

We may also be affected by failure of employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our clients. Failure by our employees to properly appraise the value of the collateral provides us with no recourse against the borrower and the loan sanction may eventually result in a bad debt on our books of accounts. In the event we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected.

8. ***There have been certain inaccuracies and non-compliances with respect to certain provisions of the Companies Act, which have been accounted in our secretarial audit report. Consequently, we may be subject to regulatory actions and penalties which adversely affect our business.***

In the past, there have been non-compliances with certain provisions of the Companies Act, 2013. For instance, our secretarial audit report dated August 31, 2022, for the financial year 2022 has reported the utilization of the proceeds of the issue of non-convertible debt securities prior to the date of allotment and certain delays in making regulatory filings. While we attempt to comply with all regulatory provisions applicable to us, in the event we are not able to comply with any of the regulatory provisions, this may subject us to regulatory actions and/ or fines or penalties which may adversely affect our business, financial condition and reputation. We cannot assure the waiver of such penalties or regulatory actions or fines, if imposed due to such non-compliances.

9. **There has been a penalty imposed by SEBI against one our Group Companies. Our Company, Directors, Promoters, Group Companies could be subjected penalties and adjudication by SEBI**

Our Company, Directors, Promoters and Group Companies could be subjected to penalties and adjudication by SEBI for failure to furnish information, return, redress investor's grievances, etc under the SEBI Act. For instance one of our Group Companies, Chemmanur Gold Palace International Limited allotted participating preference shares in violation of SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 ("**NCRPS Regulations**") and provisions of Section 67 of the Companies Act, 1956 by exceeding the number of persons to whom the participating preference shares were offered, thereby, SEBI vide order dated April 30, 2021 imposed a penalty of ₹ 25 lakh under Section 15HB of SEBI Act for violation of Regulations 4(2)(a), 4(2) (b), 4(2) (c), 4 (5), 5, 6, 8, 9 and 16 of NCRPS Regulations on Chemmanur Gold Palace International Limited. Though the aforesaid penalty of 25 lakh has been paid to SEBI by Chemmanur Gold Palace International Limited, however, we cannot assure you that our Company, Group Companies, Directors will not be subjected to such penalties and adjudication in future under SEBI Act or other regulatory proceedings.

10. ***Any future regulatory restrictions, more stringent LTV limits, additional capital requirements, or changes in valuation methodology imposed by RBI could adversely affect our ability to originate or maintain gold-based loans, which in turn may materially reduce our margins, growth prospects, business performance and results of operations.***

RBI, vide the Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025, as amended (the "**NBFC Credit Facilities Directions**"), has imposed limits on loan-to-value ("**LTV**") ratios for loans secured by gold jewellery. Under the NBFC Credit Facilities Directions, for loans sanctioned prior to April 1, 2026, NBFCs are required to maintain an LTV ratio not exceeding 75% for loans granted against gold jewellery. The NBFC Credit Facilities Directions also prohibit new lending against bullion/primary gold and gold coins.

Further, effective April 1, 2026, for consumption loans against eligible collateral (including jewellery, ornaments

or coins made of gold or silver), the NBFC Credit Facilities Directions prescribe a graded LTV framework based on the amount of loan per borrower:

- 85% where the loan amount is up to ₹2.50 lakh;
- 80% where the loan amount is greater than ₹2.50 lakh and up to ₹5.00 lakh; and
- 75% where the loan amount is greater than ₹5.00 lakh.

Such LTV caps will limit the maximum amount that we can lend against gold jewellery and could place us at a disadvantage compared to unregulated lenders that are not subject to such restrictions

The weighted average of the LTV ratio of the AUM stood at 60.01%, 61.59%, 63.98 %, and 66.50% for the nine months period ended December 31, 2025, Fiscals 2025, 2024 and 2023, respectively.

In addition, under the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025, as amended (the "**NBFC Capital Adequacy Directions**"), NBFCs primarily engaged in lending against gold jewellery (i.e., where such lending comprises 50% or more of financial assets) are required to maintain a minimum Tier 1 capital ratio of 12%. Our Tier 1 capital ratio for the nine months period ended on December 31, 2025, and the Fiscals 2025, 2024 and 2023 stood at 16.27%, 16.69%, 14.43% and 17.94%, respectively.

RBI in the NBFC Credit Facilities Directions, has also prescribed that the maximum lendable value for gold-secured loans be computed with reference to the preceding 30-day 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.

Any future regulatory restrictions, more stringent LTV limits, additional capital requirements, or changes in valuation methodology imposed by RBI could adversely affect our ability to originate or maintain gold-based loans, which in turn may materially reduce our margins, growth prospects, business performance and results of operations.

11. ***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 growth strategy includes growing our AUM, 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 that we will be able to expand further our AUM. 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. If we grow our AUM too rapidly or fail to make proper assessments of credit risks associated with borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

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.

12. ***Our statutory auditors have highlighted certain matters of emphasis to their audit reports relating to our audited financial statements, which may affect our future financial results***.

Our Company confirms that there were no modifications i.e., unmodified opinion given by C.M. Joseph & Associates on Audited Financial Statements for the financial years ended March 31, 2025 and March 31, 2024 and the Special Purpose Audited Financial Statements for the financial year ended March 31, 2023. Further, our Company also confirms that there were no modifications i.e., unmodified opinions were given by M/s. V K S Narayan & Co in their audit report for the financial year ended March 31, 2023. Except that there was an Emphasis of Matter ("**EOM**") on transition to Ind AS in the final quarter of the financial year ended March 31, 2023 for Fiscal 2023.

However, the said EOM did not lead to any modification/qualification. The auditors for the relevant years have included certain emphasis of matters in their respective reports on the audited financial statements issued for the Fiscals 2025, 2024 and 2023. For details, please see "*Outstanding Litigations - Summary of reservations, qualifications, emphasis of matter or adverse remarks of auditors during the last three Fiscals immediately preceding the year of issue of this Draft Prospectus and of 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 emphasis of matter or adverse remarks"* on page 142 of this Draft Prospectus.

There can be no assurance that our statutory auditors will not include further matters of emphasis or other similar comments in the audit reports to our audited financial statements in the future, or that such remarks or matters of emphasis will not affect our financial results in future financial years. Investors should consider the matters of emphasis and remark in evaluating our financial condition, results of operations and cash flows. Any such matter of emphasis or remark in the auditors' report on our financial statements in the future may also adversely affect the trading price of the NCDs.

***13. We may face asset-liability mismatches, which could affect our liquidity and consequently affect our operations and financial performance adversely.***

We may also face potential liquidity risks due to mismatches in the maturity of our assets and liabilities. Such mismatches, where the financial terms of an institution's assets and liabilities do not match, are a key financial parameter for us. As is typical for a company in the business of lending, a portion of our funding requirements is met through short and long-term funding sources such as bank loans, non-convertible debentures, etc. We may be unable to obtain additional credit facilities or renew our existing credit facilities for matching the tenure of our liabilities in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities leading to an increase in liquidity risk, which in turn may adversely affect our operations and financial performance.

***14. Our indebtedness, the conditions and restrictions imposed by our financing agreements could restrict our ability to conduct our business and operations in the manner we desire.***

As of December 31, 2025 we had a total outstanding debt (before EIR adjustment) of ₹ 63,752.20 lakh. We may incur additional indebtedness in the future. Many of 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 lender 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/pay any dividend to the shareholders/stake holders
- For extending any guarantee for the credit facilities extended to the group/allied concerns
- To repay monies brought in by the promoters / directors/principal shareholders and friends and relatives by way of deposits / loans / advances
- Effect any change in the unit's capital structure.
- Implement any scheme of expansion / modernization / diversification / renovation or acquire any fixed assets during any accounting year, except such schemes which have already been approved by banks.
- Formulate any scheme of amalgamation or reconstruction.
- Invest by way of share capital or lend or advance funds to or place deposits with any other concern, including sister / associate / family / subsidiary / group concerns. However, normal trade credit or security deposits in the normal course of business or advances to employees can be excluded.
- Enter into borrowing arrangements either secured or unsecured with any other bank, financial institution, company or person.
- Undertake guarantee obligations on behalf of any other company, firm, director or person.
- Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations.
- Effect any drastic change in their management setup.
- Effect any change in the remuneration payable to the Directors / partners, etc. either in the form of siting fees or otherwise.
- Pay guarantee commission to the guarantors whose guarantees have been stipulated / furnished for the credit limits sanctioned by the banks.
- Create any further charge, lien or encumbrance over the assets and properties of the unit/ guarantors to be charged / charged to the bank in favour of any other bank, financial institution, firm or person.
- Sell, assign, mortgage or otherwise dispose off any the fixed assets charged to the bank.

- Undertake any trading activity other than the sale of produce arising out of its own manufacturing / trading operations.
- Open any account with any other bank. If already opened, the details thereof is to be given immediately and confirmation to this effect given to the bank.
- Effect any change in promoter directors or in the core management team
- Undertake any expansion/ modernization/ diversification programme/new line of business or manufacture other than incurring routine capital expenditure.
- Revalue the fixed assets
- Change the accounting policies in regard to stock valuation, depreciation of fixed assets, payment of dividends etc.
- Declare dividend or distribute profits if any instalments of principal and/or interest remains unpaid in respect of the aforesaid loan and/or in arrear for a period of three months or more.
- Enter into any hire purchase or lease arrangement during the currency of the loan.

Our indebtedness could have several important consequences, including our cash flows being used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund our working capital, capital expenditures and other general corporate requirements. Moreover, our ability to obtain additional financing or renewal of existing facilities, in the future at reasonable terms may be restricted or our cost of borrowings may increase due to sudden adverse market conditions, including decreased availability of credit or fluctuations in interest rates, particularly because a significant proportion of our financing arrangement are in the form of borrowings from banks. There could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements and we may be more vulnerable to economic downturns, which may limit our ability to withstand competitive pressures and may reduce our flexibility in responding to changing business, regulatory and economic conditions.

***15. Our branch network is concentrated in southern India and any disruption or downturn in the economy of the region would adversely affect our operations.***

As of December 31, 2025, 98.34% of our branches i.e., 297 branches are located in the states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh and Telangana. For details, please refer to "*Our Business*" on page 78. 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. Further, any disruption, disturbance or breakdown in these states could adversely affect the result of our business and operations. Our concentration in these southern states of India exposes us to adverse economic or political circumstances that may arise in that region as compared to other NBFCs and commercial banks that may have diversified national presence and may have an adverse effect on our business, market share and results of operations.

***16. Our bank funding is concentrated amongst a few lenders and impairment of our relationship with any, or all, of such lenders or our inability to secure additional loans and renewal of existing facilities on favourable terms from such lenders in the future, may have a material adverse effect on our business, results of operations and financial condition.***

As on December 31, 2025, (before EIR adjustment) we had outstanding cash credit facilities/ working capital demand loan facilities of ₹ 2,448.95 lakh from State Bank of India, ₹ 933.33 lakh from Federal Bank and ₹ 495.80 lakh from Dhanlaxmi Bank. Further, as on December 31, 2025 we had outstanding term loans of ₹ 1,328.49 lakh from State Bank of India and ₹ 392.39 lakh from Dhanlaxmi Bank. We may have difficulty in obtaining funding on acceptable terms from these or other lenders and other sources which we have not accessed so far. Any impairment of our relationship with any, or all, of our lenders or our inability to secure additional loans and renewal of existing facilities on favourable terms from such lenders in future may have a material adverse effect on our business, results of operations and financial condition.

***17. Our Company has high debt equity ratio and any further increase in borrowings may have a material adverse effect on our business, financial condition and results of operations.***

Our Company has raised funds from a combination of borrowings such as working capital and term loans from banks and issuance of secured redeemable non-convertible debentures on public and private placement basis and subordinated debts. We are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms. As on December 31, 2025, our debt-equity ratio stood at 4.96.

While this strategic choice has facilitated our ability to undertake various initiatives improving the top lines and bottom lines, it also introduces certain financial considerations. We will continue to monitor and evaluate our capital structure to ensure we maintain a healthy balance between debt and equity financing. For further information, refer section '*Our Business - Debt Equity Ratio of the Company'* on page 80.

***18. Our gold loans are of tenors not exceeding 365 days, and a failure to disburse new loans may result in a reduction of AUM and a corresponding decline in interest income.***

The gold loans we offer are short term loans and are due within one year of disbursement typically ranging from 90 days to 365 days. 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.

***19. Inaccurate appraisal of gold by our personnel may adversely affect our business and financial condition.***

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. Assessing gold jewellery quickly is a specialised skill that requires assessing jewellery for gold content and quality manually without damaging the jewellery. Our Company provides training for our personnel for assessing jewellery for gold content and quality. However, in spite of rigorous training there is no guarantee that the gold ornaments are appraised accurately. Inaccurate appraisal of gold content, by our workforce may result in the gold ornament being overvalued and pledged for a loan that is higher in value than the actual value of gold content, which could adversely affect our reputation and business. We also run the risk of spurious gold being incorrectly assessed and approved for disbursement. Further, we are subject to the risk of inaccurate or fraudulent estimation of the value of pledged gold by our gold appraisers. Any such inaccuracies or fraud in relation to our appraisal of gold may adversely affect our reputation, business and financial condition.

***20. We depend on customers supplied information when evaluating customer credit worthiness.***

In deciding whether to extend credit or enter into other transactions with customers and counter parties, we rely on information furnished to us by or on behalf of our customers, including the financial information from which we create our credit assessments. We may also rely on customer representations as to the accuracy and completeness of customers supplied information. Any relevant changes in this information may not be made available to us. The information that we have gathered may not be sufficient to create a complete customer risk profile. Because we rely on such customer supplied information, some or all of the customers' risk profiles may be wilfully or inadvertently wrong or misleading, which may lead us to give loans to sub-prime customers that may adversely affect our financial condition and results of operations.

***21. 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 nine months period ended as on December 31, 2025 and financial years ended as on March 31, 2025, March 31, 2024, and March 31, 2023, were ₹ 1,058.37 lakh, ₹ 983.99 lakh, ₹ 361.84 lakh, and ₹ 249.09 lakh, respectively.

The NBFC Capital Adequacy 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. 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.

***22. The implementation of our KYC norms as well as our measures to prevent money laundering may not be completely effective, which could adversely affect our reputation and in turn have an adverse impact on our***

***business and results of operations.***

Our implementation of anti-money laundering measures required by the RBI, including KYC policies and the adoption of anti-money laundering and compliance procedures in all our branches, may not be completely effective. There can be no assurance that certain of our customers will not indulge in money laundering activities advertently misusing our business channels. If we were identified to be associated with money laundering operations, our reputation may be adversely affected, which in turn could have an adverse impact on our business and results of operations.

***23. Our customer base comprises entirely of individual borrowers, who generally are more likely to be affected by declining economic conditions than large corporate borrowers. Any decline in the repayment capabilities of our borrowers, may result in increase in defaults, thereby adversely affecting our business and financial condition.***

Individual borrowers typically are less financially resilient than larger corporate borrowers, and as a result, they are typically more adversely affected by declining economic conditions. In addition, a significant majority of our customer base belongs to various income groups. 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, our focus customer segment of the various income groups. It is therefore difficult to carry out precise credit risk analysis on our customers. While we follow certain procedures to evaluate the credit profile of our customers before we sanction business and personal loans and we generally rely on the quality of the pledged gold for gold loans 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 and results of operations.

***24. 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.

***25. 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. In case 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.

***26. 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.***

As of December 31, 2025, we held cash balance of ₹ 178.97 lakh and gold jewellery of 0.92 tonnes. We are exposed to the risk of fraud and other misconduct by employees and customers since we handle high volumes of cash and gold jewellery in a dispersed network of branches. 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 require to take appropriate actions from our end. 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.

*As on December 31, 2025, our Company operates 302 branches across India, with secure infrastructure in place, including high-standard gold lockers to safeguard customer assets. While the Company has experienced a few instances of minor internal frauds, such occurrences have been rare and involved only small quantities. All such incidents were reported to the Reserve Bank of India (RBI) promptly, in compliance with applicable regulatory guidelines. The details of these frauds have been appropriately disclosed in Section Titled "**Outstanding Litigations - Details of acts of material frauds committed against our Company in the last three Fiscals, if any, and current financial year, if so, the action taken by our Company**" on page 141 of this Draft Prospectus.*

*Further, the Company has instituted stringent internal controls, continuous monitoring mechanisms, and strict operational protocols to minimize the risk of internal fraud and to ensure accountability across all branch 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.

27. ***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.***

As per the declaration given by the customers, we 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 losing the collateral for the loan disbursed and could adversely affect our reputation, business and results of operations.

28. ***Our insurance may not be adequate to protect us against all potential losses to which we may be subjected to and if we were to incur a significant liability for which we were not fully insured, it could adversely affect our business, results of operations and financial conditions.***

We maintain insurance cover for our gold stock and cash with our branches, and cash in transit, against theft, loss or damage by fire as well as against natural calamities including earthquake and floods. While we exercise due care in taking out adequate cover, given the nature of fluctuating gold prices, the amount of our insurance coverage may be less than the replacement cost of all covered property and may not be sufficient to cover all financial losses that we may suffer should a risk materialise. There are many events that could significantly affect our operations, or expose us to third party liabilities, for which we may not be adequately insured. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our business, results of operations and financial condition.

29. ***We may experience difficulties in expanding our business into additional geographical markets in India, which may adversely affect our business prospects, financial conditions and results of operations***.

While the gold loans markets in the south Indian states of Kerala, Tamil Nadu and Karnataka remains and is expected

to remain our primary strategic focus, we also evaluate attractive growth opportunities in other regions in India. We may not be able to leverage our experience in the states that we are present in to expand our operations in other regions, should we decide to further expand our operations. We have opened 2 branches in Telangana. Factors such as competition, culture, regulatory regimes, business practices and customs, customer attitude, sentimental attachments towards gold jewellery, behaviour and preferences in these cities where we may plan to expand our operations may differ from those in south Indian states of Kerala, Tamil Nadu and Karnataka and our experience in these states of Kerala, Tamil Nadu, and Karnataka may not provide us with benefits in other geographies. In addition, as we enter new markets and geographical areas, we are likely to compete not only with other large banks and financial institutions in the gold loan business, but also the local unorganised or semi-organised lenders, who are more familiar with local conditions, business practices and customs, have stronger relationships with customers and may have a more established brand name within local communities.

If we plan to further expand our geographical footprint, our business may be exposed to various additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business partners with whom we may have no previous working relationship; successfully gauging market conditions in new markets; attracting potential customers; being susceptible to local laws in new geographical areas of India; and adapting our marketing strategy and operations to suit regions where different languages are spoken. Our inability to expand our current operations in additional geographical markets may adversely affect our growth, business prospects, financial conditions and results of operations.

***30. 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.***

We are vulnerable to risks arising from the failure of employees to adhere to approved procedures, failures of security systems, computer system disruptions, communication systems failure and data interception during transmission through external communication channels and networks. Failure to prevent or detect such breaches in security or data and communications errors may adversely affect our operations.

Despite our internal controls, policies and procedures, certain matters such as fraud and embezzlement cannot be eliminated entirely given the cash nature of our business. If we fail to maintain and continue to enhance our internal controls, policies and systems, we may be unable to prevent fraud, security breaches or system failures.

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services. If any of these systems do not operate properly or are disabled, or if there are other shortcomings or failures in our internal processes or systems, financial loss, disruption of our business, regulatory intervention or damage to our reputation may result. In addition, our ability to conduct business may be adversely affected by a disruption in the infrastructure that supports our businesses and the localities in which we are located. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. Constant connectivity between our branches across India and our Registered Office is key to the functioning of our business. Each of our branches accesses the corporate data centre through the Internet, and all data is stored centrally in the corporate data centre. Our disaster recovery system is fully operational, and we continue to engage in technical exercises to test and improve our disaster plan.

***31. A decline in our Company's capital ratio or capital adequacy requirement could restrict our future business growth.***

As a NBFC-BL, our Company is required to maintain a leverage ratio-requirement of not more than 7 times on an ongoing basis. In addition, we are regulated by the RBI and are subject to certain capital to risk weighted adequacy ratio (CRAR). The minimum capital requirement or capital to risk weighted adequacy ratio (CRAR) required to be maintained by us, as well as the respective capital to risk weighted adequacy ratio (CRAR) of us for the nine months period ended December 31, 2025 and the financial years ended as on March 31, 2025, March 31, 2024 and March 31, 2023 are as follows:

| Category | Minimum capital requirement/ adequacy ratio Tier I* | Tier I Capital to risk weighted adequacy ratio | | | |
|---|---|---|---|---|---|
| | | December 31, 2025 | March 31, 2025 | March 31, 2024 | March 31, 2023 |
| NBFC -BL | 12% | 16.27% | 16.69% | 14.43% | 17.94% |

** Being a gold loan NBFC, we have to maintain Tier I Capital of 12%. For further details, see "Our Business" on page 78.*

If we continue to grow our loan assets and asset base, we will be required to raise additional capital in order to continue to meet applicable capital to risk weighted adequacy ratio (CRAR) with respect to our business. We cannot assure you that we will be able to raise adequate additional capital in the future on terms favourable to us.

***32. 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, as a result, would negatively affect our net interest margin and our business.***

The cost and availability of capital is also dependent on our short term and long-term credit ratings. CRISIL Ratings Limited vide their rating rationale letter dated December 4, 2024 reaffirmed the rating of our long term bank loans of ₹ 5,000 lakh as 'CRISIL BBB-/Stable', and the rating of our non-convertible debentures of ₹ 20,000 lakh was reaffirmed as 'CRISIL BBB-/Stable'. Further, India Ratings *vide* their rating letter dated February 04, 2026 affirmed the rating of our bank loans of ₹10,000 lakh and non-convertible debentures of ₹ 36,607.66 lakh as 'IND BBB-/Stable'. Further, India Ratings *vide* their rating letter dated February 04, 2026 has assigned 'IND BBB-/Stable' in respect of present Issue of NCDs of ₹10,000 lakh. 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, as a result, would adversely affect our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement of financing arrangements. For details regarding ratings received by our Company, please refer to "*Our Business - Credit Rating"* on page 92 and "*Annexure II*" on page 244.

***33. We are subjected to supervision and regulation by the RBI as a NBFC- BL, and changes in RBI's regulations governing us could adversely affect our business.***

As a NBFC-BL, 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 which may restrict the availment of credit facilities from such banks in the future and which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance. Through its various 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.

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.

***34. 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 Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025, as amended ("**IRAC Directions**")provides for the regulatory framework governing NBFCs pertaining to provisioning for standard assets. For NBFC-BL, the requirement is to make a provision for standard assets at 0.25% of the outstanding, which shall not be reckoned for

arriving at net NPAs.

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.

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

As of December 31, 2025, March 31, 2025, March 31, 2024 and March 31, 2023, our microfinance AUM was ₹ 3,122.27, ₹ 4,166.20 lakh, ₹ 5,373.12 lakh, and ₹ 5,820.77 lakh, respectively, representing 4.29%, 7.00%, 10.91%, and 14.27%, respectively, of our aggregate AUM as of such date. Our microfinance customers typically belong to low income households 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.

In our microfinance business, we rely on joint liability 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 microfinance 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 provisions 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.

***36. 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 women entrepreneurs 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 adequately applied, there can be no assurance that they will 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.

***37. 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 the Reserve Bank of India (Commercial Banks – Concentration Risk Management) Directions, 2025, as amended (including the exposure to NBFCs under Reserve Bank of India (Commercial Banks - Concentration Risk Management) Directions, 2025), a bank's exposure (including lending, investment and off-balance sheet exposures) to a single non-banking financial company predominantly engaged in lending against collateral of gold jewellery (ie, where such loans comprise 50% (fifty percent) or more of its financial assets) is subject to a prudential cap of 7.5% (seven point five percent) of the bank's capital funds (Tier I plus Tier II). This exposure ceiling may increase by 5% (five percent) (ie, up to 12.5% (twelve point five percent) of the bank's capital funds) only where the exposure in excess of 7.5% (seven point five percent) is on account of funds on-lent by such NBFC to the infrastructure sector. Further, banks may set internal limits for their aggregate exposure to all NBFCs and may include internal sub-limits for NBFCs predominantly engaged in gold loans. These prudential limits and internal bank policies could constrain the ability of NBFCs such as us to raise borrowings (or refinance existing borrowings) from banks, could reduce the availability of bank funding during periods of elevated risk aversion, and could increase our cost of funds. Any such constraints may adversely affect our liquidity, net interest margin, ability to scale our loan book and, consequently, our business, results of operations and financial condition.

***38. Our Promoter and Directors are interested in our Company in addition to their remuneration and reimbursement of expenses payable by the Company.***

Our Promoter and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding and debenture holding in our Company. We cannot assure you that our Promoter and the Directors will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter and the Directors may take actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details of Interest of our Directors, please refer to section titled "*Our Management*" on page 96.

***39. Attrition rate in our business is quite high and in order to be successful, we must attract, retain and motivate key employees, and failure to do so could adversely affect our business. Failure to hire key executives or employees could have a significant impact on our operations.***

The attrition rate in our business is quite high. Our Company's attrition rate for the last three financial years have been 40.00%, 30.00% and 30.00% for employees working less than 4 years and 5.00%, 5.00% and 5.00% for employees working more than 4 years as of financial years ending March 31, 2025, March 31, 2024 and March 31, 2023, respectively.

In order to be successful, we are required to attract, train, motivate and retain highly skilled employees, especially branch managers and gold assessment technical personnel. If we cannot hire additional personnel or retain existing qualified personnel, our ability to expand our business will be impaired and our revenue could decline. Hiring and retaining qualified skilled managers and sales representatives are critical to our future, as competition for experienced employees in the gold loan industry can be 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 could have a significant impact on our operations.

***40. We rely significantly on our management team, our Key Managerial Personnel and our ability to attract and***

***retain talent. Loss of any member from our management team or that of our Key Managerial Personnel 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 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.

***41. We have entered into certain transactions with related parties. Any transaction with related parties may involve conflicts of interest.***

We have entered into transactions with several related parties, including our Promoter, Directors and related entities. We can give no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest.

For details regarding our related party transactions entered into by us during the previous three Fiscals, please refer to chapters titled "*Related Party Transactions*" on page 110 and "*Financial Statements*" beginning on page 111.

***42. We are required to comply with the requirements of certain labour laws which may impose additional costs on us.***

Our branches are required to be registered and to maintain registrations, licences, approvals and periodic renewals under applicable state-specific shops and establishments / commercial establishments legislation and allied local laws in the states in which they operate. These laws regulate various employment and workplace conditions, including working hours, weekly offs and holidays, leave and overtime compensation, record maintenance, display and notice requirements, and inspections. In addition, depending on the nature of activities undertaken at our premises, we may be required to obtain and maintain approvals, verifications and periodic renewals under applicable legal metrology requirements (including those relating to weights and measures). Any failure to obtain, maintain or renew required registrations, licences, exemptions or approvals within prescribed timelines, or any alleged non-compliance with applicable conditions, could result in penalties, prosecution, suspension or cancellation of registrations and restrictions on carrying on relevant activities, which could adversely affect our business, financial condition and results of operations.

India has enacted 4 (four) Labour Codes, namely the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (together, the "**Labour Codes**"), which are intended to consolidate and amend several existing central labour laws. The Labour Codes, once brought into force (and as implemented through central and state rules), are expected to materially change the compliance framework applicable to employers, including with respect to wages and benefits (including minimum wages, timely payment and equal remuneration), social security registrations and contributions (including provident fund and employees' state insurance), gratuity and other terminal benefits, working conditions and workplace safety, record-keeping (including digitisation), and inspection and enforcement mechanisms. The transition to the Labour Codes may require us to update our policies, payroll practices, HR and compliance systems, contractual documentation and internal controls, and may increase our compliance costs and administrative burden.

Further, pending full implementation of the Labour Codes and/or where state-specific requirements continue to apply, we remain subject to applicable existing labour and employment laws (including laws relating to provident fund, employees' state insurance, gratuity and labour welfare funds) and state-specific shops and establishments legislation. Any non-compliance (or alleged non-compliance) with applicable labour and employment laws or rules, including failures in registrations, deposits/contributions, filings, maintenance of prescribed registers and returns, or adherence to working hours and leave requirements, may result in monetary penalties, interest, damages, prosecution, adverse inspection findings, claims by employees, labour disputes, disruption of operations, reputational harm and, in certain cases, restrictions on our ability to continue operating particular establishments, which could adversely affect our business, financial condition and results of operations.

***43. 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. 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.

***44. All our branch premises 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 December 31, 2025, we have 302 branches in 6 states. All the branches of our Company are on lease basis. 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.

Further, some of our lease deeds for our properties may not be registered and further some of our lease deeds may not be adequately stamped and consequently, may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty. Further, we may not be able to assess or identify all risks and liabilities associated with any properties, such as faulty or disputed title, unregistered encumbrances or adverse possession rights, improperly executed, unregistered or insufficiently stamped instruments, or other defects that we may not be aware of.

***45. The success and growth of our business depends upon our ability to transform our products and services to suit the needs of our customers. We are expanding and have forayed into business finance and microfinance in the recent past and may in the future continue to expand our services in new geographies. Our failure to mitigate specific regulatory, credit, and other risks associated with new geographies could have an adverse effect on our business and results of operations.***

We are exploring and will continue to explore our business initiatives, including those in which we have limited or no experience, as well as the business models that may be untested. For example, our business loans including loans to professionals and small and mid-size entrepreneurs were launched in financial year 2015 and as a result we have limited operating history for these products and services. We have limited financial data that can be used to evaluate our businesses, and such data may not be indicative of future performance.

These offerings may present new and difficult technology, operational, and other challenges, and if we experience service disruptions, failures, credit risk or other issues, our business may be materially and adversely affected. Developing in new areas require significant investments of time and resources, and may present new and difficult technological, operational and compliance challenges. Our businesses may not recoup our investments in a timely manner or at all. If any of this were to occur, it could damage our reputation, and limit our growth, business and prospects. Additionally, the market may not be receptive to our offerings or there may be other established players whose established presence in the business would inhibit our growth.

Success of our products or business in the lending and financial services industry also depends on our ability to constantly monitor and promptly react to legislative and regulatory changes that affect our business. Any change to the existing legal or regulatory framework may require us to allocate additional resources to our business, which may increase our regulatory compliance costs and direct management attention, and consequently affect our business, financial condition, results of operations and cash flows.

***46. This Draft Prospectus includes certain unaudited financial information, which has been subjected to limited review by our Statutory Auditor.***

This Draft Prospectus includes limited reviewed financial results along with the limited review report dated February 02, 2026 thereto, for the nine months period ended December 31, 2025. As the limited review financial results prepared by the Company have been subject only to a limited review and as described in Standard on Review Engagements (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the ICAI. Any reliance by prospective investors on such limited reviewed financial results for the nine months period ended December 31, 2025, should, accordingly, be limited. Any financial results published in the future may not be consistent with past performance. Accordingly, prospective investors should rely on their independent examination of our financial position and results of operations, and should not place undue reliance on, or base their investment decision solely on the financial information included in this Draft Prospectus.

**RISKS PERTAINING TO THIS ISSUE**

***47. 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.

***48. 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 in recovering 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.***

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 *inter alia* including 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.

Further, in case of NCDs, although our Company will create appropriate security in favour of the Debenture Trustee for the Debenture Holders to the Issue for the NCDs on the assets adequate to ensure 100.00% security cover on the outstanding amounts of the NCDs and interest thereon, the realisable value of the secured assets 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.

***49. There is no assurance that the NCDs issued pursuant to this Issue will be listed on BSE Limited 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.

***50. The Issuer, being a NBFC is not required to maintain a debenture redemption reserve ("DRR")***

Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, a NBFC is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

***51. 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, (v) our financial performance, growth prospects and results of operations; and (vi) limited and sporadic trading. 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.

52. ***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 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 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.

53. ***Payments to be made on the NCDs are subordinated to certain taxes and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding up, there may not be sufficient assets of our Company remaining, to pay amounts due on the NCDs.***

    The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to the NCDs have been paid as per Section 327 of the Companies Act, 2013 or Section 53 of the Insolvency and Bankruptcy Code, 2016, as the case maybe. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts, due on the NCDs.

54. ***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 50. The fund requirement and deployment are 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. 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.

55. ***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.

56. ***The Security may be insufficient to redeem the NCDs.***

    The NCDs to be issued pursuant to the Issue will be secured by creating a pari-passu charge over the Security, created in favour of the Debenture Trustee, to the extent of 100% of the amount outstanding towards principal and interest payable on NCDs. In the event that our Company is unable to meet its payment and other obligations towards investors under the terms of the NCDs, the Debenture Trustee may enforce the Security in respect of the NCDs as per the terms of security documents, and other related documents. The Debenture Holder(s)' recovery in relation to the NCDs will be subject to (i) the market value of the security, (ii) finding willing buyers for the security

at a price sufficient to repay the amount payable to Debenture Holder(s)' under the NCDs. The value realized from the enforcement of the transaction security may be insufficient to redeem the NCDs. There may be fluctuations in the market values of the assets over which security has been provided by our Company, which could affect our Company's liquidity and reduce our Company's ability to enforce the security in terms of Security Documents, and consequently affect our Company's result of operations and financial condition. Our Company may not accurately identify changes in the value of assets over which security has been provided caused by changes in market prices, and our Company's assessments, assumptions or estimates may prove inaccurate.

***57. In case of outstanding debt instruments, deposits, or borrowings, any default in compliance with the material covenants could expose you to significant risks. These covenants may include the creation of security as per the agreed terms, default in payment of interest, default in redemption or repayment, and default in payment of penal interest wherever applicable.***

Our ability to comply with these covenants is subject to various factors including our financial condition, profitability, and the general economic conditions in India and in the global financial markets. In accordance with the terms and conditions of the outstanding debt instruments, deposits, or borrowings, any failure to comply with the material covenants could lead to significant risks. These covenants may include the creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, and default in payment of penal interest, among others.

While our Company shall take all necessary steps to comply with these covenants within the timelines prescribed under the agreements and the applicable law, there could be a failure or delay in compliance due to unforeseen circumstances. Any such default could lead to penalties, legal actions, or even trigger a default on other obligations under cross-default provisions which may adversely affect our business, results of operations, financial condition and cash flows. There is no assurance that the Company will be able to avoid such defaults, and any such event could expose you to significant financial and legal risks. It is important for investors to understand these risks and consider them when making their investment decisions.

***58. 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 industry contained in this Draft Prospectus.***

While facts and other statistics in this Draft 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 59. 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***

***59. 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.

***60. 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.

***61. Natural calamities could have a negative impact on the Indian economy, particularly the agriculture sector, 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.

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

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 financing, the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, our ability to raise financing for onward lending and the price of our NCDs.

***63. 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 privatization 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.

## SECTION III – INTRODUCTION

## GENERAL INFORMATION

Our Company was incorporated in Kerala on December 16, 2008 as a public limited company under the provisions of the Companies Act, 1956 as Chemmanur Credits and Investments Limited and received the certificate of commencement of business from the RoC on November 10, 2010. For further details about our Company, see "*History and Certain Other Corporate Matters*" on page 94.

**Registration**

The registration number and corporate identity number of our Company are as follows:

- **Company Registration Number with RoC**: 023560
- **Corporate Identification Number issued by the RoC**: U65923KL2008PLC023560
- **LEI**: 335800PLYX4Y5WD74K05
- **Permanent Account Number**: AADCC5470E

Our Company has obtained a certificate of registration dated June 10, 2010 bearing registration no. N 16-00185 issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the certificate of registration.

**Registrar of Companies**

Our Company is registered with the Registrar of Companies, Kerala and Lakshadweep, Ernakulam, which is situated at the following address:

Company Law Bhavan, BMC Road,
Thrikkakara P.O Kakkanad,
Kochi - 682 021, Kerala

**Registered Office**

Door No. D1 to D4, 3rd Floor,
Avenue Tower, East Fort, Thrissur East,
Thrissur - 680005
Kerala, India
**Tel:** 0487-7121200/2424010
**Email:** mail@chemmanurcredits.com
**Website**: www.chemmanurcredits.com

For further details regarding changes to our Registered Office, see "*History and Certain Other Corporate Matters*" on page 94.

**Board of Directors**

The following table sets out the details regarding the Board of Directors as on the date of this Draft Prospectus:

| Name | Designation | DIN | Address |
|---|---|---|---|
| Chemmanur Devassykutty Boby | Chairman & Managing Director | 00046095 | Chemmanur House, Avenue Road, VTC, Thrissur – 680 005, Kerala India. |
| Lijo Moothedan | Non-Executive Director | 00877403 | Moothedan House, Villa No. 47B/ 48, Hilite Springdale Velliparamba, Kuttikkattoor, Kozhikode – 673008, Kerala. India. |
| Smitha Boby | Non-Executive Director | 00046059 | 270/AB/17, 45/46A, Hilite Springdale Villa, VTC: Kuttikatoor, P.O.: Velliparamba, Kozhikode – 673 008, Kerala, India. |

| Name | Designation | DIN | Address |
|---|---|---|---|
| Antony Sebastian C. | Independent Director | 10083087 | Choorakkal House, Thavoos Lane, Mission Quarters, Thrissur, 680001 Kerala India. |
| Anil Kumar Prahladan | Independent Director | 07893500 | House No. T.C 92/3149; ARA-442-A; Anayara P.O, Trivandrum, Pin 695029. |
| Sibin Philipose | Non-Executive Director | 09777666 | 25/390, Pulluvana Veedu, Chittur Road, Kunnathurmedu, Palakkad, 678013, Kerala, India |

For further details of Directors of our Company, please see "*Our Management*" on page 96.

**Chief Executive Officer**

**T K Thomas**
Door No. D1 to D4, 3rd Floor,
Avenue Tower, East Fort, Thrissur East,
Thrissur - 680005
Kerala, India
**E-mail**: thomas.tk@chemmanurcredits.com
**Tel**: +91 0487 7121200

**Chief Financial Officer**

**Jasmine M.P**
Door No. D1 to D4, 3rd Floor,
Avenue Tower, East Fort,
Thrissur East, Thrissur - 680005,
Kerala, India
**Email**: cfo@chemmanurcredits.com
**Tel**: +91 0487 7121200

**Company Secretary and Compliance Officer**

**Anju Thomas**
Door No. D1 to D4, 3rd Floor, Avenue Tower,
East Fort, Thrissur East,
Thrissur, 680005
Kerala, India
**E-mail**: cs@chemmanurcredits.com
**Tel**: +91 0487 7121200

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.

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 the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary 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 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 relating to ASBA process where the Application is submitted to a Member of Syndicate should be addressed to the Registrar to the Issue with a copy to the relevant Member of Syndicate and the relevant SCSB.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism (app based/web interface platform) of the Stock Exchange, or through Trading Members, may be addressed directly to the Stock Exchange, with a copy to the Registrar to the Issue.

**Lead Manager to the Issue**

**Vivro Financial Services Private Limited**
Vivro House 11, Shashi Colony,
Opposite Suvidha Shopping Center,
Paldi, Ahmedabad - 380007
Gujarat, India.
**Telephone**: +91 7940404242/40/41
**Email**: investors@vivro.net
**Contact Person:** Jay Dodiya / Megha Kella
**Website**: www.vivro.net
**SEBI Registration No**.: INM000010122

**Debenture Trustee**

**Mitcon Credentia Trusteeship Services Limited**
1402/1403, B-Wing, Dalamal Towers, 14th Floor,
Free Press Journal Marg, 211, Nariman Point, Mumbai – 400 021, Maharashtra, India
**Telephone:** +91 22 2282 8200
**Fax**: +91 (22) 22024553
**Email**: contact@mitconcredentia.in
**Investor Grievance mail**: investorgrievances@mitconcredentia.in
**Website**: www.mitconcredentia.in
**Contact Person**: Vaishali Urkude
**SEBI Registration Number**: IND000000596

Mitcon Credentia Trusteeship Services Limited has by its letter dated February 06, 2026 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Prospectus (hereinafter referred to as "**Trustee**").

A copy of letter from Mitcon Credentia Trusteeship Services Limited conveying their consent to act as Trustees for the Debenture holders is annexed as *Annexure III* to this Draft Prospectus.

The Debenture Trustee Agreement entered into between Mitcon Credentia Trusteeship Services Limited and the Company on February 04, 2026 is available at below website link and QR code.

Weblink: https://chemmanurcredits.com/media/1957/dta_sd.pdf

All the rights and remedies of the NCD 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 NCD 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 NCD 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 NCD Holders. For details on the terms of the agreed form of the Debenture Trust Deed see, "*Issue Related Information*" on page 175.

**Registrar to the Issue**



**KFin Technologies Limited**
Selenium Tower-B, Plot 31 & 32 Gachibowli
Financial District,
Nanakramguda Serilingampally,
Hyderabad – 500 032, Telangana, India
**Telephone:** +91 40 6716 2222 / 18003094001
**Facsimile:** +91 40 6716 1563
**Email**: ccil.ncdipo@kfintech.com
**Website**: www.kfintech.com
**Contact Person**: M Murali Krishna
**Investor Grievance id**: einward.ris@kfintech.com
**Compliance Officer**: Manju Anand
**SEBI Registration Number**: INR000000221

**Credit Rating Agency**



**India Ratings and Research Private Limited**
Wockhardt Towers, 4th Floor, West Wing,
Bandra Kurla Complex, Bandra (E) Mumbai – 400051
**Telephone:** 022-40001700
**Fax:** 022-40001701
**Email:** infogrp@indiaratings.co.in
**Website:** www.indiaratings.co.in
**Contact Person:** Ismail Ahmed
**SEBI Registration Number:** IN/CRA/002/1999

**Legal Advisor to the Issue**



**Khaitan & Co**
One World Centre
10th, 13th and 14th Floors, Tower 1C
841 Senapati Bapat Marg
Mumbai – 400 013
Maharashtra, India
**Telephone:** + 91 22 6636 5000
**Website:** www.khaitanco.com

**Statutory Auditors**
**C.M. Joseph & Associates**
Chartered Accountants,
MRA 5A, Pallath Lane, San Clinic Building,
Mount Carmel Church Road, Mamangalam,
Palarivattom P.O, Cochin –682025, Kerala, India
**E-mail**: cmjosephfca@gmail.com / cmjfca@gmail.com
**Website:** www.cmjassociates.in
**Telephone**: (0484) 4047884, 2338303, 2989303
**Firm Registration No.:** 006408S
**Membership No.**: 202800
**Contact Person**: C.M. JOSEPH, Partner

**Banker to the Issue**

**State Bank of India**
SME Paramekkavu Branch,
'Geethanjali',2nd Floor, Paramekkavu Devaswom Building,
Round East, Thrissur P O - 680001
Email: sbi.63880@sbi.co.in

**Bankers to the Issue**

***Public Issue Account Bank/Sponsor Bank/Refund Bank***

As specified in the Prospectus.

**Syndicate Member**

As specified in the Prospectus.

**Designated Intermediaries**

*Self-Certified Syndicate Banks*

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.

A list of the Designated Branches of the SCSBs, with which an Applicant, not applying through the Syndicate, may submit the Application Forms, is available at http://www.sebi.gov.in, or at such other website as may be prescribed by SEBI from time to time.

*Syndicate SCSB Branches*

In relation to Applications submitted to the Designated Intermediaries, the list of branches of the SCSBs to receive deposits of ASBA Applications from such Designated Intermediaries is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Applications from Designated Intermediaries, see the above-mentioned web-link.

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

In accordance with SEBI Master Circular, UPI Investors making an Application in the Issue using the UPI Mechanism, may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at www.sebi.gov.in, and updated from time to time.

*RTAs / CDPs*

The list of the RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of BSE at http://www.bseindia.com, for RTAs and CDPs, as updated from time to time.

*Broker Centres/ Designated CDP Locations/ Designated RTA Locations*

In accordance with SEBI Master Circular and RTA Master Circular, Applicants can submit the Application Forms with the 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 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.

**Arrangers/Guarantor to the Issue**

There are no arrangers/guarantor to the Issue.

**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. If our Company does not receive the minimum subscription of 75% of the Base Issue i.e. ₹ 3,750 lakh within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount blocked shall be unblocked in the respective ASBA Accounts of each Applicant, within eight Working Days from the date of closure of the Issue, 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 eight Working Days from the Issue 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.

**Credit Rating and Rationale**

Our Company has received rating of 'IND BBB-/Stable"; by India Ratings vide its letter dated February 04, 2026 read with rating rationale dated February 04, 2026. The rating given by India Ratings is valid as on the date of this Draft 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 India Ratings may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. The rating is not a recommendation to buy, sell or hold securities. For the rating letter, rating rationale, and press release, see "*Annexure II*" on page 244.

**Consents**

Consents in writing of Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Chief Executive Officer, Statutory Auditors, legal advisor to the Issue, Lead Manager, the Registrar to the Issue, Credit Rating Agency, Public Issue Account Bank*, Sponsor Bank*, Refund Bank*, Syndicate Member*, the Debenture Trustee, and the lenders to our Company to act in their respective capacities, have been obtained and will be filed along with a copy of the Prospectus with the RoC as required under Section 26 of the Companies Act, 2013. Further such consents shall not be withdrawn up to the time of delivery of the Prospectus with the RoC.

** Consents to be obtained at the Prospectus Stage*

**Underwriting**

This Issue is not underwritten.

**Utilisation of Issue proceeds**

"*Objects of the Issue*" on page 50.

**Issue Programme**

| | |
|---|---|
| **ISSUE OPENS ON** | As specified in the Prospectus |
| **ISSUE CLOSES ON** | As specified in the Prospectus[#] |
| **PAY IN DATE** | Application Date. The entire Application Amount is payable on Application |
| **DEEMED DATE OF ALLOTMENT** | The date of issue of the Allotment Advice, or such date on which the Board or Debenture Committee approves the Allotment of NCDs. All benefits relating 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 |

*[#]The 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 the Issue may close on such earlier date or extended date (subject to a minimum period of 2 Working Days and a maximum period of 10 Working Days from the date of the issue and subject to not exceeding 30 days from the date of filing of the Prospectus with ROC including any extensions) as may be decided by the Board of Directors of our Company ("Board") or the Debenture Committee, subject to relevant approvals, in accordance with the SEBI NCS Regulations. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors*

*through an advertisement in an English national daily newspaper and a regional daily newspaper in the state of Kerala, with wide circulation on or before such earlier date or extended date of 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 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. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. on the Issue Closing Date. Further please note that Application (including Application under the UPI Mechanism) shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period as mentioned above by the (a) by the Designated Intermediaries at the Collection Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs as mentioned on the Application Form, except that on the Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange platform would be rejected.*

*Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.*

*Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days. Neither our Company, nor the Lead Manager, nor any Member of the Syndicate, registered brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or Designated Branches of SCSBs nor the Stock Exchange are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of Investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.*

## CAPITAL STRUCTURE

### 1. Details of share capital

The share capital of our Company as on December 31, 2025 is set forth below:

| Share Capital | Amount (in ₹) |
|---|---|
| **AUTHORISED SHARE CAPITAL** | |
| 13,00,00,000 Equity Shares of ₹ 10 each | 130,00,00,000 |
| 2,00,000 Preference Shares of ₹ 1,000 each | 20,00,00,000 |
| **Total Authorised Share Capital** | **150,00,00,000** |
| | |
| **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL** | |
| 7,79,50,000 Equity Shares of ₹10 each fully paid up | **77,95,00,000** |
| | |
| **Securities Premium Account** | **9,05,40,000** |

*Note: There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs.*

**Details of change in authorised share capital of our Company in the preceding three financial years and current year as on date of this Draft Prospectus:**

Except as disclosed below, there have been no changes in the authorised share capital of our Company since last three financial years and current year as on date of this Draft Prospectus.

| S.No. | Particulars of Increase | Date of Shareholders' meeting | AGM/EGM |
|---|---|---|---|
| 1. | Increase in authorised share capital from ₹ 100,00,00,000 divided into 8,00,00,000 equity shares of ₹ 10/- each and 2,00,000 redeemable cumulative preference shares of ₹ 1000/- each to ₹ 150,00,00,000 divided into 13,00,00,000 equity shares of ₹ 10/- each and 2,00,000 redeemable cumulative preference shares of ₹ 1000/- each. | September 20, 2024 | AGM |

### 2. Changes in the Equity Share capital of our Company in the preceding three financial years and current year as on date of this Draft Prospectus:

| Date of Allotment | No of Equity Shares | Face value (₹) | Issue Price (₹) | Consideration (Cash, other cash, etc) | Nature for Allotment | Cumulative | | | Remarks |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | No. of equity shares | Equity Share Capital (₹ in lakh) | Equity Share Premium (₹ in lakh) | |
| September 27, 2024 | 70,00,000 | 10 | 15 | Cash | Preferential Allotment | 6,70,00,000 | 6,700.00 | 350.00 | - |
| December 31, 2024 | 70,00,000 | 10 | 15 | Cash | Preferential Allotment | 7,40,00,000 | 7,400.00 | 700.00 | - |
| September 29, 2025 | 39,50,000 | 10 | 15.20 | Cash | Preferential Allotment | 7,79,50,000 | 7,795.00 | 905.00 | - |

### 3. Issue of Equity Shares for consideration other than cash for the preceding three financial years and current financial year.

Our Company has not issued any Equity Shares for consideration other than cash.

**4. Shareholding pattern of our Company on December 31, 2025:**

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) | No. of Locked in shares | | No. of Shares pledged or otherwise encumbered | | No. of equity shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting Rights | | | 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) | |
| | | | | | | | | Class eg: Equity Shares | Class eg: y | Total | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = (IV)+(V)+ (VI) | (VIII) As a % of (A+B+C2) | (IX) | | | | (X) | (XI)= (VII)+(X) As a % of (A+B+C2) | (XII) | | (XIII) | | (XIV) |
| (A) | Promoter & Promoter Group* | | | | | | | | | | | | | | | | | |
| | Promoter | 1 | 6,97,12,800 | Nil | Nil | 6,97,12,800 | 89.43 | 6,97,12,800 | | 6,97,12,800 | 89.43 | Nil | 89.43 | Nil | Nil | Nil | Nil | 6,97,12,800 |
| | Promoter Group | 2 | 90,000 | Nil | Nil | 90,000 | 0.12 | 90,000 | | 90,000 | 0.12 | Nil | 0.12 | Nil | Nil | Nil | Nil | 90,000 |
| | **Total Promoter & Promoter Group** | **3** | **6,98,02,800** | **Nil** | **Nil** | **6,98,02,800** | **89.55** | **6,98,02,800** | | **6,98,02,800** | **89.55** | **Nil** | **89.55** | **Nil** | **Nil** | **Nil** | **Nil** | **6,98,02,800** |
| (B) | Public | 77 | 81,47,200 | Nil | Nil | 81,47,200 | 10.45 | 81,47,200 | | 81,47,200 | 10.45 | Nil | 10.45 | Nil | Nil | Nil | Nil | 2,78,200 |

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) | No. of Locked in shares | | No. of Shares pledged or otherwise encumbered | | No. of equity shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting Rights | | | 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) | |
| | | | | | | | | Class eg: Equity Shares | Class eg: y | Total | | | | | | | | |
| **(C)** | Non Promoter - Non Public | | | | | | | | | | | Nil | | | | | 0 | 0 |
| **(C1)** | Shares Underlying DRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| **(C2)** | Shares Held By Employee Trust | Nil | Nil | Nil | Nil | Nil | Nil | Nil | | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | **Total** | **80** | **7,79,50,000** | **Nil** | **Nil** | **7,79,50,000** | **100.00** | **7,79,50,000** | | **7,79,50,000** | **100.00** | **Nil** | **100.00** | **Nil** | | | | **7,00,81,000** |
| | | | | | | | | | | | | | | | | | | |

***** *Chemmanur Devassykutty Boby promoter of the Company.*
***** *Promoter Group including Smitha Boby & Lijo Moothedan*

**5. List of top 10 holders of Equity Shares of our Company as on December 31, 2025:**

| Sr. No. | Name of the Shareholder | Total number of Equity Shares | Number of Equity Shares held in dematerialized form | % of total number of Equity Shares |
|---|---|---|---|---|
| 1. | Chemmanur Devassykutty Boby | 6,97,12,800 | 6,97,12,800 | 89.43% |
| 2. | Chemmanur Gold Palace International Limited | 70,00,000 | - | 8.98% |
| 3. | Jayabharathi. K | 90,000 | 90,000 | 0.12% |
| 4. | Smitha Boby | 55,000 | 55,000 | 0.07% |
| 5. | Jose Chakkappan | 55,000 | - | 0.07% |
| 6. | Ramakrishnan Akkal | 50,000 | - | 0.05% |
| 7. | Seshambal N S | 40,000 | - | 0.05% |
| 8. | Lijo Moothedan | 35,000 | 40,000 | 0.05% |
| 9. | Jisso C Baby | 35,000 | 35,000 | 0.05% |
| 10. | Deena Lijo | 30,000 | 30,000 | 0.04% |

**6. List of top 10 holders of non-convertible securities as on December 31, 2025 in terms of value (on cumulative basis):**

| Sr. No. | Name of holder of non-convertible securities | Category of holder | Face Value of non-convertible securities (₹) | Face Value of holding Amount (₹ in lakh) | Holding as a % of total outstanding non-convertible securities of the issuer |
|---|---|---|---|---|---|
| 1. | Homi Farrok Kaka | Public | 1,000.00 | 200.00 | 0.51 |
| 2. | Shameer Sha Ali | Public | 1,000.00 | 145.00 | 0.37 |
| 3. | Chitra K S | Public | 1,000.00 | 105.00 | 0.27 |
| 4. | A R Kannan | Public | 1,000.00 | 105.00 | 0.27 |
| 5. | Joseph. K. V . | Public | 1,000.00 | 100.00 | 0.26 |
| 6. | Chemmannur Devassykutty Bose | Public | 1,000.00 | 100.00 | 0.26 |
| 7. | Sangeetha | Public | 1,000.00 | 99.40 | 0.26 |
| 8. | Yogesh Juneja | Public | 1,000.00 | 96.00 | 0.25 |
| 9. | Rajeswari Amma Sarada | Public | 1,000.00 | 86.01 | 0.22 |
| 10. | Jacob Koshy | Public | 1,000.00 | 83.00 | 0.21 |

**7. List of top 10 holders of commercial paper as on December 31, 2025 in terms of value (on cumulative basis):**

As on December 31, 2025 our Company has not issued any commercial papers.

**8. List of top 10 holders of sub-ordinated debt as on December 31, 2025 in terms of value (on cumulative basis):**

| S. No. | Name of holder | Category of holder | Face value of holding (₹ in lakh) | Holding as a % of total subordinated debt outstanding of the issuer |
|---|---|---|---|---|
| 1. | Ramaa Iyer K | Public | 228.00 | 1.18% |
| 2. | Sashikala V C | Public | 138.00 | 0.72% |
| 3. | Saroj. S | Public | 71.45 | 0.37% |
| 4. | Rajeswary Amma. | Public | 63.00 | 0.33% |
| 5. | Kala S | Public | 59.50 | 0.31% |
| 6. | Santhosh Kumar S | Public | 54.50 | 0.28% |
| 7. | Nayanika Yaldhow | Public | 52.90 | 0.27% |
| 8. | Jayaroop K | Public | 50.00 | 0.26% |
| 9. | Meena Mohan Babu | Public | 42.55 | 0.22% |
| 10. | Devendra H G | Public | 42.00 | 0.22% |

**9. Statement of the aggregate number of securities of our Company purchased or sold by our Promoter, Promoter Group, our Directors and the directors of our Promoter and/or their relatives within six months immediately preceding the date of filing of this Draft Prospectus**.

Except for the details as set out in the table below, no securities of our Company have been purchased or sold by our Promoter, promoter group, our Directors, directors of our Promoter and/or their relatives within six months immediately preceding the date of filing of this Draft Prospectus.

| Sr. No. | Name of the Transferor | Name of the Transferee | Date of purchase/ transfer | Whether purchase/ transfer | Number of Equity Shares |
|---|---|---|---|---|---|
| 1. | Shoby Joseph | Chemmanur Devassykutty Boby | July 31, 2025 | Transfer | 10,000 |
| 2. | Jenson M.P | Chemmanur Devassykutty Boby | September 16, 2025 | Transfer | 10,000 |
| 3. | Radhakrishnan P.N | Chemmanur Devassykutty Boby | September 17, 2025 | Transfer | 10,000 |
| 4. | Shabish Babu P | Chemmanur Devassykutty Boby | November 21, 2025 | Transfer | 10,000 |
| 5. | O.A. Ravindran | Chemmanur Devassykutty Boby | November 28, 2025 | Transfer | 30,000 |

**10. Shareholding of Directors in our Company**

The shareholding of the Directors in our Company as on December 31, 2025 is mentioned below:

| Sr. No. | Name of Director | Number of Equity Shares |
|---|---|---|
| 1. | Chemmanur Devassykutty Boby | 6,97,12,800 |
| 2. | Lijo Moothedan | 35,000 |
| 3. | Smitha Boby | 55,000 |
| 4. | Anil Kumar Prahladan | 0 |
| 5. | Antony Sebastian Choorakkal | 0 |
| 6. | Sibin Philipose | 0 |

**11.** Our Company has not made any acquisition or amalgamation in the last one year prior to the date of this Draft Prospectus.

**12.** Our Company has not made any reorganization/reconstructionin the last one year prior to the date of this Draft Prospectus.

**13.** None of the Equity Shares held by the Promoter are pledged or encumbered otherwise.

**14.** As on December 31, 2025 our Company has 7,00,81,000 Equity Shares of face value of ₹ 10 each in dematerialised form.

**15.** As on the date of this Draft Prospectus, the Company does not have any employee stock option schemes.

**16.** There has been no change in promoter holding in our Company during the last financial year beyond 26% (as prescribed by RBI).

## OBJECTS OF THE ISSUE

Our Company proposes to utilise the funds which are being raised through the Issue, after deducting the Issue related expenses estimated to be approximately ₹ [•] lakh 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, financing, and for repayment/prepayment of principal and interest on borrowings of the Company; and

2. 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 lakh)*

| No. | Description | Amount* |
|---|---|---|
| 1. | Gross proceeds of the Issue | Up to 10,000 |
| 2. | (less) Issue related expenses | As specified in Prospectus |
| 3. | Net Proceeds | As specified in Prospectus |

**Assuming the issue is fully subscribed and our Company retains oversubscription up to ₹ 5,000 lakh.*

**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:

| No. | Objects of the Issue | Percentage of amount proposed to be financed from Net Proceeds |
|---|---|---|
| 1. | For the purpose of onward lending, financing and for repayment/ prepayment of principal and interest of borrowings of the Company. | At least 75% |
| 2. | General corporate purposes* | Maximum of up to 25% |
| **Total** | | **100%** |

**The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization 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 113.

**Funding plan**

Not applicable

**Summary of the project appraisal report**

Not applicable

**Schedule of implementation of the project**

Not applicable

**Interests of Directors/Promoter**

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, Senior Management Personnel or companies promoted by our Promoter except in ordinary course of business.

**Interim Use of Proceeds**

Our management, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization 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 Utilization of Funds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. Our Board shall monitor the utilization of the proceeds of the Issue. For the relevant financial years commencing from financial year 2025-2026, 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.

**Variation in terms of contract or objects in this Draft Prospectus**

The Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Draft Prospectus is issued, except as may be prescribed under the applicable laws and under Section 27 of the Companies Act, 2013.

**Issue related expenses**

The expenses for this Issue include, *inter alia*, Lead Manager's fees and selling commission to the Lead Manager, brokers' fees, fees payable to Debenture Trustee, the Registrar to the Issue, Sponsor Bank, SCSBs' commission/fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company. Our Company shall include the details of commission and processing fees payable to each intermediary and the timelines for payment will be made on the basis of valid invoices within such timelines mutually agreed to/prescribed by the Company with the Designated Intermediaries/Sponsor Bank.

The estimated breakdown of the total expenses for the Issue shall be specified in the Prospectus.

**Other Confirmation**

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 entity who is a part of the Promoter Group or the Group Companies of our Company.

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.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoter, the Directors, Key Managerial Personnel, Senior Management Personnel or companies promoted by our Promoter except in ordinary course of business.

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 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;

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 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 immovable property or in the purchase of any business or in the purchase of an interest in any business property; and

e. Details of all utilised 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 unutilised indicating the purpose for which such monies have been utilised and the securities or other forms of financial assets in which such unutilised monies have been invested.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,
**Chemmanur Credits and Investments Limited**
Third Floor, Avenue Tower, East Fort,
Thrissur- 680005,
Kerala, India

And

**Vivro Financial Services Private Limited**
Vivro House 11, Shashi Colony,
Opposite Suvidha Shopping Center,
Paldi, Ahmedabad – 380007, Gujarat, India
**("Lead Manager")**

***Sub: Proposed public offering of Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each ("NCDs") amounting up to ₹ 5,000 lakhs ("Base Issue"), with an option to retain over-subscription up to ₹ 5,000 lakhs, aggregating up to ₹ 10,000 lakhs ("Issue") of Chemmanur Credits and Investments Limited ("Company" or "Issuer").***

We, M/s. C.M. Joseph & Associates, Chartered Accountants, hereby confirm that the accompanying statement of possible tax benefits available to the debenture holder(s) states the possible tax benefits available to the debenture holders of the Company under the Income-tax Act, 1961 (the "**IT Act**"), as amended by the Finance Act, 2025, i.e. applicable for the Financial Year 2025-26 relevant to the assessment year 2026-27 respectively, presently in force in India (hereinafter referred to as the "Indian Income Tax Regulations") for the purpose of inclusion in the Offer document, in connection with the Issue, has been prepared by the management of the Company, which we have initiated for identification purposes. We are informed that such debentures raised in the Issue will be listed on BSE Limited ("**Stock Exchange**") and the Statement has been prepared by the Company's management on such basis.

We have performed the following procedures:

i. Read the statement of tax benefits as given in **Annexure I**, and

ii. Evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respect.

We confirm that the Statement as set out in **Annexure I** materially covers all the provisions of the Indian Income Tax Regulations with respect to debenture holders of the Company. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws.

The benefits discussed in the enclosed **Annexure I** are not exhaustive. 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 is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation.

The contents of the enclosed **Annexure I** are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

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. We do not assume any responsibility to update the views consequent to such changes.

We hereby consent to inclusion of this report and the accompanying Statement in the relevant Offer document and/or any other document in relation to the Issue to be filed by the Company with the Stock Exchange, the Securities and Exchange Board of India, and the Registrar of Companies, Kerala and Lakshadweep and any other regulatory authority in relation to the Issue and such other documents as may be prepared in connection with the Issue. Further we consent the inclusion of our name as "Expert" as defined under section 2 (38) Companies Act, 2013 to the extent to which it relates to the Statement of Possible Tax Benefits.

This report has been issued at the request of the Company for use in connection with the Issue and may accordingly be furnished as required to SEBI, BSE Limited or any other regulatory authorities, as required, and shared with and relied on as necessary by the Company's advisors and intermediaries duly appointed in this regard.

**For C.M. Joseph & Associates**
Chartered Accountants
Firm Registration No: 006408S
Peer Review No: 015223
UDIN: 26202800CDTVCU4413

C.M. Joseph
Partner
Membership No: 202800
Date : 06.02.2026
Place : Ernakulam

## INDEPENDENT AUDITORS' CERTIFICATE ON STATEMENT OF POSSIBLE TAX BENEFITS

**Statement of Possible Tax Benefits/Statement**

**STATEMENT OF POSSIBLE TAX BENEFITS UNDER THE INCOME TAX ACT, 1961 ("IT ACT") AVAILABLE TO THE DEBENTURE HOLDERS UNDER THE APPLICABLE INCOME-TAX LAWS IN INDIA.**

The following tax benefits will be available to the debenture holders of the Company ("**Debenture Holders**") as per the existing provisions of law. The tax benefits are given as per the prevailing tax laws under the provisions of the IT Act, as on date, taking into account the amendments made by the Finance Act, 2025, and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holders are advised to consider the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible.

**IMPLICATIONS UNDER THE IT ACT**

**I. TO THE RESIDENT DEBENTURE HOLDER ("RESIDENT" AS DEFINED UNDER SECTION 6 OF THE IT ACT)**

**A. <u>In Respect of Interest on Debentures (NCDs)</u>**

1. Interest on NCD received by Debenture Holders would be subject to income tax at the normal rates of tax in accordance with and subject to the provisions of the IT Act. Interest will be assessed to Income tax on receipt basis or mercantile basis (accrual basis) depending on the method of accounting regularly employed by the NCD holders under Section 145 of the IT Act.

2. Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act (in case where interest is paid to Individual or HUF, no TDS will be deducted where interest is paid by a company in which the public is substantially interested if the amount of interest paid to such person does not exceed Ten thousand rupees in a financial year and interest is paid by way of account payee cheque).

Further, Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest;

b) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL; and

d) In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. Please find below the class of resident investors and respective documents that would be required for granting TDS exemption:

| Sr No. | Class of Investors | Relevant Section which grants TDS exemption | Documents to be taken on record from Investors |
|---|---|---|---|
| 1 | Resident Individual or resident HUF | Claiming non-deduction or lower deduction of tax at source under section 193 of the IT Act, | Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company.<br>However, in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either<br>(a) a declaration (in duplicate) in the prescribed form i.e.<br>(i) Form 15H which can be given by individuals who are of the age of 60<br>years or more<br>(ii) Form 15G which can be given by all applicants (other than companies, and firms), or<br>(iii) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. |
| 2 | Life insurance Corporation of India | Clause vi of Proviso to Section 193 | Copy of Registration certificate |

| Sr No. | Class of Investors | Relevant Section which grants TDS exemption | Documents to be taken on record from Investors |
|---|---|---|---|
| 3 | a. General Insurance Corporation of India,<br>b. 4 companies formed under section 16(1) of General Insurance Business Act, 1972 and<br>c. any company in which GIC and aforesaid 4 companies have full beneficial interest (100% shareholding) | Clause vii of Proviso to Section 193 | a. Copy of Registration certificate<br>b. Copy of Registration certificate<br>c. Copy of shareholding pattern |
| 4 | Any other Insurer | Clause viii of Proviso to Section 193 | Copy of Registration certificate issued by IRDA |
| 5 | Mutual Funds | Section 196(iv) read with Section 10(23D) | Copy of Registration certificate issued by SEBI / RBI and notification issued by Central Government |
| 6 | Government, RBI and corporation established<br>under Central / State Act whose income is exempt from tax | Section 196(i), (ii) and (iii) | In case of Corporation, Declaration that their income is exempt from tax with applicable provisions |
| 7 | Recognized Provident Funds, Recognized Gratuity Funds, Approved Superannuation Funds, Employees' State Insurance Fund etc. | Section 10(25) and 10(25A) and CBDT Circular - 18/2017 | Copy of Registration and Recognition certificate issued by relevant statutory authorities and income-tax authorities and Declaration from the funds that their income is exempt u/s 10(25) and 10(25A) |
| 8 | New Pension System Trust | Section 10(44) read with Section 196(iii) and CBDT Circular - 18/2017 | Relevant Registration certificate issued to NPS Trust under section Indian Trusts Act, 1882 |
| 9 | Other entities like Local authority, Regimental Funds, IRDA etc. | Section 10(20) etc. read with CBDT Circular - 18/2017 | Declaration that they fall within the relevant income-tax section and eligible for income-tax exemption on their income |
| 10 | Alternative Investment Funds (Category I and II) | Section 197A(1F) | Copy of Registration certificate issued by SEBI |

**B. <u>In respect of Capital Gains</u>**

**1. Long Term Capital Gain**

Under Section 2(29AA) read with section 2(42A) of the IT Act, listed Debentures held as Capital Asset as defined under section 2(14) of the IT Act is treated as long term capital asset if it is held for more than 12 Months. Debentures held as capital asset for a period of 12 Months or less will be treated as short term capital asset.

As per Section 112 of the IT Act, Capital Gains arising on transfer of long term capital assets being listed debentures are subject to tax at the rate of 12.5% (plus applicable surcharge and health education cess) on the capital gains calculated without indexing the cost of acquisition.

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

**2. Short Term Capital Gains**

Listed Debentures held as capital asset under Section 2(14) of the IT Act for a period of not more than 12 months would be treated as Short term capital asset under Section 2(42A) of the IT Act. Short Term Capital Gains on transfer of NCD will be taxed at the normal rates of tax in accordance with the provisions of the IT Act. The provisions relating to maximum amount not chargeable to tax would apply to short term capital gains.

**3. Capital Loss on transfer of Debentures.**

As per Section 74 of the IT Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

**4. Exemption available for Individuals and HUF for Long Term Capital gains of the IT Act.**

As per the provisions of Section 54F of the IT Act, any long-term capital gains on transfer of a long term capital asset(not being a 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 residential house in India, or for construction of residential house in India within three years from the date of transfer subject to conditions. 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 conditions stated therein.

Under section 54EE of the IT Act, long term capital gains arising to the Debenture Holder(s) on transfer of debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in long term specified asset (a unit or units issued before 01.04.2019) as notified by Central Government within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the bonds are transferred or converted into money. However, the exemption is subject to a limit of investment of ₹50 lakhs during any financial year in the notified bonds. Further, in case where loan or advance on the security of such notified units is availed, such notified units shall be deemed to have been transferred on the date on which such loan or advance is taken.

Where the benefit of Section 54EE of the IT Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

C. **In respect of Business Income**

In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII, which is notified by the Ministry of Finance, Government of India under Section 145(2) of the IT Act. Where debentures are held as stock in trade and unpaid interest has accrued before acquisition of Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank and Public Financial Institutions, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.

**D. Debentures received as gift without consideration or inadequate consideration.**

As per section 56(2)(x) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds ₹50,000/- the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 56(2)(x) of the IT Act. There is no gift tax for the Donor of the Debentures.

**II. TO THE FOREIGN INSTITUTIONAL INVESTORS/ FOREIGN PORTFOLIO INVESTORS (FIIs/ FPIs)**

1. As per Section 2(14)(b) of the IT Act, any securities held by FIIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.
2. In accordance with and subject to the provisions of Section 115AD of the IT Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of Section 48 of the IT Act will not apply.
3. Interest on NCD may be eligible for concessional tax rate of 5% (plus applicable surcharge and health and education cess) for interest referred under Section 194LD.
4. Further, in case where section 194LD is not applicable, the interest income earned by FIIs/FPIs should be chargeable to tax at the rate of 20% under section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Act on such income 141 at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein.
5. Section 194LD in the IT Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian Company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian Company between June 1, 2013 and July 1, 2023 provided such rate does not exceed the rate as may be notified by the Government.
6. The income tax deducted shall be increased by applicable surcharge and health and education cess.
7. In accordance with and subject to the provisions of Section 196D(2) of the IT Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs referred to in section 115AD.
8. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the IT Act.

**III. TO MUTUAL FUNDS**

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10 (23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

**IV. TO SPECIFIED FUNDS ("SPECIFIED FUND" AS DEFINED UNDER SECTION 10(4D) OF THE IT ACT)**

The income of Specified Funds is taxable for the year beginning April 1, 2020, to the extent attributable to units held by non-resident (not

being a permanent establishment of a non-resident in India), and in accordance with and subject to the provisions of Section 115AD of the IT Act, as under:

a) The interest income earned are chargeable to tax at the rate of 10%;

b) long term capital gains on transfer of debentures to the specified extent are taxable at 10% (benefit of provisions of the first proviso of section 48 of the IT Act will not apply); and

c) Short-term capital gains are taxable at 30%.

Further, where any income in respect of NCD is payable to Specified Funds, tax shall be deducted at the rate of 10% on the income other than exempt under section 10(4D) with effect from November 1, 2020 as per Section 196D of the IT Act.

The income tax deducted shall be increased by applicable surcharge and health and education cess.

**V. REQUIREMENTS TO FURNISH PAN/FILING OF RETURNS UNDER THE IT ACT**

**1. SEC. 139A (5A):**

Section 139A (5A) requires every person from whom income tax has been deducted at source under chapter XVII – B of the IT Act to furnish his PAN to the person responsible for deduction of tax at source.

2. **SEC. 206AA**:

a) Section 206AA of the IT Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:

(i) at the rate specified in the relevant provision of the IT Act; or

(ii) at the rate or rates in force; or

(iii) at the rate of twenty per cent.

b) A declaration under Section 197A (1) or 197A (1A) or 197A (1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.

c) Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (a) above will apply.

d) As per Rule 37BC, the higher rate under section 206AA shall not apply to a non resident, not being a company, or to a foreign company, in respect of payment of interest, if the non-resident deductee furnishes the prescribed details inter alia TRC and Tax Identification Number (TIN).

**NOTES FORMING PART OF STATEMENT OF TAX BENEFITS**

1. 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 debenture/bonds.

2. The above statement covers only certain relevant benefits under the IT Act and does not cover benefits under any other law.

3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2026-27 (Financial year 2025-26) and taking into account the amendments made by the Finance Act, 2025.

4. This statement is intended only to provide general information to the Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each debenture Holder is advised to consult his/her/its own tax advisor with respect to specific consequences of his/her/its holding in the debentures of the Company.

5. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to Chapter X and Chapter XA of the IT Act.

6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.

7. 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 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.

## SECTION IV - ABOUT OUR COMPANY

## INDUSTRY OVERVIEW

*The Information under this section has been derived from the industry report titled "Organised gold loan AUM projected to reach Rs. 15 trillion in FY2026; banks continue to increase share" dated October 08, 2025 , "GDP growth jumped to 8.2% in Q2 FY2026, led by higher-than-expected growth in services; FY2026 forecast now pegged at 7.4%" dated November 28, 2025 and "Reduction in GST rates to boost domestic demand and offset global uncertainties" dated October 31, 2025, prepared and issued by ICRA in an "as is where is basis" and the information in this section has not been independently verified by the Company, the Lead Manager, our Legal Counsel or any of their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources they believe to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in this Draft Prospectus.*

### 1. Overview of Indian Economy

India's year-on-year (YoY) GDP growth unexpectedly rose to a six-quarter high of 8.2% in Q2 FY2026 from 7.8% in Q1 FY2026, in contrast with the expectation of a slowdown (ICRA P: +7.0%). The upside surprise was largely driven by the services sector (+9.2%), amid higher-than-anticipated prints for the public administration, defence and other services (PADOS; +9.7%; likely led by health, education, recreation and other personal services) and financial, real estate and professional services (FRP; +10.2%) segments, even as growth in the industrial and agricultural segments was in line with expectations. On the expenditure side, private final consumption expenditure (PFCE; 7.9%) was the only component that saw an acceleration in growth in Q2 vis-à-vis Q1; besides, all components grew at a slower pace than GDP, while discrepancies reported a turnaround compared to the year ago levels. Looking ahead, an adverse base, the potential negative impact of US tariffs and limited headroom for capital spending by the Government of India (GoI; vs. the FY2026 Budget Estimates) may dampen the pace of growth from the robust 8.0% seen in H1 FY2026. Nevertheless, the FY2026 real GDP expansion now appears set to print at ~7.4%.

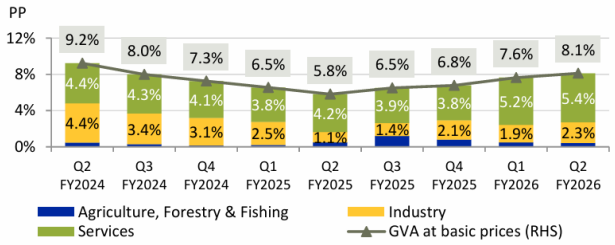
- **GDP accelerated by 8.2% YoY in Q2 FY2026:** India's YoY GDP expansion improved to a higher-than-expected 8.2% in Q2 FY2026 from 7.8% in Q1. This was led by an acceleration in the PFCE growth (to +7.9% from +7.0%), even as government final consumption expenditure (GFCE; to -2.7% from +7.4%) contracted and growth in gross fixed capital formation (GFCF; to +7.3% from +7.8%) eased. Moreover, there was a turnaround in discrepancies (to +3.3% of GDP in Q2 FY2026 from -0.5% of GDP in Q2 FY2025) in Q2 FY2026 compared to the year ago levels.

- **Services led to higher-than-expected GVA growth:** The YoY growth in GVA surged to 8.1% in Q2 FY2026 from 7.6% in Q1 FY2026, entirely led by industrial sector (to +7.7% from +6.3%, led by manufacturing), even as growth eased marginally in services (to +9.2% in Q2 FY2026 from +9.3% in Q1) and agriculture, forestry and fishing (to +3.5% from +3.7%). Nevertheless, services GVA growth for Q2 surpassed expectations, led by the FRP and PADOS segments.

- **GDP growth to print at ~7.4% in FY2026:** Headwinds on account of an adverse base, the potential negative impact of US tariffs and limited headroom for capital spending by the GoI (vs. FY2026 Budget Estimates) would moderate the pace of GDP growth from 8.0% seen in H1 FY2026. Nevertheless, the FY2026 real GDP expansion now appears set to print at ~7.4% (+6.5% in FY2025), given the sharper-than-expected growth print seen in Q2 FY2026.

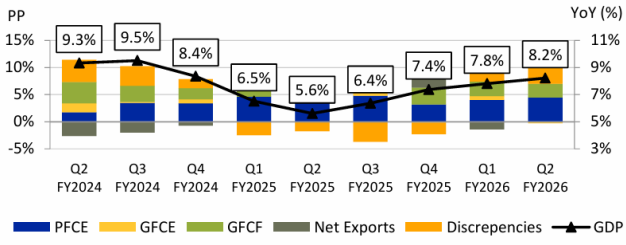
### 2. Macroeconomic trends | GDP growth spiked to a 6-quarter high 8.2% in Q2 FY2026, belying expectations

**EXHIBIT: Contribution of GVA components**




*Source: NSO; CEIC; ICRA Research*

**EXHIBIT: Contribution of GDP components**




*PFCE: Private Final Consumption Expenditure; GFCE: Government Final Consumption Expenditure; GFCF: Gross Fixed Capital Formation; Source: NSO; CEIC; ICRA Research*

The YoY growth in GVA at basic prices unexpectedly surged to an eight-quarter high of 8.1% in Q2 FY2026 from 7.6% in Q1 FY2026, belying expectations of a sequential slowdown (ICRA exp: +7.1%) based on the available high frequency indicators. This was entirely led by the services sector (at +9.2% in Q2 FY2026), with the PADOS (+9.7%) and FRP (nine-quarter high +10.2%) segments witnessing significantly higher-than-expected growth prints in Q2 FY2026. The pace of expansion in the GVA of agriculture, forestry and fishing (+3.5%) and industry (+7.7%) was largely along expected lines. In terms of contribution, services accounted for a sizeable 5.4 percentage points (pp) of the 8.1% GVA growth in Q2 FY2026, followed by 2.3 pp and 0.4 pp from industry and agriculture, respectively.

The YoY GDP expansion was pegged at a six-quarter high of 8.2% in Q2 FY2026, up from 7.8% in Q1 FY2026, and sharply exceeding ICRA's expectations (+7.0%). Notably, PFCE (to +7.9% from +7.0%) was the only component on the expenditure side that witnessed an acceleration in growth in Q2 FY2026 vs. Q1. In contrast, the YoY performance of GFCE (to -2.7% from +7.4%) and GFCF (to +7.3% from +7.8%) deteriorated between these quarters. Besides, the discrepancy figure saw a turnaround (to +3.3% of GDP in Q2 from +2.3% of GDP in Q1 and -0.5% of GDP in Q2 FY2025) suggesting subsequent revisions. Overall, PFCE contributed 4.5 pp to the 8.2% GDP growth in Q2 FY2026, followed by GFCF (2.5 pp) and exports (1.2 pp), while GFCE exerted a drag of 0.2 pp.

The wedge between the GDP and GVA growth remained in the positive territory for the third consecutive quarter, printing at (+) 11 bps in Q2 FY2026, compared to (+) 18 bps in Q1 FY2026, reflecting the slowdown in net indirect tax growth (to +9.5% from +10.3%). In nominal terms, the growth in net indirect taxes on products dipped to 8.6% in Q2 FY2026 from 9.5% in Q1. This was driven by the narrowing in the contraction in Centre's subsidy outgo (-4.6% in Q2 FY2026 vs. -7.3% in Q1 FY2026) as well as the decline in the GoI's indirect taxes (to -5.2% from +11.3%).

The industrial GVA growth improved to a five-quarter high of 7.7% in Q2 FY2026 (+3.8% in Q2 FY2025) from 6.3% in Q1 FY2026 (+8.5% in Q1 FY2025), partly aided by a low base as well as inventory stocking ahead of the GST rate cut and festive season. Moreover, this was in line with the uptick in the industrial volume growth to a four-quarter high of 4.1% in Q2 FY2026 from 2.0% in Q1 (as per the IIP data). The manufacturing GVA growth jumped to a six-quarter high of 9.1% in Q2 FY2026 (+2.2% in Q2 FY2025) from 7.7% in Q1 FY2026 (+7.6% in Q1 FY2025), which stood in line with the improvement in such volumes (to a seven-quarter high +4.9% from +3.3%; led by consumer durables segment, as per the IIP data). While the above-normal rainfall seen during the Southwest Monsoon season curtailed the YoY performance of the mining and quarrying (to -0.04% in Q2 FY2026 from -3.1% in Q1 FY2026, in line with the IIP data) and electricity (to +4.4% from +0.5%) segments, this was much better than that seen in Q1, aided by a low base, as witnessed in the IIP volume trends. In contrast, the YoY growth in the construction GVA dipped to 7.2% from 7.6% between these quarters, while printing above the 7.0% mark for the 12th consecutive quarter.

**Outlook for FY2026 | GDP growth appears set to print at ~7.4% in FY2026**

Outlook for rural consumption remains upbeat supported by healthy agri output, elevated reservoir levels, GST rate cut-led demand boost. The total kharif foodgrain output is estimated to rise by 2.3% YoY to a record-high of 173 MT as per the 1st AE for 2025-26, largely led by rice and coarse cereals, despite the impact of excess rainfall. All-India reservoir storage remained elevated at 89% of the live capacity at FRL as on Nov 20, 2025, exceeding the year-ago (83% of FRL) and historical (73% of

FRL) levels. On the demand side, domestic tractor (+13.7%) and 2Ws (+52.0%) retail volumes saw a robust YoY growth in October 2025, boosted by the GST rate cuts as well as festive season demand.

Average daily UPI transactions rose to Rs. 913 billion/day in Nov 2025 (till Nov 18) from Rs. 880 billion/day in Oct 2025, led by the GST rate cuts as well as festive/year-end discounts across most e-commerce platforms. Incremental non-food bank credit stood at a robust Rs. 11.1 trillion as on Oct 31, 2025 (Rs. 9.8 trillion as on Nov 1, 2024); GST cut led boost in economic activity likely spurred demand for retail loans leading to this surge. CPI inflation is expected to slump to 2.2% in FY2026, led by a sharp dip in food inflation; this along with the rate cuts by the MPC would support urban consumption.

**EXHIBIT: GDP and Final Expenditures (YoY Growth, Constant 2011-12 Prices)**

| | Q1 FY2025 | Q2 FY2025 | Q3 FY2025 | Q4 FY2025 | Q1 FY2026 | Q2 FY2026 | FY2023 SRE | FY2024 FRE | FY2025 PE |
|---|---|---|---|---|---|---|---|---|---|
| **GDP** | **6.5%** | **5.6%** | **6.4%** | **7.4%** | **7.8%** | **8.2%** | **7.6%** | **9.2%** | **6.5%** |
| **PFCE** | 8.3% | 6.4% | 8.1% | 6.0% | 7.0% | 7.9% | 7.5% | 5.6% | 7.2% |
| **GFCE** | -0.3% | 4.3% | 9.3% | -1.8% | 7.4% | -2.7% | 4.3% | 8.1% | 2.3% |
| **Exports** | 8.3% | 3.0% | 10.8% | 3.9% | 6.3% | 5.6% | 10.3% | 2.2% | 6.3% |
| **Imports** | -1.6% | 1.0% | -2.1% | -12.7% | 10.9% | 12.8% | 8.9% | 13.8% | -3.7% |
| **Gross Capital Formation** | 6.2% | 7.7% | 4.9% | 7.8% | 7.3% | 5.1% | 7.6% | 10.5% | 6.7% |
| **GFCF** | 6.7% | 6.7% | 5.2% | 9.4% | 7.8% | 7.3% | 8.4% | 8.8% | 7.1% |
| **Change in Stocks** | 7.5% | 2.1% | 3.5% | 4.8% | 5.9% | 7.4% | 24.3% | 53.4% | 4.5% |
| **Valuables** | -23.1% | 25.8% | -0.5% | -29.8% | -22.5% | -22.7% | -16.9% | 14.4% | 0.6% |

*SRE: Second Revised Estimates; FRE: First Revised Estimates; PE: Provisional Estimates; Source: NSO; CEIC; ICRA Research*

## 3. Banking sector trends | Credit accretion in Q1 FY2026 weakest since Q2 FY2022

**Exhibit: Banking system liquidity***

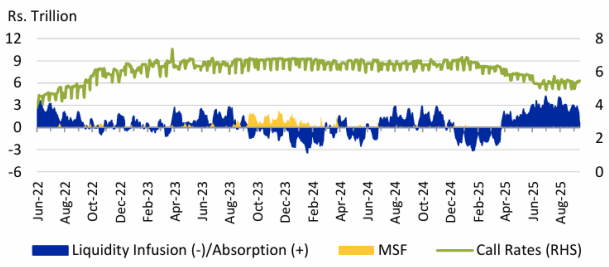
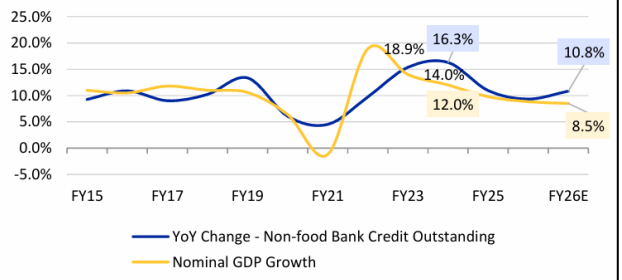



**Exhibit: Trend in GDP growth and banking sector credit growth**




*Source: RBI, CEIC, ICRA Research; *As on September 17, 2025*

The average systemic liquidity surplus rose appreciably from +0.7% of net demand and time liabilities (NDTL) in April-May 2025 to +1.2% of NDTL in June 2025, and further to +1.3% of NDTL in July 2025, owing to several measures taken by the RBI to improve liquidity conditions and on account of slower credit growth. Thereafter, it surged to +1.6% of NDTL in the first week of August 2025, owing to an uptick in government spending, before easing in the rest of the month amid the seasonal increase in demand for cash during the festive season, and advance tax payments.

The 100-bps CRR cut to 3.00% of NDTL in a staggered manner between early September 2025 and November-end 2025 is expected to pump in durable liquidity to the tune of Rs. 2.5 trillion during the busy season. The projected banking sector credit growth of 10.4-11.3% looks satisfactory when seen in comparison to the projected GDP growth of 8.5% in FY2026.

## 4. NBFC-Retail Sector Outlook | AUM to cross Rs. 30 trillion in FY2027

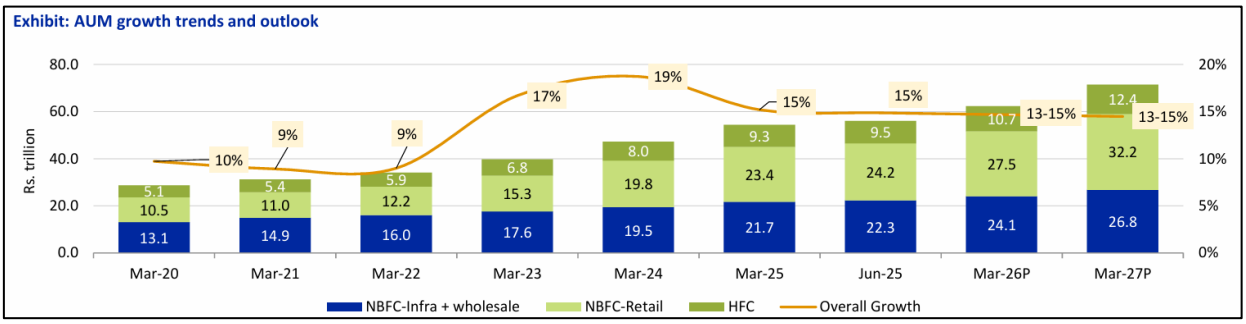
The Retail AUM of NBFCs (NBFC-Retail; excluding HFCs) expanded at 17% YoY in Q1 FY2026, persisting with the declining trend over the past two years. Sectoral credit growth would continue to be impacted with entities having turned cautious on the back of asset quality pressures. Further, global macroeconomic uncertainties, have added to the downward pressure on growth. In this context, the recent goods and services tax (GST) rate cuts would go a long way in buttressing consumer demand, thereby supporting the AUM growth. Overall, ICRA expects the NBFC-Retail segment to grow at a moderate pace of 16-18% in FY2026.

Asset quality risks remain elevated, impacted by the fast-paced growth of the earlier years. Write-offs increased significantly in FY2025 and would continue to be elevated in FY2026 as well, as entities prefer to accelerate their technical write-offs to keep delinquencies under control. Despite the same, headline delinquencies in the NBFC-Retail segment would continue to weaken, rising by 10-30 bps in FY2026. Meaningful divergence would be seen with the credit costs of unsecured segments rising higher than the secured segments, driven by borrower overleveraging and weakening of borrower credit profiles.

Incremental funding (over and above the refinancing of maturing debt) from the banking sector was negative in 5M FY2026. Consequently, entities had to rely on funding from other sources such as market issuances, external commercial borrowings (ECB), and securitisation. In FY2026, the funding requirements for the NBFC Retail segment is estimated at Rs. 3.4-3.5 trillion. Banking sector credit to the NBFCs may improve towards the second half of FY2026, with the improvement in liquidity conditions. Overall, ICRA expects the weighted average CoF4 to reduce by 10-30 bps in FY2026.

Net profitability of NBFCs would moderate in FY2026, though to a smaller extent vis-à-vis FY2025, as credit costs will remain elevated. The sector would receive some support from a modest improvement in interest margins on the back of favourable movement in CoF, as operating costs remain stable. The sectoral capitalisation profile is adequate to absorb any asset quality shocks and support the projected AUM growth in the near term. Some entities with significant credit losses may, however, need to raise 'confidence capital' to boost lender and other stakeholder confidence.

**Exhibit: AUM growth trends and outlook**



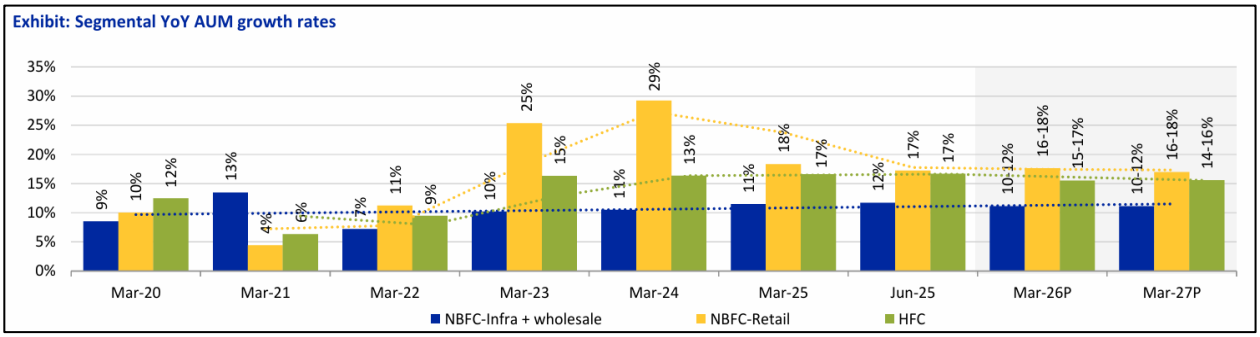

The AUM of the overall NBFC sector (including HFCs) crossed a significant milestone of Rs. 50 trillion in FY2025. Within the NBFC sector, NBFC-Retail continues to be the fastest growing segment and is forecasted to cross Rs. 30 trillion in FY2027. Overall, the NBFCs would continue to sustain their growth at a significantly faster pace compared to the banking sector, thereby increasing their share of the overall credit in the domestic market. The sector continues to be plagued by headwinds arising from deteriorating asset quality performance; consequently, growth continued to be at significantly moderated levels of 15% YoY in Q1 FY2026 and is expected to remain at about 13-15% YoY in FY2026 and FY2027.

Incremental impact, if any, to the domestic economic activity on account of 'tariff wars' and other global uncertainties could accentuate further downside risks to the growth projections in the near term. Although the recent GST rationalisation by the GoI could push consumer demand and provide some support to the credit growth. On a segment-wise basis, NBFC-Retail is expected to grow at a slightly slower pace of 16-18% in FY2026, down from the 18% YoY in FY2025. Growth in NBFC-HFCs1 would also moderate slightly to 15-17% in FY2026 from 17% YoY in FY2025 while the NBFC-Infra2 sector would remain stable with 10-12% growth during this period.

ICRA expects the growth to be moderate in FY2026 as well with the AUM projected to expand by 13-15% YoY; incremental impact, if any, to domestic economic activity on account of prevalent global uncertainties could accentuate further downside risks to the growth projections in the near term. On a segment-wise basis, NBFC-Retail is expected to grow at a slightly slower

pace of 16-18% in FY2026, down from the estimated 18% in FY2025. Growth in NBFC-HFCs would also moderate slightly to 13-15% in FY2026 from 15% estimated in FY2025. The NBFC-Infra sector is estimated to remain stable with 10-12% growth during this period.

**GST rate cuts to bolster demand while asset quality concerns to remain a drag on near term NBFC-Retail growth**




The recent GST rate cuts is anticipated to spur domestic demand in H2 FY2026 and would partly offset the tariff impact on exports in certain industries. As such, ICRA expects the rate cutes to be a countervailing support which would sustain the domestic economic activity and systemic credit expansion in the near term. This is likely to stimulate credit demand for private capital expenditure while also boosting retail consumption, thereby supporting credit expansion in the retail segment. However, persistent uncertainties around tariffs and concerns over asset quality are likely to keep the sector cautious.

Consequent to the strong growth in the past few years, concerns on asset quality performance emerged in segments such as PL-CL1, MFI2, SME3 during FY2025; these segments continue to remain under pressure in the current year as well. While the growth started moderating on the back of the regulatory actions and tightening liquidity conditions, asset quality concerns have come to the forefront for the entities in the sector and would continue to have a dampening impact on the growth in the current year.

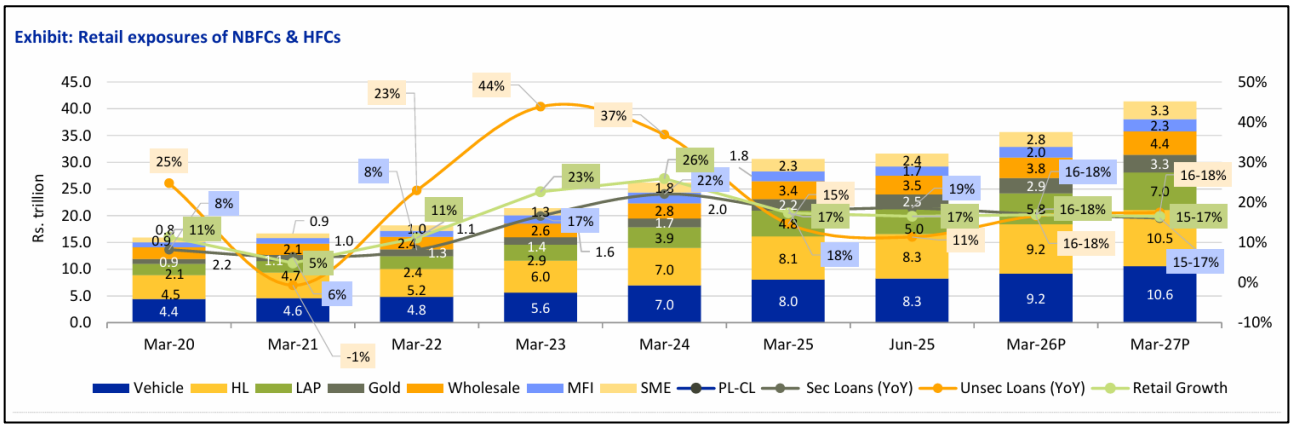
Some of the systemic constraints for the NBFC sector growth have eased in FY2026, including a reduction in the risk weights for bank credit to the NBFCs back to earlier levels, easing interest rates scenario on the back of reduction in the policy rates, etc. These are likely to provide some support to the NBFC sector notwithstanding the other challenges.

## 5. Growth | Asset quality concerns to be a drag on NBFC-Retail growth in the near term

Asset quality of the NBFCs has been under pressure over the last one year, with slippages increasing across most segments. Entities have preferred to undertake accelerated technical write-offs to maintain the quantum of stressed loans on-b/s under control. As such, while delinquencies have slowly inched up, the overall headline sectoral delinquencies remained controlled during this period. Unsecured segments such as microfinance, unsecured/quasi-secured SME loans, and PL/CL have been the most impacted. Secured segments such as vehicle financing and LAP are also witnessing moderate increases in delinquencies, especially in cases where borrower profiles overlap with the unsecured segments resulting in overleveraging of these borrowers at the household level. Overall, ICRA expects the delinquencies in the sector to increase by 10-30 bps in FY2026.

The HFC GS3s have been on a steadily declining trend over the past few years. Given the relatively moderate and steady sectoral growth for HFCs, the asset quality is less impacted by seasoning-related concerns, especially in the prime home loans. However, ICRA notes that the asset mix in the sector has been on a gradual shift as the share of affordable housing (with modest customer risk profiles) has been on the rise; this segment could face some portfolio seasoning related impact, given the relatively higher pace of growth. Consequently, ICRA expects a modest increase in the overall sectoral GS3s from the current levels in FY2026

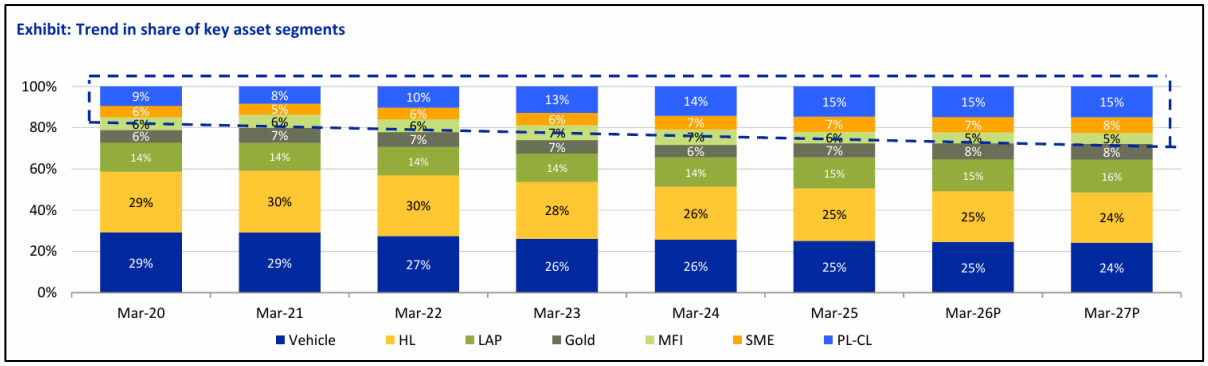
## 6. Growth| Gap in growth rates of secured and unsecured segments has narrowed down significantly




The NBFC+HFC retail exposure expanded by about 17% in Q1 FY2026 to about Rs. 33 trillion, pushing up its share to 59% by June 2025, up from 56% a year ago. Further, the retail share is expected to reach 60% by March 2026, a jump of 10% points over the last decade (i.e. from 50% as of March 2017). The growth in NBFC-Infra and other wholesale exposures has been at a moderate pace over the last many years.

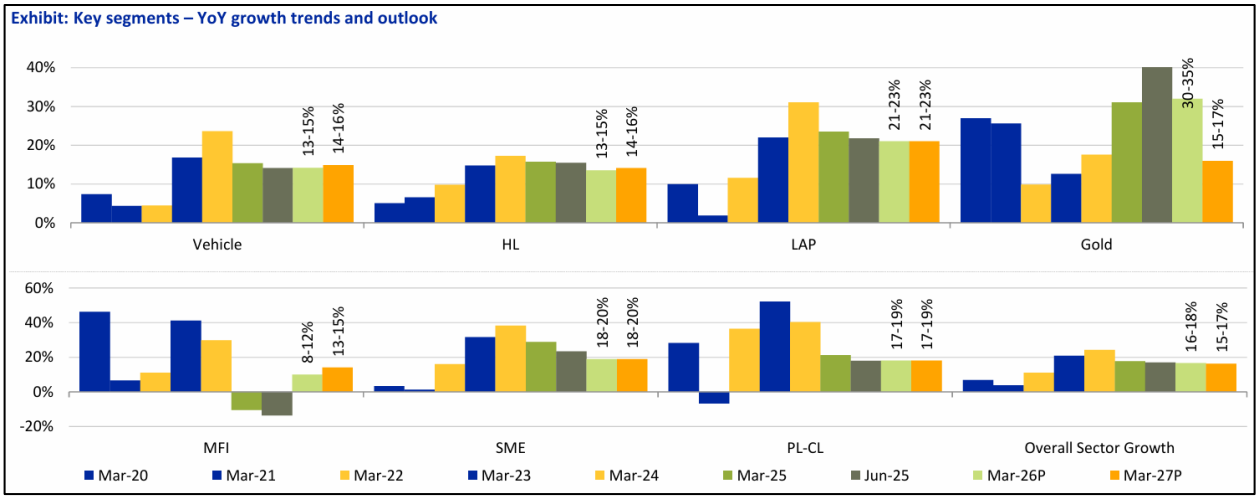
It may also be noted that secured loans have grown at a relatively more moderate pace vis-à-vis unsecured loans during most years, though the gap in growth between the two segments has typically narrowed down under tight operating conditions. The same trend was seen in FY2025 and is expected to remain in FY2026 as well, given the persisting asset quality challenges that the unsecured loans segment is currently facing.

**7. Growth | Unsecured loans constitute more than a quarter of the NBFC-Retail AUM**



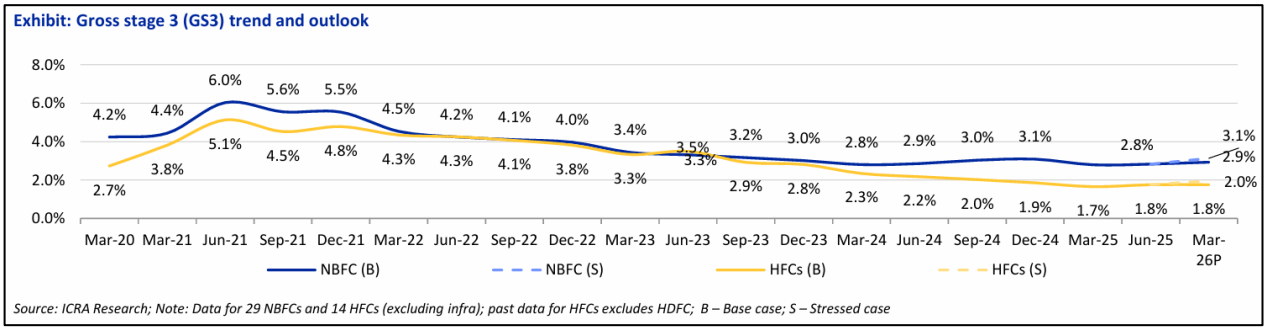

A sharp slowdown in growth of unsecured segments such as microfinance, and personal/ consumption loans is being seen over the last one year and is expected to continue in the near term as well. Microfinance, personal/ consumption loans and segments of SME loans are facing asset quality stress currently and consequently have tightened their underwriting/ disbursements. Further, personal/ consumption loans have also continued to face stress as the various recent regulatory scrutiny measures are impacting the capital and funding availability for entities in this segment. This has resulted in a downward pressure on growth in the unsecured segment; however, given that the growth in the secured segments has also moderated, the overall share of unsecured segments would remain stable in the near term.

**8. Growth| Segment-wise outlook for NBFC-Retail (excluding HFCs)**




Growth in the gold loan segment would remain robust amid rising gold prices; growth in other segments would moderate vis-à-vis the previous year.

## 9. Asset Quality| NBFC delinquencies to rise in the near term

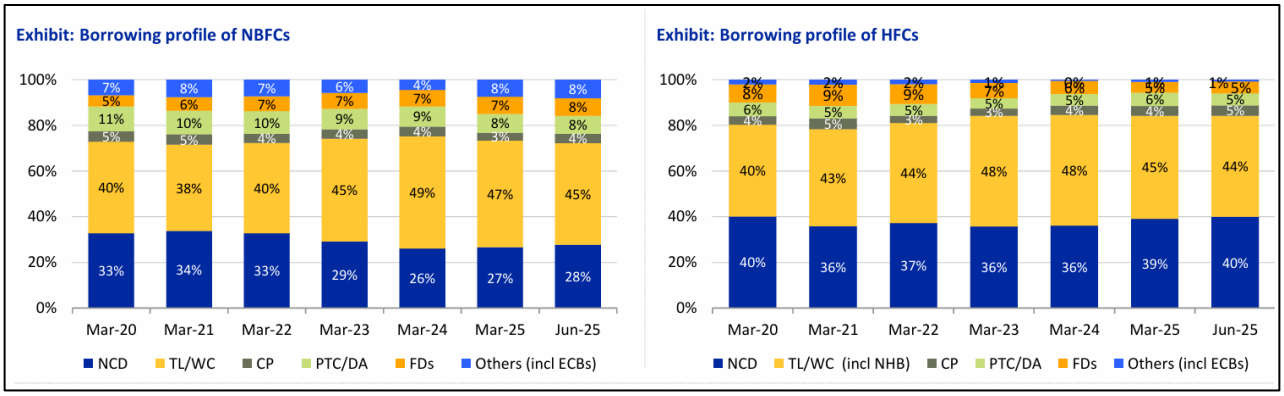



*Source: ICRA Research; Note: Data for 29 NBFCs and 14 HFCs (excluding infra); past data for HFCs excludes HDFC; B – Base case; S – Stressed case*

Asset quality of the NBFCs came under pressure in FY2025, with delinquencies steadily inching up across most segments. However, there was some improvement in the headline asset quality metrics in Q4 FY2025, as entities preferred to undertake accelerated technical write-offs to maintain their delinquencies on-b/s under control. Notwithstanding this, ICRA expects the slippages in the sector to continue to remain elevated in the near term, especially in unsecured segments such as microfinance, unsecured/quasi-secured SME loans, and PL/CL. Secured segments such as vehicle financing, LAP, etc. would also continue to see moderate increases in delinquencies, as the asset quality performance in these segments normalizes after a robust performance in the post-pandemic period. Further, ICRA believes that certain borrower segments in secured asset classes such as small-ticket LAP, commercial vehicles, 2W/3W loans, etc. could also have increased asset quality risks, given the significant overlap of various secured and unsecured loans seen at the household level, which has resulted in overleveraging of these borrowers. Overall, ICRA expects the delinquencies in the sector to increase by 10-30 bps in FY2026.

The HFC GS3s have been on a steadily declining trend, coming down below the pre-pandemic levels recently. Given the relatively moderate and steady sectoral growth for HFCs, the asset quality is less impacted by seasoning-related concerns, especially in the prime home loans. However, ICRA notes that the asset mix in the sector has been on a gradual shift as the share of affordable housing (with modest customer risk profiles) has been on the rise; this segment could face some portfolio seasoning-related impact, given the relatively higher pace of growth. Consequently, ICRA expects a modest increase in the overall sectoral GS3s from the current levels in FY2026.

## 10. Funding | Banks remain the largest lenders to the sector

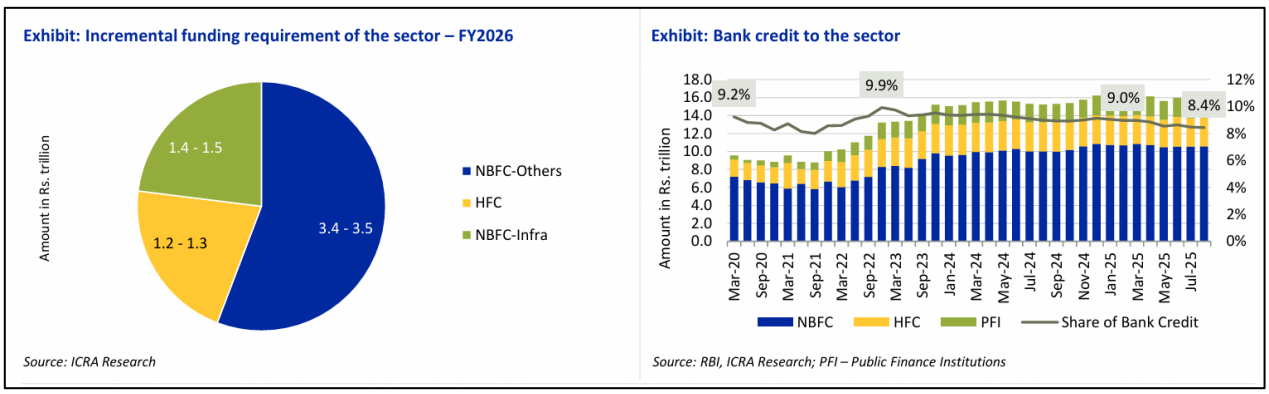



Direct bank funding remains the largest source of borrowing for the sector; however, incremental credit flows to NBFCs from the banking system have continued to remain tight resulting in the share of the same dropping successively in FY2025 as well as Q1 FY2026. NBFCs have resorted to fund-raising from other sources. Share of funding through NCDs is continuing to expand from the lows seen during FY2024. Funding through the ECBs has also increased as entities looked for other alternative sources.

The NBFCs with deposit licence have also steadily increased the funding from this avenue over the past few years. Share of short-term funding (commercial papers) has gradually reduced over the period.

As of June 2025, direct funding from banks (via term loans and working capital facilities) constituted slightly less than half of the overall funding profile of the sector. In addition, banks also take exposures via investments in the NCDs/ commercial papers (CP), securitisation (direct assignment/ PTCs#), and ECBs of entities. Overall, direct and indirect funding from banks total to around 65-70% of the overall funding profile of the sector (excluding NBFC-Infra).

## 11. Funding | Sizeable incremental funding needs to meet base growth expectations

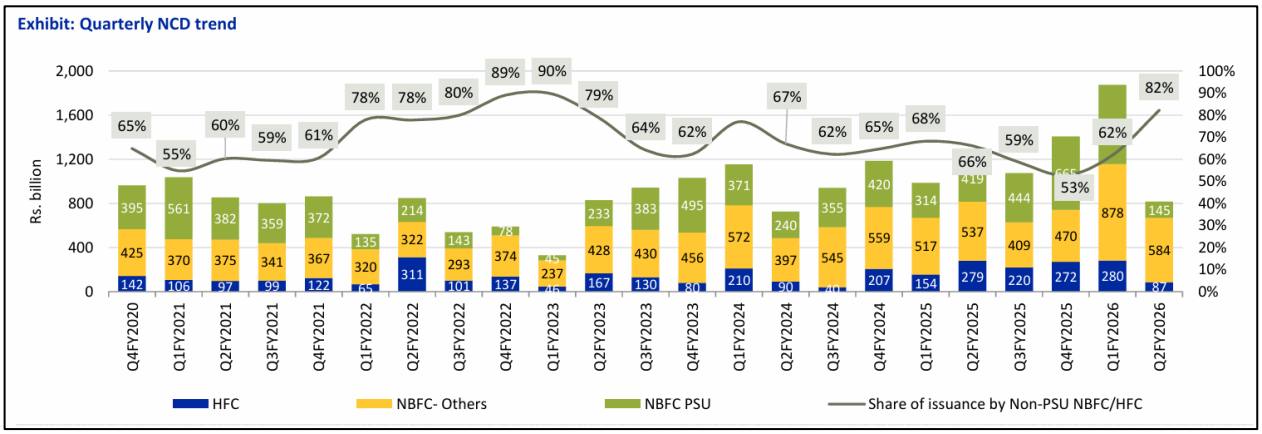



Bank credit to the sector continued to remain tight in 5M FY2026, with the overall credit to the sector declining to 8.4% as of August 2025 vis-à-vis the peak of 9.9% couple of years earlier. The risk weights for bank lending to NBFCs were also reduced back to 100% from 125% in April 2025. the regulator has also taken measures to increase the overall systemic liquidity conditions. These measures are expected to provide some support to the incremental banking sector credit to NBFCs during H2 FY2026.

The overall banking sector credit growth is projected to be about 10.4-11.3% for FY2026. Deposit mobilisation has eased somewhat in recent months; however, the overall repricing of the deposits would be elongated, restricting the ability of banks from lowering their lending rates significantly to NBFCs in the near term. Incremental direct lending from banks is expected to recover in FY2026 to about 1.3-1.5 trillion, somewhat normalising from the Rs. 0.9 trillion seen in FY2025. This would be about 22% of the total base case incremental funding requirements of the sector in FY2026, vis-à-vis having met an estimated 17% of incremental funding requirements in FY2025 via direct lending. Funding through external commercial borrowings

(ECBs) is likely to slow down in FY2026, though Bond/NCD issuances (net of repayments) are likely to be robust while securitisation would maintain their momentum.

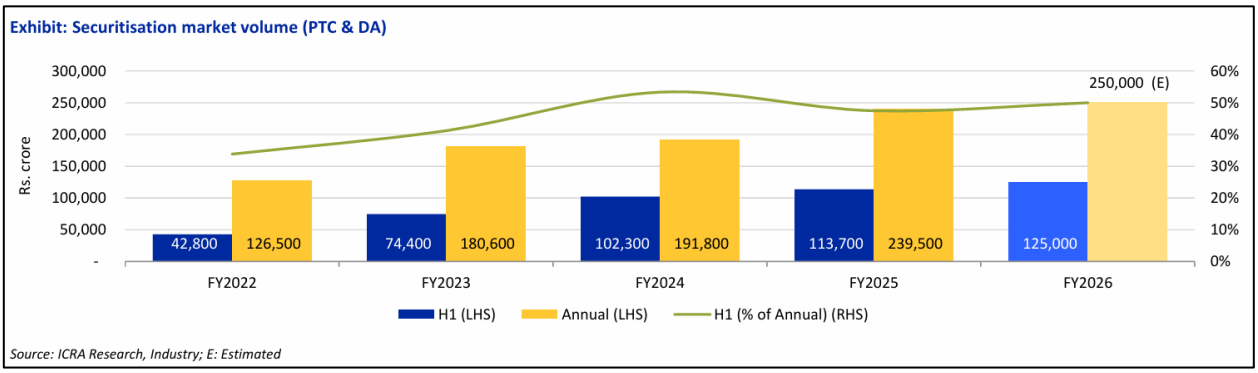
**12. Funding | NCD issuances drop significantly in Q2 FY2026 as yields harden**




The NCD issuances more than halved in Q2 FY2026 to about 0.8 trillion vis-à-vis the previous quarter when volumes had reached an all-time high of about Rs. 1.9 trillion. Entities took advantage of the significant softening of yields during Q1 FY2026 and advanced their borrowings to an extent, resulting in all-time-high issuance volumes during the quarter. However, during Q2 FY2026, the yield curve steepened significantly as the RBI changed its monetary stance from accommodative to neutral, with probability of further rate cuts receding. Looking ahead, incremental NCD issuances would significantly depend on the credit flows from the banking sector. If the bank funding continues to remain tight, NCD issuances would witness a pick-up in the rest of FY2026.

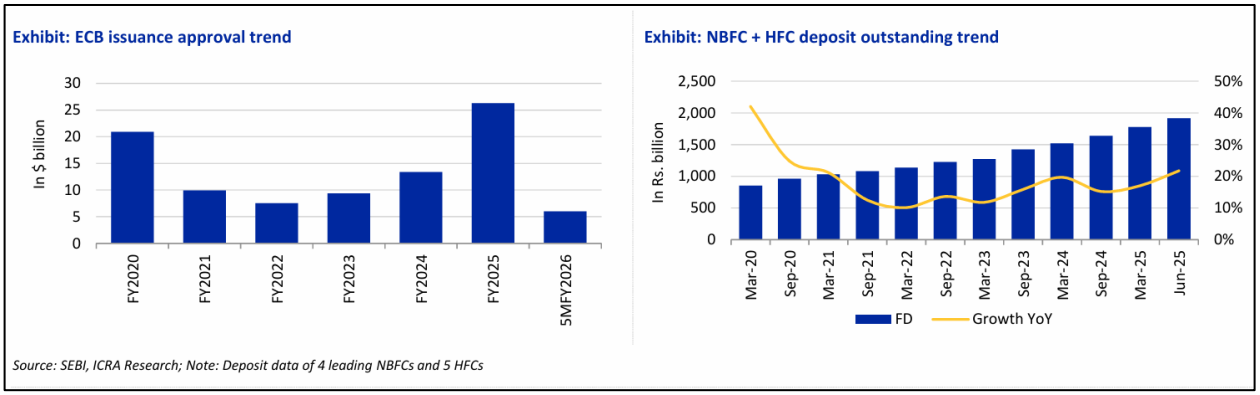
*Source: AIMIN, ICRA Research; Note: Past data excludes HDFC; Note: NBFC PSU refers to public sector undertakings within the NBFC sector; NBFC-Others refers to all NBFCs other than NBFC PSUs*

**13. Funding | Securitisation volumes from NBFCs witness YoY growth**




As per ICRA's estimates, the overall securitisation volumes grew by approximately 10% YoY, reaching Rs. 1.25 lakh crore in H1 FY2026. While significant activity by one large bank had contributed to volumes of H1 FY2025, volumes in H1 FY2026 can be attributed to a few large corporate transactions. Securitisation of NBFCs and HFCs, which have traditionally been key originators, increased to Rs. 98,400 crore in H1 FY2026 from Rs. 83,000 crore in H1 FY2025. Q2 FY2026 registered about a 45% increase over Q1 FY2026, largely due to few large ticket corporate transactions. The QoQ growth was around 8% for NBFCs and HFCs. Despite high volumes in H1 FY2026, ICRA maintains its annual volume projection at Rs. 2.5 trillion for FY2026, as corporate transactions are not expected to be repeated in H2 FY2026. Further due to partial normalisation of CD ratio for banks, their participation is expected to remain low.

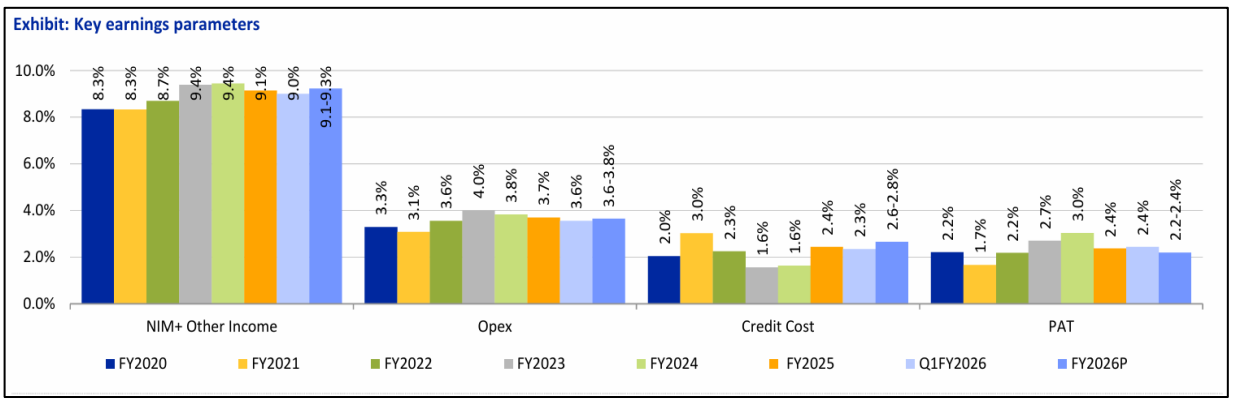
**14. Funding | ECB approvals in 5M FY2026 declined after a buoyant FY2025**




During the current year, the environment has been relatively less conducive for entities to go for ECB funding, given the significant volatility in the exchange rates which has pushed up the hedging costs. In the domestic markets, liquidity pressures have eased and yields were on a falling trend till Q1 FY2026 on the back of the successive rate actions from the RBI. This drove a shift in preference toward INR-denominated funding over foreign currency borrowings during 5M FY2026. While the domestic yields somewhat hardened during Q2 FY2026, the same was not sufficient to incentivize the entities to go for ECB funding during the quarter. In the previous year, tighter liquidity conditions in the domestic banking system prompted the surge in ECB approvals; as such, ECB issuances by the NBFCs in FY2025 were at an all-time high.

Deposits have become an attractive source of funding for entities with deposit mobilisation licence, especially when the sector faced tight funding scenario from other sources in the previous year. Over the past two years, deposit mobilisation has happened consistently at a faster pace than the overall sectoral growth, resulting in an increasing share of NBFC funding from deposits.

## 15. Earnings| NBFCs' profitability trend and outlook

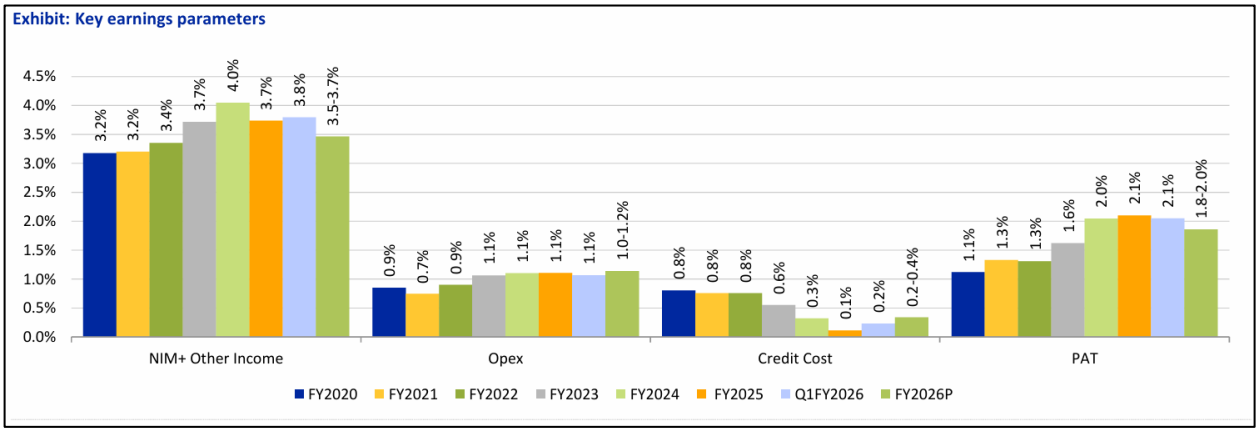



The net interest margin (NIM) of the NBFCs could witness a slight increase in FY2026 on the back of an improvement in the CoF of entities, given that the NBFCs typically lend on fixed rates. However, the extent of NIM expansion is likely be restricted as the share of higher-yielding products (predominantly the unsecured segment) could witness some moderation on the back of asset quality concerns.

Operating costs are expected to remain range-bound in the current year. However, it may be noted that they're higher than long-term averages as the share of smaller tickets and unsecured loans, which have relatively higher operational requirements, increased in recent years. However, credit costs would continue to remain at elevated levels in FY2026, as entities continued to be weighed down by asset quality concerns. Overall, the net profitability of the NBFCs is expected to moderate slightly in FY2026.

*Source: ICRA Research; P – Projected, based on ICRA's sample set companies: 29 NBFCs (non-Infra); ratios are on average managed assets (AMA) basis*

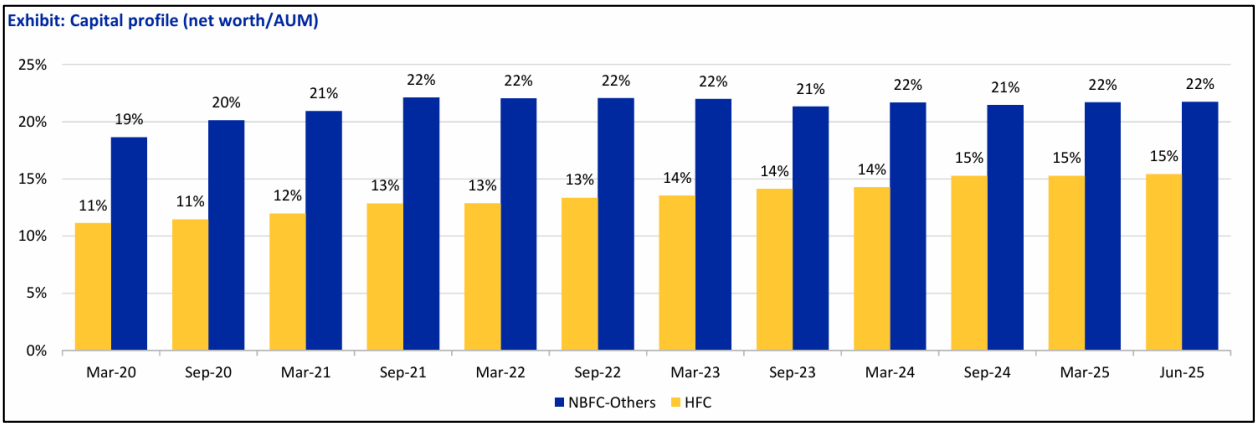
## 16. Earnings| Profitability trend and outlook for HFCs




The HFCs margins remained rangebound in Q1 FY2026, as entities were yet to pass on the rate cut benefits to their borrowers. However, the margins could contract to an extent during the rest of FY2026 once the rate cuts commence. ICRA notes the significant competitive pressures in the segment. The HFCs would witness a relatively stable operating cost in the current year. However, some uptick in credit costs could be expected as asset quality performance normalises from the robust levels seen in the previous year. This would moderate the overall profitability performance to some extent in the near term.

*Source: ICRA Research; P – Projected; based on ICRA sample set of 13 HFCs (excl. HDFC & PCHFL and SCL); ratios are calculated on an average managed assets basis*

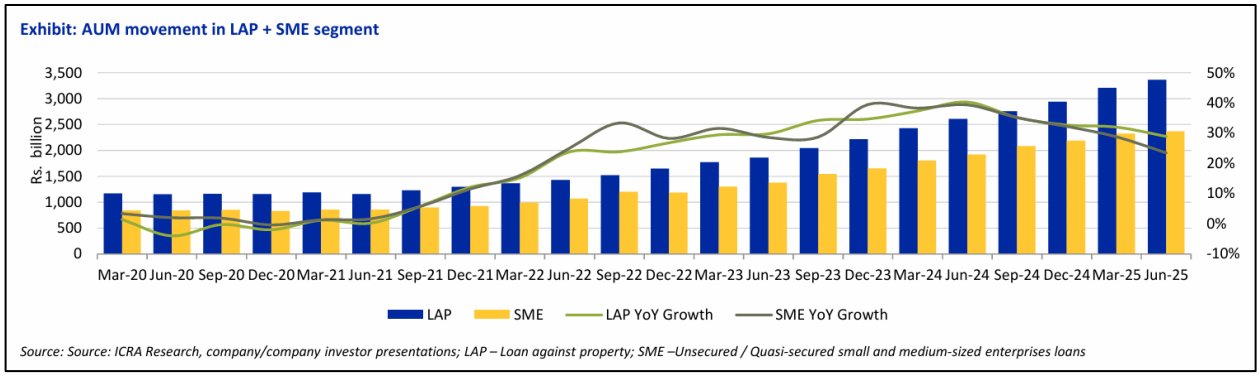
## 17. Capitalisation | Capital profile remains adequate




Capital profile for both the NBFCs (non-Infra) and the HFCs is adequate for near to medium term growth. Incrementally, ICRA expects the sector to witness a slower growth and moderation in earnings in the near term. However, the net impact on the capital profile is likely to be modest as growth slowdown is capital accretive, which would offset the impact of the moderation in earnings.

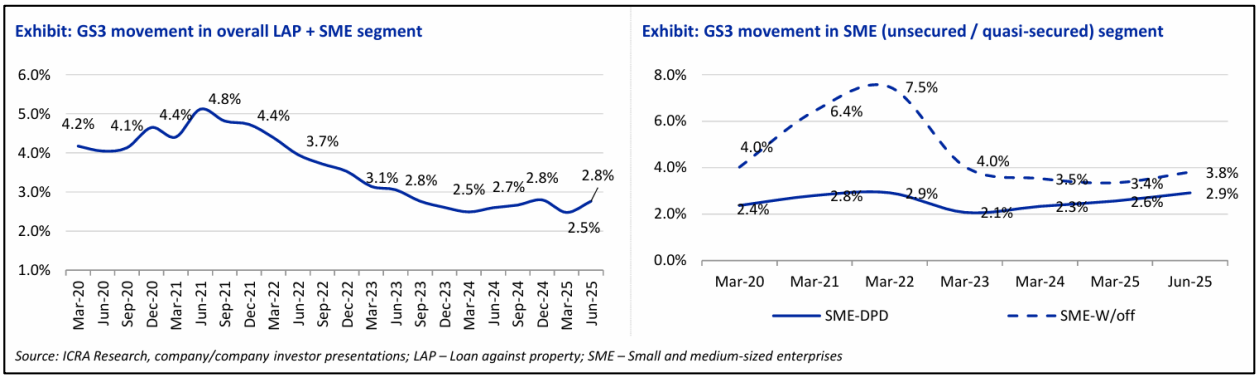
*Source: ICRA Research; Note: Data for 29 NBFCs and 14 HFCs*

## 18. LAP and SME Finance| Growth higher than the industry average, though slowing down




The segmental AUM stood at Rs. 5.8 trillion as of June 2025, with LAP and SME (unsecured/ quasi-secured) accounting for about 59% and 41% share of the AUM, respectively. While growth continues to remain healthy at 28% YoY in Q1 FY2026, entities sequentially lowered their disbursements in response to the asset quality pressure at the industry level. Entities in this segment cater to new-to-credit customers as well as those graduating from microfinance and gold loans. Smaller entities expanded at a much higher pace in the past. However, faced with elevated asset quality stress and their tightened policies, they have slowed down vis-à-vis the past. Growth in larger entities is also expected to moderate, though to a smaller extent. In FY2026, growth in the SME segment (unsecured/ quasi-secured) is expected to slow down to 18-20% YoY while the LAP segment is likely to grow at a slightly faster pace of 21-23% YoY.

**19. LAP and SME Finance| Delinquencies start inching up in LAP segment even as SME continues to be under stress**



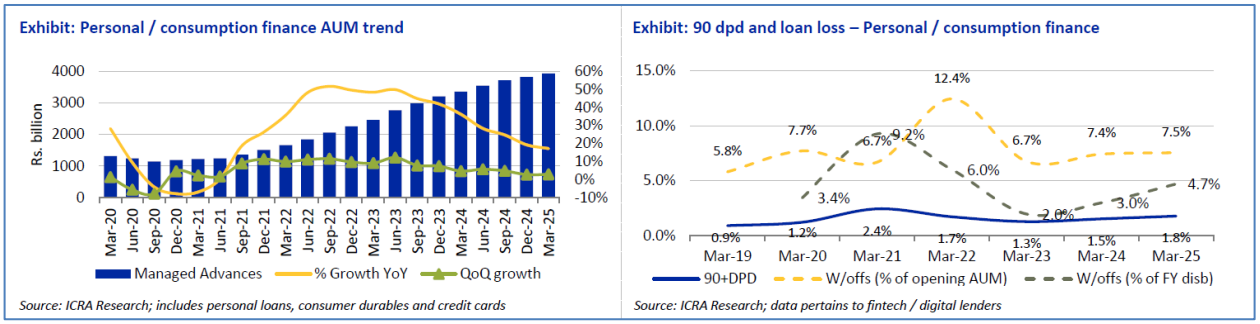

Overdues in the overall LAP + SME segment increased in Q1 FY2026, as asset quality pressures in the segment expanded. Borrowers have been facing cash flow issues, coupled with overleveraging through multiple loans. Consequently, the stress seen in the microfinance and personal loan segments previously has also accelerated to the SME (quasi secured/ unsecured) as well as LAP (especially the small-ticket LAP loans). In addition, the slowdown in AUM growth and the resultant portfolio seasoning is also impacting the headline delinquency numbers in the segment incrementally.

Asset quality in the LAP loans has historically benefitted from the secured nature of this segment, which resulted in low ultimate loan losses. For entities operating with higher ticket size LAP, the recoveries are expected to be supported by the SARFAESI*. Notwithstanding the same, entities are facing incremental slippages and delinquencies, which has prompted them to expand their collections manpower and infrastructure. Write-offs in the SME sub-segment remains elevated and on an increasing trend. Entities in this segment typically undertake accelerated write-offs, given the unsecured nature of exposures.

*Note: *SARFAESI – Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002*

*shrisuprajha.t@icraindia.c*

**20. Personal and Consumer Finance| Loan losses continue to remain elevated**

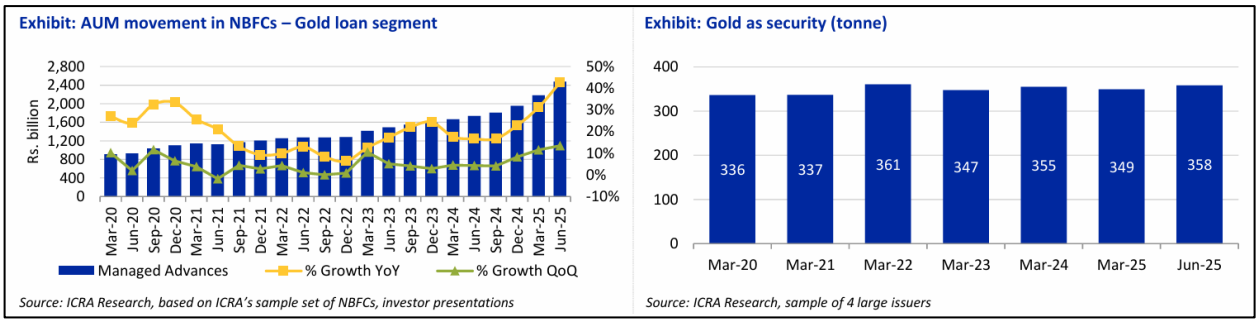



The total NBFC AUM of the PL/CL segment stood at Rs. 3.9 trillion as of March 2025. The segmental growth has been on a declining trend over the past many quarters with most lenders steadily tightening the underwriting. On a YoY basis, growth weakened to 17% in FY2025, which was half of the growth seen in the previous year. Incrementally, entities are expected to maintain this slow pace of disbursement, especially for originations via their cross-selling or co-lending channels. ICRA expects the segmental growth to be 17-19% in FY2026. Within the PL/CL segment, consumer durable loans continue to witness relatively better traction.

Asset quality concerns in this segment have been exacerbated on account of overleveraging of customers. In FY2025, loan losses were elevated at 7.5% of the opening AUM similar to the previous year. Entities typically have a stringent write-off policy in this segment; as such, delinquencies have typically remained range-bound and was at 1.8% as of March 2025.

In the near term, as the growth stabilises at lower levels, loan losses could remain elevated, given the seasoning impact of the strong growth in the earlier years. On a steady state basis, loan losses in this segment are expected at 5-8%.

## 21. Gold Loan | Buoyant gold prices and tightening credit availability to marginal borrowers support AUM expansion



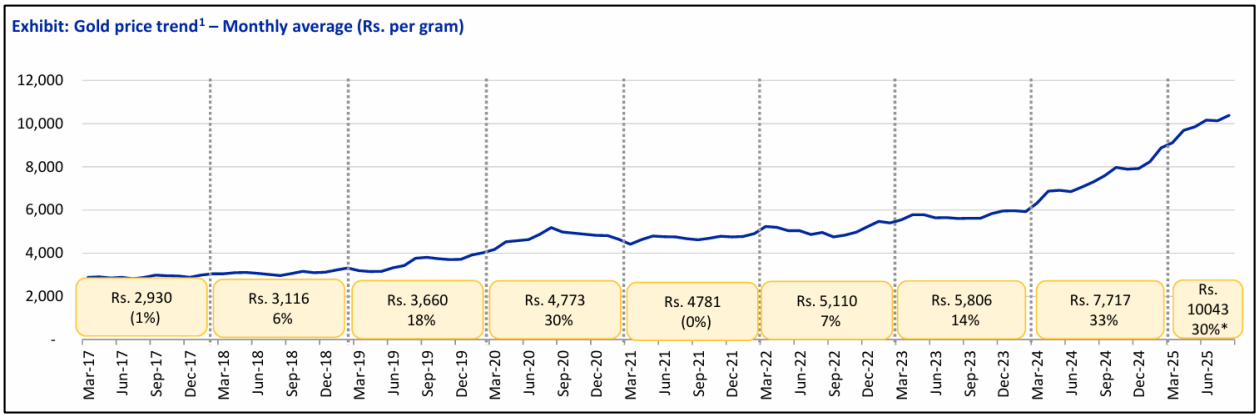

The gold loan segment witnessed an acceleration in growth in Q1 FY2026, with the AUM reaching Rs. 2.47 trillion as of June 2025 with a YoY growth of 43%. The sharp upmove in gold price coupled with a healthy borrower demand have been the key reasons for this buoyancy. Demand for gold loans typically strengthens when borrowers faced tightened credit availability from other sources such as personal loans, microfinance loans and unsecured SME loans. The significant run-up in gold prices in recent quarters has provided sufficient cushion for lenders to grow their AUM in the near term. Growth in the overall gold tonnage pledged to NBFCs has remained modest over the past five years, reaching about 358 tonne as of June 2025, indicating that the growth in AUM has been predominantly on the back of the increase in gold prices. Branch additions were also subdued during the above-mentioned period.

The segment has been under increased regulatory scrutiny in the recent quarters, given the strong growth and lack of operational consistency across entities. Final Directions on GLs bring in harmonisation and a much-needed clarity to lenders operating in the space. While it is relaxed in relation to the draft directions, disbursements and operational efficiencies could be impacted in the near term in view of the increased assessment requirements, especially for loans above Rs. 0.25 million. Smaller ticket loans (<Rs.0.25 million) shall benefit from LTV relaxation. Higher ticket bullet repaying loans would be most

impacted. Competitive intensity in the segment would continue to remain elevated. Overall, the segmental growth is expected to remain robust between 30-35% in FY2026 upheld by the strength seen in gold prices.

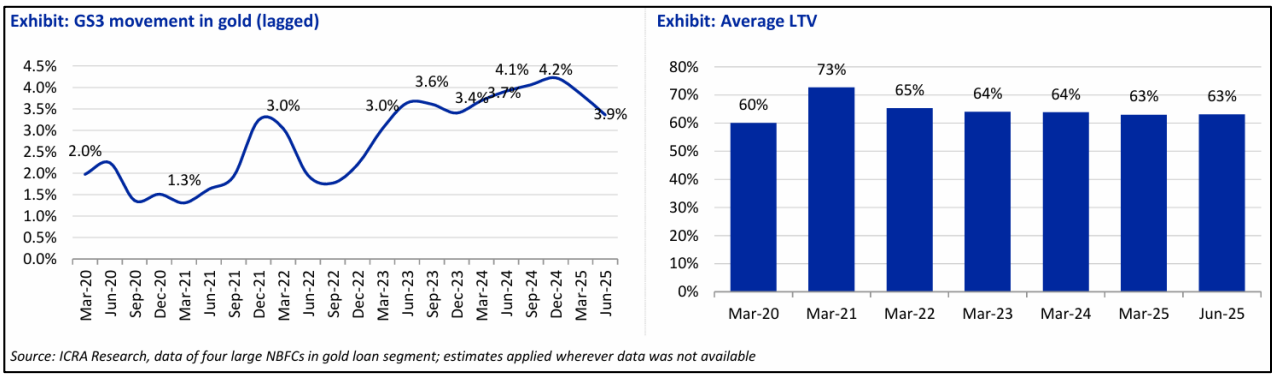
*Source: ICRA Research; #Applicable from April 2026 onwards*

**22. Gold Loan | Gold price continues to surge amid a volatile global geopolitical environment**




Gold prices in international markets have been buoyed by the changing global economic and geopolitical environment, and rising investment demand for gold amid the purchase of gold by the central banks of various nations. The average gold price in India had surged by over 30% YoY in FY2025 and further by 30% during 5M FY2026, exacerbated by the depreciation in the INR vs. the USD. Over the last few days (in October 2025), gold prices have also corrected sharply (single day correction was up to 5%), indicating the extent of volatility that can occur going forward as well. While the segment currently has sufficient LTVs, it is imperative for entities to strengthen their risk controls to avoid the possibility of increased credit costs.

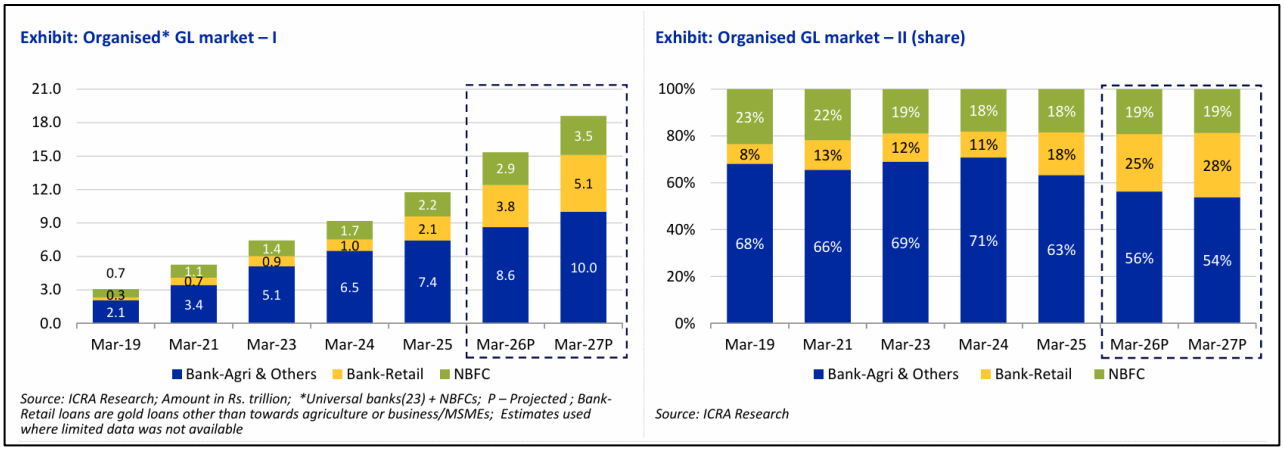
**23. Gold Loan | Sectoral LTVs remain under control, supporting asset quality**




The 90+ days past due (dpd) declined consecutively for the second quarter as some of the large entities witnessed a reduction in their NPAs, with delinquent borrowers redeeming their pledged gold buoyed by the strong growth in the gold prices; also, entities have continued to be measured in auctioning of pledged gold. The available LTV buffer on account of the buoyant gold prices provides significant support to the ultimate credit costs experienced in this segment.

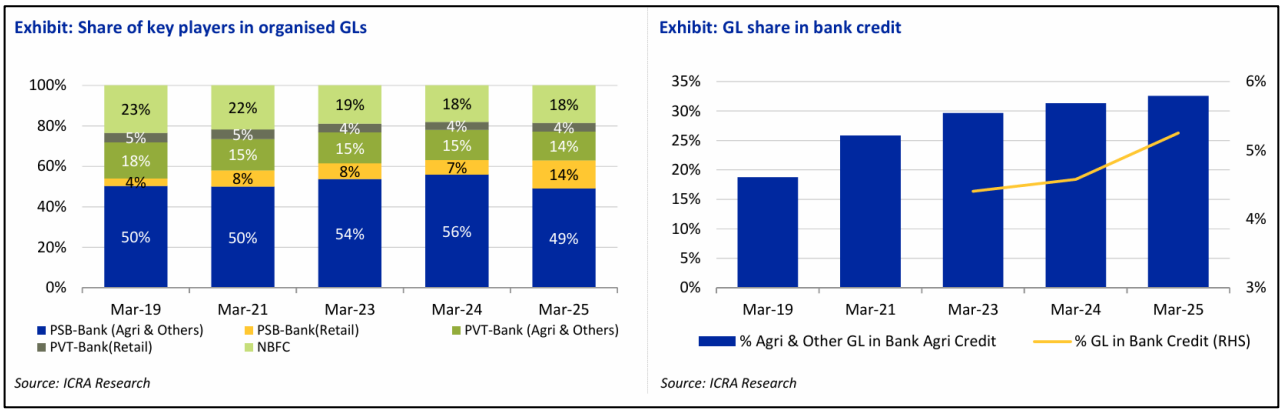
Overall credit costs in the segment have remained low, generally below 0.5% of AMA, and have stayed under 1% of AMA over a longer period. The availability of collateral and its liquidity help mitigate lenders' credit risk in the gold loan business. As such, loan losses have typically risen from operational issues, such as loans secured against fraudulent gold or due to inadequate assessments at branches. Given this operationally intensive nature, entities have continued to enhance their internal audit processes to manage these risks effectively.

**24. Organised GLs projected to reach Rs. 15-trillion mark sooner than expected**




Organised GL grew by 28% in FY2025, driven by rising gold prices, and are expected to continue expanding strongly in the current financial year. This growth is projected to push the total GL AUM to Rs. 15 trillion this year, earlier than ICRA's previous forecast of achieving it in FY2027. Overall, GLs expanded at a CAGR of about 26% during FY2024 and FY2025, with banks showing a slightly higher growth rate vis-à-vis NBFCs. Over the longer term from FY2020 to FY2025 (6-years), bank GL AUM grew faster at around 26%, compared to a 20% growth rate for NBFC GL AUM, leading to a decline in NBFC's share of the overall organised GL AUM.

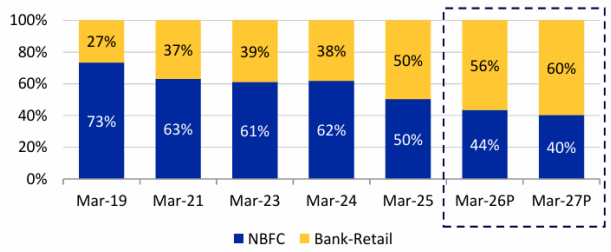
**25. PSBs remain dominant players; retail GL share rising**




The expansion in bank GL was primarily fuelled by agriculture and other loans secured by gold jewellery, which experienced a CAGR of 26% between FY2020 and FY2024. However, it slowed significantly to 14% in FY2025 as banks imposed stricter eligibility criteria and even reclassified previous loans in this segment to the retail category during renewals, contributing to an increase in the bank's retail GL. The regulation on voluntary pledge of gold as collateral for agriculture and MSMEs (micro, small and medium enterprises), can revive the agriculture and other gold loans by banks, which shall remain a monitorable. Bank's retail GL AUM more than doubled in FY2025, compared to a growth rate of 14-16% in FY2023 and FY2024. PSBs maintained a dominant share of 63% of the outstanding book in the organised GL market as of March 2025 and March 2024, up from 54% in March 2019. During FY2020 FY2025, PSB GL grew at a CAGR of 28%, while gold loans from private sector banks expanded at a CAGR of 21%.

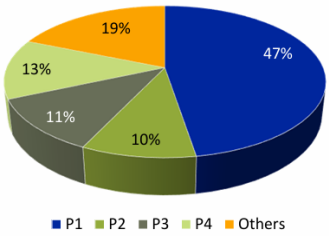
**26. NBFC share in retail GL decreased; large players hold dominant share**

Exhibit: Bank retail GL and NBFC GL book




*Source: RBI, Company data, ICRA Research; Amount in Rs. billion; AUM includes off-balance sheet (B/S) exposure*

Exhibit: NBFC-wise gold loan AUM – March 2025



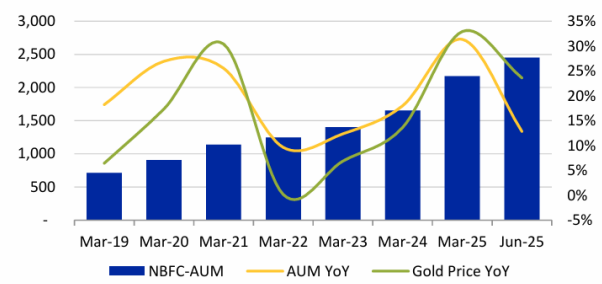

*Source: Company data, ICRA Research : P-Player*

The bank retail GL portfolio, particularly from PSBs, saw significant growth during FY2025, leading to a shift in their proportion within the overall retail GL market. During the Covid-19 pandemic, the bank retail GL portfolio grew rapidly from a low base, driven by strong demand and supported by relaxed LTV norms (90% compared to the usual 75% of gold value) between August 2020 and March 2021. NBFCs also experienced robust growth in this period due to limited alternative credit options for the borrowers. The CAGR for NBFC GL AUM was 26% during FY2020-FY2021 but slowed to 11% during FY2022-FY2023. Growth was impacted by increased competition from banks and availability of alternative funding sources for their borrowers. In FY2024, NBFC AUM growth improved to 18% as competitive pressures eased somewhat and as gold prices rose. Although NBFC GL growth remained strong at about 31% in FY2025, it was still outpaced by the bank retail GL expansion, driven by reclassification and their increased focus on this segment.

NBFC GL AUM remains concentrated, with the top four players holding approximately 81% of the market. However, this share has declined from 90% in March 2022 due to diversification by existing players and the entry of new participants in the segment.

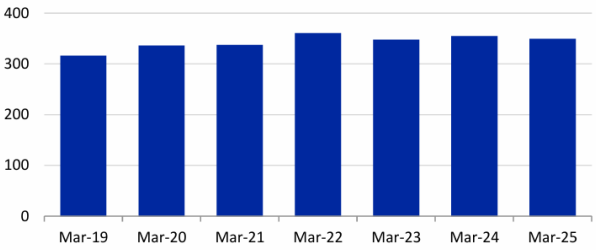
**27. Gold price increases drove NBFC AUM growth, even though the rise in collateral tonnage stayed relatively limited**

Exhibit: NBFC GL AUM trend (YoY)




*Source: Company data, ICRA Research; Amount in Rs. billion ; Growth Rate in June 2025 is over March 2025*

Exhibit: NBFC – Gold as security (tonnes)



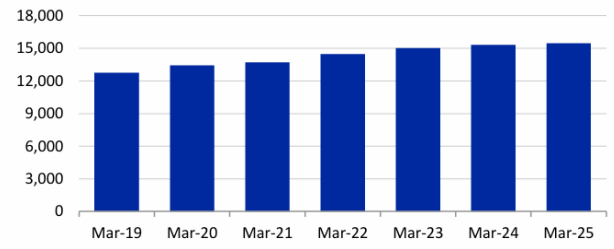

*Source: Data of 4 large NBFCs with gold portfolio, ICRA Research*

NBFC AUM growth trends are largely congruous with gold price trends, indicating that this was the key determinant of growth in the past. ICRA foresees the NBFC GL AUM growth at 30-35% in FY2026, considering elevated gold prices and lower competitive pressure from other unsecured loan products. Further, diversification by players into this space and a sizeable estimated free gold-hold in the country provides visibility for achieving this.

Gold tonnage experienced a modest CAGR of approximately 1.7%, compared to an AUM growth of 20% between FY2020 and FY2025. Over the past two to three years, certain major entities saw a reduction in their gold tonnage despite growth in their AUM.

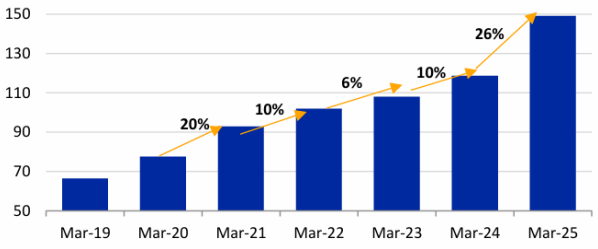
28. **Branch additions record a modest pace; borrower leverage increases**

**Exhibit: NBFC – Branch network (numbers)**




*Source: Data of 5 large NBFCs with gold portfolio, ICRA Research*

**Exhibit: NBFC – Loan per active borrower (Rs. '000)**




*Source: Data of 2 large NBFCs with gold portfolio, ICRA Research*

Branch network of large NBFCs in this space has grown at about 3.3% CAGR during FY2020-FY2025. Branches are the key drivers of borrower sourcing; slower branch expansion is likely to have a bearing on new borrower additions, in ICRA's view. The active borrower count of large players also grew at a modest rate of around 6.0% (consolidated for two large players) during this period. The average loan size more than doubled in the last five years to about Rs. 95,000 in March 2025, largely in line with the gold price trend during this period.

GLs are generally short term and seasonal, which are repaid in a few months. Some borrowers avail multiple loans for these requirements; loan per active borrower is, therefore, higher at Rs. 1.4 -1.5 lakh indicating that there are 1.5-1.6 loans on an average per borrower. The slow-down in other unsecured loan disbursements is adding to the uptick in the loan per active borrower vis-à-vis the FY2023 level.

### 29. LTV norms relaxed; income assessment required for higher ticket loans

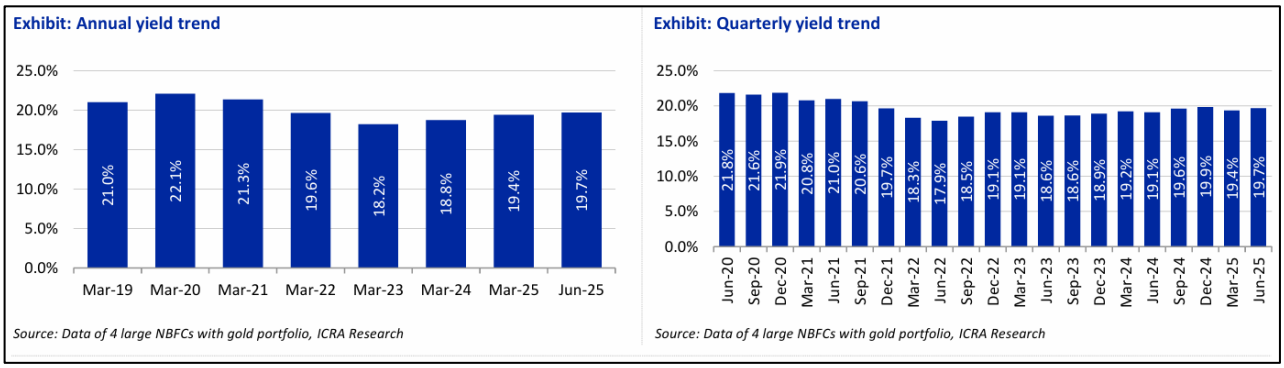
| Consumption Gold Loans < Rs. 0.25 million* | Consumption Gold Loans Rs. 0.25-0.50 million* | Consumption Gold Loans > Rs. 0.50 million* |
|---|---|---|
| Suitable credit risk management framework for lending against collateral is required. Detailed borrower credit assessment is not required. | Detailed credit assessment including borrower repayment capability shall be undertaken. | Detailed credit assessment including borrower repayment capability shall be undertaken |
| LTV up to 85%; to be maintained through out the tenor of the loans | LTV up to 80%; to be maintained through out the tenor of the loans | LTV up to 75%; to be maintained through out the tenor of the loans |
| **Income-Generating Gold Loans < Rs. 0.25 million** | **Income-Generating Gold Loans Rs. 0.25-0.50 million** | **Income-Generating Gold Loans > Rs. 0.50 million** |
| Suitable credit risk management framework for lending against collateral is required. Detail borrower credit assessment is not required. | Detailed credit assessment including borrower repayment capability shall be undertaken | Detailed credit assessment including borrower repayment capability shall be undertaken |
| No LTV specified | No LTV specified | No LTV specified |

Increase in the LTV to 85% for gold loans for consumption with ticket size < 0.25 million and 80% LTV for loans with ticket size of Rs. 0.25-0.50 million against 75% in the draft guidelines is key relaxation from a lenders' perspective. For loans > Rs. 0.50 million, the LTV remains at 75%. Requirement for detail credit assessment for higher ticket loans (>Rs. 0.25 million), however, is expected to result in splitting of loans among the borrower and his/her family or friends. Lenders are required to monitor multiple loans to related borrowers, as such practices shall be subjected to stricter internal audit and supervisory examination. Detailed documentation in case of income-generating loans is applicable only if loan is proposed to be classified under priority sector. Thus, lenders shall have increased flexibility to classify loans as income-generating and offer higher LTV loans with relatively limited documentation and process against the requirements mentioned in the draft circular.

NBFCs could incrementally be sanctioning a lower amount vis-à-vis the current practice, especially for bullet loans. For example, for a 12-month bullet repayment taken at 20% yield per annum, the NBFCs would be able to lend only up to 62% of the gold value (for loans having size of >0.50 million) vis-à-vis up to 75% being offered as per the current practice. The LTV computation for non-bullet payment loans is expected to relatively relaxed considering the hike in the LTV ceiling for loans up to Rs. 0.50 million. Ticket sizes for those loans could increase vis-à-vis current levels, for the same collateral and, basis the borrower risk assessment and repayment capability (for Rs. 0.25-0.50 million loans). Entities incrementally could offer loans having monthly/

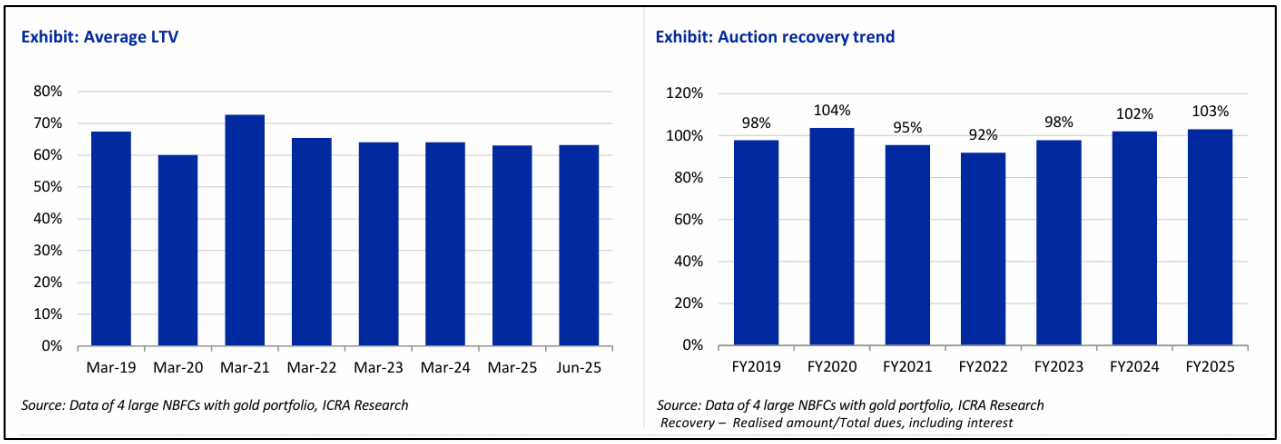
bi-monthly/quarterly/semi-annual interest rate cycle compared to bullet payment on loan maturity to maximise LTV. Significant proportion of the NBFC gold loans currently have bullet repayment.

### 30. Yield pressure eased somewhat, but competitive pressures remain strong




NBFC GL yield experienced a significant decline in FY2022 and FY2023 due to increased competition from banks and from other lenders scaling unsecured loans. The weighted average yield fell to 18.2% in FY2023, approximately 400-basis-point below its peak, with some entities facing even steeper drops. Competition from banks intensified during FY2022 and the first half of FY2023, particularly when gold prices declined, Further, banks, which had extended higher LTV loans until March 2021, aimed to retain borrowers by providing attractive rates and schemes. This pressure eased somewhat as credit demand rose, unsecured loan growth slowed, and gold prices increased, allowing NBFCs specialising in gold loans to price their products more effectively in FY2024 and FY2025. Gold loans remain a key focus area for most banks, which are enhancing their branch capabilities accordingly. Based on these factors, ICRA anticipates the weighted average NBFC gold loan yield to stabilise around 19.5-20.5%.

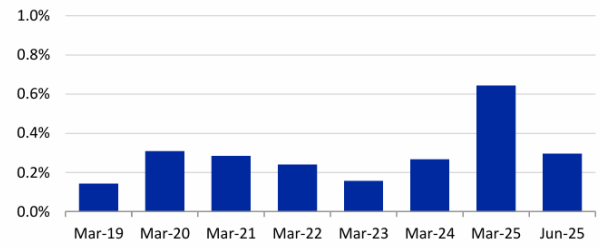
### 31. Modest LTVs support auction recoveries




LTVs have remained range-bound and modest at about 63-64% for the last two years. Over the last seven years, LTV has remained below 70%, barring March 2021, when the same increased due to a steep fall in gold prices in H2 FY2021. As lending is on the value of the gold and borrower equity is higher, considering the value of the ornaments (including making charges of 5-20%) pledged, the losses in this segment have remained low in the past.

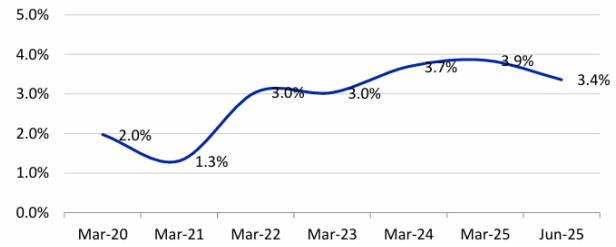
### 32. Healthy auction realisations keep credit costs under control

Exhibit: Credit cost/AMA trend




*Source: Data of 3 large NBFCs with gold portfolio, ICRA Research; AMA – Average managed assets*

Exhibit: Gross stage 3 (GS-3) trend



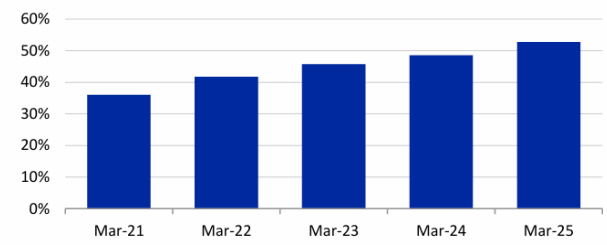

*Source: Data of 4 large NBFCs with gold portfolio, ICRA Research*

Credit costs of NBFCs focused on GL increased somewhat in FY2025 due to higher required provisions following the significant gold loans expansion, as well as loan losses in other asset segments such as vehicle, personal, and business loans, which the gold loan companies ventured into. Overall credit costs have remained low, generally below 0.5% of AMA, and have stayed under 1% of AMA over a longer period. The availability of collateral and its liquidity help mitigate lenders' credit risk in the gold loan business. Loan losses typically arise from operational issues, such as loans secured against fraudulent gold or due to inadequate assessments at branches.

Given the operationally intensive nature of the business, entities have enhanced their internal audit processes to manage these risks effectively. Lenders conduct auctions promptly, resulting in strong recoveries. Since realisations have been robust, losses usually occur on accrued interest rather than the principal, which is typically minimal. Despite short-term fluctuations, gold prices have generally trended upward, supporting favourable outcomes from auctions.

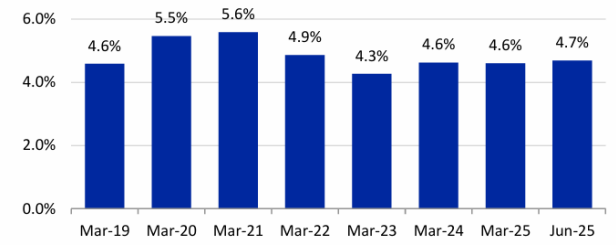
### 33. Profitability experiences a partial recovery as yield pressures ease

Exhibit: Share of higher-ticket (>Rs. 0.2 million) loans (Estimated)




*Source: Data of 4 large NBFCs with gold portfolio, ICRA Research*

Exhibit: Return on average managed assets (RoMA)




*Source: Data of 3 large NBFCs with gold portfolio, ICRA Research*

During the pandemic, borrowing against gold had surged as small businesses and individuals faced limited access to funding from other sources. As the situation improved and funding options became more accessible, GL companies lowered lending rates to retain borrowers, which impacted their business yields. The pressure on yields led to a significant decline in net profitability during FY2022-FY2023. However, with easing yield pressure and a recovery in demand and growth in FY2024 and FY2025, earnings showed partial improvement. Additionally, some entities are expanding into other areas like personal loans and higher-yield loans to borrowers with proven credit histories.

In the short term, profitability is expected to benefit from reduced yield pressures and controlled credit costs. Nonetheless, enhancing operational efficiencies will be crucial as competitive pressures are expected to remain elevated from banks and other larger NBFCs entering this space. The rise in the proportion of higher-ticket loans, which is driven by increasing gold prices, is also placing GL companies in competition with banks and other large NBFCs targeting similar a borrower segment.

## OUR BUSINESS

*Some of the information in the following section, especially information with respect to our plans and strategies, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "Industry Overview", "Forward Looking Statements", "Risk Factors", and "Financial Information" derived from our Limited Review Unaudited Financial Results, Audited Financial Statements and Special Purpose Audited Financial Statements on pages 59, 15, 17 and 111 respectively.*

*Unless otherwise indicated or unless the context otherwise requires, the financial information included herein is derived from our Limited Review Unaudited Financial Results for the nine months ended December 31, 2025, Audited Financial Statements for the financial year ended March 31, 2025, Audited Financial Statements for the financial year ended March 31, 2024 and Special Purpose Audited Financial Statements for financial year ended as on March 31, 2023 prepared in accordance with the requirements of the SEBI NCS Regulations and the Companies Act set forth elsewhere in this Draft Prospectus. Our financial year ends on March 31 of each year and references to a particular financial year are to the twelve months ended March 31 of that year. In this section, any reference to "we", "us" "our" or "our Company" refers to Chemmanur Credits and Investments Limited.*

### Overview

We are, a non-deposit taking, non-banking financial company (base layer) registered with the RBI bearing registration no. N-16-00185 dated June 10, 2010 under Section 45-IA of the RBI Act primarily engaged in the gold loan sector lending money against the pledge of household gold jewellery **("Gold Loans")** in the state of Kerala, Tamil Nadu, Karnataka Andhra Pradesh, Telangana and Maharashtra. We also provide Microfinance Loans, business and personal loans, money transfer services and distribution of third-party insurance products. We have been engaged in the lending business for more than 14 years and are based in Kerala, India. As on December 31, 2025, we operated through 302 branches located across 6 states namely Kerala, Tamil Nadu, Karnataka, Maharashtra, Andhra Pradesh and Telangana managed through our registered office located at Thrissur, Kerala and we employ 1,270 persons in our business operations.

We are a part of Boby Chemmanur Group which is engaged in diverse range of businesses and based in Kerala, India. The group has retail gold jewellery showrooms in USA and Middle East apart from those in India. The Boby Chemmanur Group has received BIS certification for purity of gold. Our Promoter is Chemmanur Devassykutty Boby popularly known as Boby Chemmanur, the Chairman and Managing Director of our Company. Currently, we offer various Gold Loan schemes to suit the individual needs of our customers. Currently we offer Gold Loans for tenure ranging up to 365 days. The schemes differ in relation to interest rate chargeable, amount advanced per gram of gold, tenure, amount of loan.

For the nine months period ended on December 31, 2025, and financial year ended on March 31, 2025, March 31, 2024 and March 31, 2023, our Company held 0.92 tonnes,1.05 tonnes, 1.04 tonnes, and 0.86 tonnes of gold jewellery respectively, as security for all Gold Loans.

Under our microfinance loan segment ("**Microfinance Loans**"), we provide unsecured loans to group of women customers (minimum of 5 persons) for their business and personal needs. Under the Joint Liability Group ("**JLG**") model, loans are provided to individual customers, however group guarantees the repayment of loans given to individual members of the group. Through this model, our customers, who typically do not have collateral to take up loans, are able to gain access to credit.

We also offer business loans – named as Gramin Shakthi Loan **("Business Loans")** to our customers for their business needs. These are secured business loans where target customers are engaged in small scale business, however, currently dependent on informal sources of funding. This loan type shall enable customers to increase the scale of their business. Gramin Shakthi Loans help the individuals to mitigate the difficulty in meeting business funding requirements or to raise working capital funds.

### Key Operational and Financial Parameters based on the Limited Review Unaudited Financial Results, Audited Financial Statements and Special Purpose Audited Financial Statements

(a) The table below sets out the key operational and financial parameters of our Company for the nine months period ended December 31, 2025, based on Limited Review Unaudited Financial Results:

| Particulars | December 31, 2025 |
|---|---|
| **PROFIT AND LOSS** | |
| Revenue from operations | 12,979.41 |

| Particulars | December 31, 2025 |
|---|---|
| Other Income | 48.68 |
| **Total Income** | **13,028.09** |
| | |
| **Total Expense** | **11,766.56** |
| | |
| Profit after tax for the year | 1,261.53 |
| Other Comprehensive income | 0 |
| **Total Comprehensive Income** | **1,261.53** |
| | |
| Earnings per equity share (Basic) | 1.68 |
| Earnings per equity share (Diluted) | 1.68 |
| | |
| **Additional Information** | |
| Net worth | 12,190.90 |
| Cash and cash equivalents | N.A. |
| Loans | N.A. |
| Loans (Principal Amount) | N.A. |
| Total Debts to Total Assets | 0.77 |
| Interest Income | 12,286.04 |
| Interest Expense | 5,662.92 |
| Impairment on Financial Instruments | 171.46 |
| Bad Debts to Loans | - |
| % Stage 3 Loans on Loans (Principal Amount) | 1.51% |
| % Net Stage 3 Loans on Loans (Principal Amount) | 0.86% |
| Tier I Capital Adequacy Ratio (%) | 16.27% |
| Tier II Capital Adequacy Ratio (%) | 8.36% |

*N.A. – Not Applicable*

**Notes:**

i. *Total Debts to Total assets = Debt securities + Borrowings (other than debt securities) + Subordinated liabilities/ Total Assets*

ii. *Net Worth = Total Equity excluding Impairment Reserve - Unamortised expenses of Public issues, term loans - Prepaid Expenses -Deferred Tax Assets*

(b) The table below sets out the key operational and financial parameters of our Company for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, based on audited Ind AS financial statements:

*(₹ in lakh)*

| Particulars | Fiscal 2025 | Fiscal, 2024 | Fiscal 2023 |
|---|---|---|---|
| **BALANCE SHEET** | | | |
| **Assets** | | | |
| Property, Plant and Equipment | 3,240.95 | 2,558.69 | 1,771.81 |
| Financial Assets | 64,362.36 | 53,931.60 | 42,713.40 |
| Non-financial Assets excluding property, plant and equipment | 1,715.13 | 7,014.19 | 5,456.90 |
| **Total Assets** | **69,318.44** | **63,504.48** | **49,942.11** |
| | | | |
| **Liabilities** | | | |
| **Financial Liabilities** | | | |
| -Derivative financial instruments | - | - | - |
| -Trade Payables | - | - | - |
| -Debt Securities | 25,013.74 | 19,072.35 | 10,247.75 |
| -Borrowings (other than Debt Securities) | 7,833.63 | 12,856.65 | 8,676.34 |
| -Subordinated liabilities | 19,560.35 | 18,371.30 | 17,589.30 |
| -Other financial liabilities | 5,345.80 | 3,996.29 | 4,385.33 |
| **Non-Financial Liabilities** | | | |
| -Current tax liabilities (net) | | - | - |
| -Provisions | 237.88 | 205.42 | 171.58 |

| Particulars | Fiscal 2025 | Fiscal, 2024 | Fiscal 2023 |
|---|---|---|---|
| -Deferred tax liabilities (net) | 7.33 | - | - |
| -Other non-financial liabilities | 77.82 | 99.68 | 130.42 |
| | | | |
| **Equity (Equity Share Capital and Other Equity)** | **11,241.89** | **8,902.79** | **8,741.39** |
| **Total Liabilities and Equity** | **69,318.44** | **63,504.48** | **49,942.11** |
| | | | |
| **PROFIT AND LOSS** | | | |
| Revenue from operations | 13,181.11 | 10,572.84 | 8,313.37 |
| Other Income | 992.86 | 41.65 | 7.28 |
| **Total Income** | **14,173.97** | **10,614.49** | **8,320.65** |
| | | | |
| **Total Expense** | **13,925.98** | **10,442.26** | **8,240.47** |
| | | | |
| Profit after tax for the year | 247.99 | 172.23 | 80.18 |
| Other Comprehensive income | (8.89) | (10.83) | 9.40 |
| **Total Comprehensive Income** | **239.10** | **161.40** | **89.58** |
| | | | |
| Earnings per equity share (Basic) | 0.38 | 0.29 | 0.13 |
| Earnings per equity share (Diluted) | 0.38 | 0.29 | 0.13 |
| | | | |
| **Cash Flow** | | | |
| Net cash from / used in(-) operating activities | (9,333.29) | (10,372.81) | (4,369.98) |
| Net cash from / used in(-) investing activities | (664.60) | (1,101.14) | (565.96) |
| Net cash from / used in (-)financing activities | 9,212.97 | 12,196.30 | 5,172.67 |
| Net increase/decrease(-) in cash and cash equivalents | (784.91) | 722.35 | 236.73 |
| Cash and cash equivalents as per Cash Flow Statement | 732.89 | 1,517.80 | 795.45 |
| | | | |
| **Additional Information** | | | |
| Net worth | 10,505.82 | 8,125.23 | 8,262.15 |
| Cash and cash equivalents | 732.89 | 1,517.80 | 795.45 |
| Loans | 59,238.27 | 49,058.38 | 40,634.42 |
| Loans (Principal Amount) | 59,545.80 | 49,266.41 | 40,800.91 |
| Total Debts to Total Assets | 0.76 | 0.79 | 0.73 |
| Interest Income | 12,323.88 | 9,766.86 | 7,406.46 |
| Interest Expense | 6,607.74 | 4,826.20 | 3,891.90 |
| Impairment on Financial Instruments | 99.50 | 41.54 | 81.60 |
| Bad Debts to Loans | | - | - |
| % Stage 3 Loans on Loans (Principal Amount) | 1.72% | 0.97% | 0.64% |
| % Net Stage 3 Loans on Loans (Principal Amount) | 1.24% | 0.59% | 0.25% |
| Tier I Capital Adequacy Ratio (%) | 16.69% | 14.43% | 17.94% |
| Tier II Capital Adequacy Ratio (%) | 8.57% | 7.41% | 9.18% |

**Notes:**

i. *Total Debts to Total assets = Debt securities + Borrowings (other than debt securities) + Subordinated liabilities/ Total Assets*

ii. *Net Worth = Total Equity excluding Impairment Reserve - Unamortised expenses of Public issues, term loans - Prepaid Expenses -Deferred Tax Assets*

**Statement of Capitalisation (Debt Equity Ratio of the Company) as on December 31, 2025**:

*(₹ in lakh)*

| Particulars | As on December 31, 2025 | |
|---|---|---|
| | Pre- Issue | Post- Issue[#] |
| **Debt** | | |
| Debt Securities [Note 1] | 38,151.71 | 48,151.71 |
| Borrowings (other than Debt Securities) [Note 2] | 6,675.37 | 6,675.37 |
| Subordinated liabilities [Note 3] | 19,277.10 | 19,277.10 |

| Particulars | As on December 31, 2025 | |
|---|---|---|
| **Total Debts** | **64,104.18** | **74,104.18** |
| | | |
| **Equity (Shareholder's funds)** | | |
| Equity Share Capital | 7,795.00 | 7,795.00 |
| **Other Equity** | | |
| Special Reserve Fund | 1,182.57 | 1,182.57 |
| Securities Premium | 905.40 | 905.40 |
| Retained Earnings | 3,054.91 | 3 ,054.91 |
| Other Comprehensive Income | - | - |
| Less: Prepaid expenses | (8.17) | (8.17) |
| **Total Equity (Total shareholder's funds)** | **12,929.71** | **12,929.71** |
| **Debt/Equity (No of Times)** | **4.96** | **5.73** |

*#The debt-equity ratio post the Issue is indicative and is on account of inflow of ₹ 10,000 lakh from the Issue and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.*

**Notes:**

1. *Debt securities represent principal outstanding of debt securities such as non-convertible debentures issued under public issue and private placement after adjustment of EIR (Effective Interest Rate) and non-convertible debentures matured but not paid under private placement.*
2. *Borrowings (other than debt securities) represent term loans from banks, loans repayable on demand (cash credit limit) after adjustment of EIR (Effective Interest Rate) and lease liabilities.*
3. *Subordinated liabilities (Subordinated Debt) includes Subordinated Debt matured but not paid.*
4. *The figures disclosed above are based on unaudited financial results of the Company for the nine months period ended December 31, 2025*
5. *Debt / Equity Ratio = Total Debt (Borrowings) / Net worth*
6. *The following events occurred between January 01, 2026 till February 02, 2026 (**Cut-off** date) were not considered in this certificate:*

    a) *The company from January 01, 2026 till February 02, 2026 have made the repayment of the term loans from Dhanlaxmi bank amounting to ₹ 12.97 Lakhs.*
    b) *The company from January 01, 2026 till February 02, 2026 have made the repayment of the term loans from State Bank of India amounting to ₹ 50.46 Lakhs.*
    c) *The company from January 01, 2026 till February 02, 2026 have made the repayment of Working capital demand loans from Federal bank amounting to ₹ 88.89 Lakhs.*
    d) *The Company from January 01, 2026 till February 02, 2026 has redeemed secured publicly issued non- convertible debentures amounting to ₹ 2,530.93 Lakhs.*
    e) *The Company from January 01, 2026 till February 02, 2026 has raised funds through issuance of subordinated debt amounting to ₹ 746.35 Lakhs.*
    f) *The Company from January 01, 2026 till February 02, 2026 has redeemed subordinated debt amounting to ₹ 463.80 Lakhs [out of which ₹ 0.55 Lakhs pertains to subordinated debt which were earlier matured but remained unclaimed as on March 31, 2025]*
    g) *The Company from January 01, 2026 till February 02, 2026 has availed unsecured borrowings amounting to ₹ 3,200.00 Lakhs from Malankara Multi State Co-operative Credit Society Limited vide letter of arrangement dated January 08, 2026; January 16, 2026; January 28, 2026; and January 31, 2026.*
    h) *Sanction of Term Loan from Indian Overseas Bank of ₹ 1,000.00 Lakhs vide letter of arrangement dated December 30, 2025 and the company has availed ₹ 1,000.00 Lakhs as on January 09, 2026.*

**Structure of the Group**

Not applicable, since Company is not having any holding or subsidiary Company.

**Our Strengths**

We believe that the following strengths position us well for continued growth:

***Our Company is engaged primarily in Gold Loan business with adequate experience based in South India***

We are registered with RBI as non-deposit taking NBFC (base layer) having registration no. N-16-00185 dated June 10, 2010. We have been engaged in the Gold Loans business for over 14 years and we believe that we have been successfully meeting the expectations of our customers. Our Company is one of the growing Gold Loans companies in terms of branch expansion. As on December 31, 2025, we have network of 302 branches spread across 6 states namely Kerala, Tamil Nadu, Karnataka, Maharashtra, Andhra Pradesh and Telangana. We attribute our growth, in part, to our market penetration, particularly in areas less served by organised lending institutions.

We offer multiple schemes of Gold Loans to our customers. Our credit approval procedures, credit process and Gold Loans product which are designed to meet the requirements of our customers have also aided in attracting new customers and retaining existing customers which leads to increase in business.

***Providing high-quality service to our customers***

Our loan products are designed to align with our customers financial needs. The branches are set based on the market survey to ensure that branches are located near our customers. We have appointed qualified staff at the branch level who are adequately trained to appraise the collaterals and disburse loans in efficient manner and at regional and head office levels to handle customer support centers. Furthermore, since our Gold Loans are secured by gold jewellery, there are minimal documentary and credit assessment requirements, thereby shortening our turnaround time. We believe our high-quality customer service and quick response time are significant strengths for our business.

***Access to a range of funding sources***

Our Company predominantly access capital/ funding by means of term loans (including working capital term loans) and cash credit facilities from banks, issuances of redeemable non-convertible debentures on a public and private placement basis. Our Company has also issued subordinated debt which is considered as Tier II Capital of our Company. As of December 31, 2026, the total secured borrowings utilised by our Company aggregated to ₹ 44,475.10 lakh and unsecured borrowings utilised by our Company aggregated to ₹ 19,277.10 lakh, respectively. As on date of this Draft Prospectus, CRISIL Ratings Limited vide their rating rationale letter dated December 4, 2024 reaffirmed the rating of our long term bank loans of ₹ 5,000 lakh as 'CRISIL BBB-/Stable', and the rating of our non-convertible debentures of ₹ 20,000 lakh was reaffirmed as 'CRISIL BBB-/Stable'. Further, India Ratings *vide* their rating letter dated June 25, 2024 affirmed the rating of our bank loans of ₹ 5,000 lakh as 'IND BBB-/Stable'. Further, India Ratings *vide* their rating letter dated February 04, 2026 affirmed the rating of our bank loans of ₹10,000 lakh and non-convertible debentures of ₹36,076.66 lakh as 'IND BBB-/Stable'. Further, India Ratings *vide* their rating letter dated February 04, 2026 has assigned 'IND BBB-/Stable' in respect of present Issue of NCDs of ₹10,000 lakh.

***Experienced senior management team and a skilled workforce***

The Promoter and Key Managerial Personnel have significant experience and in-depth industry knowledge and expertise. Also, our Company has hired experienced employees, to strengthen the credit appraisal and risk management systems, and to develop and implement credit policies. We believe that the in-depth industry knowledge and loyalty of our senior management team provide us with an added advantage. Our Promoter, Chemmanur Devassykutty Boby is a veteran in gold jewellery business and has led Chemmanur International group to grow into an international jewellery chain traversing different countries such as USA and Middle East. Our Chief Executive Officer, T K Thomas, is with the Company as CEO for the last 13 years and has been in gold loan NBFC sector for the last 18 years. Our Chief Financial Officer, Jasmine M.P, has overall experience of 16 years and 2 years of experience in financial services industry. Further, our Company has been successful in attracting, fostering and retaining the good talent.

***Effective internal controls and risk management systems***

We believe that we have effective internal controls and risk management systems that allow us to assess and monitor risks across our business lines. Our internal audit is carried out by a team of gold inspectors and internal auditors specially identified for the purpose based on a schedule fixed by the risk management team in our head office. Our Board has constituted various committees, including the Audit Committee, Asset Liability Management Committee and Risk Management Committee, to monitor and manage risks at various levels. For details of Committees, please refer to section titled '*Our Management*' on page 96. We place emphasis on risk management measures to maintain an appropriate balance between risk and return and have taken steps to implement comprehensive policies and procedures to identify, measure, monitor and manage risks. New loan schemes under loan products are launched as approved in meeting of the management team consisting of heads of

departments. Such meetings are held as required and approvals are granted taking into account the lending policy approved by the Board. We believe that we have effective procedures for evaluating and managing the market, credit and other relevant risks.

***Secured loan book and healthy asset quality***

We provide finance which are secured against pledge of household gold jewellery in the case of Gold Loans and hypothecation of business assets in the case of small business loans. Hypothecation of stock of goods and other assets, including assets/ stock of goods acquired with the loan amount are provided as security for our small business loans. We believe this provides us with a cushion against possible defaults by the borrowers. We believe that our effective credit approval mechanisms, credit control processes, audit and risk management processes and our lending policy, audit policy and risk management policy help us maintain the quality of our loan portfolio. Our gross non-performing assets and net non-performing assets as a percentage of our AUM for nine months period ended on December 31, 2025, stood at 1.46% and 0.82%, respectively.

**Our Strategies**

The business strategies of our Company are designed to capitalize on our competitive strengths and enhance our market position. Key elements of our strategies include:

***Expanding our geographical reach***

We intend to continue to grow our loan portfolio by expanding our network through the addition of new branches. In order to optimize our expansion, we carefully assess potential markets by analyzing demographic, competitive and regulatory factors, site selection and availability, and growth potential. A good reach to customers is crucial for our business. The customers of our Company are retail customers, small businessmen, vendors, traders, farmers and salaried individuals, who for reasons of convenience, accessibility or necessity, avail Gold Loans by pledging their gold jewellery and ornaments with us rather than by taking loans from banks and other financial institutions. As on December 31, 2025, our Company has 302 branches located across 6 states i.e., Kerala, Tamil Nadu, Karnataka, Maharashtra, Andhra Pradesh and Telangana. 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 South Indian states. We also seek to expand our business through branch expansion in non-southern states to expand our geographical reach in order to meet the growing demand and enhance our ability to reach out to new customers in these states. 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.

***In-house training capabilities and strengthening recruitment process***

Our Company has been targeting to recruit qualified staff at all levels who can be groomed to take up challenges and come out with better performance. We also endeavour to develop learning solutions for preparing our employees to equip them with necessary skills to cater the ever-increasing needs of our customers. The training department is functioning under the Department of Human Resources. The department understands that it has a key role to play in keeping the employees' aspirations and organizational goals aligned. They work on the principle that better knowledge helps employees to serve customers better.

***Further growth of our Gold Loan business***

Historically, Indians have been one of the largest consumers of gold due to the strong preference for gold jewellery among Indian households and its widespread use as a savings instrument. Indian population views investment in gold as a fallback option in the times of need. As a result, the market for gold loan financing in India offers good potential for further growth. Loans can be required for meeting some sudden medical exigency or for educational purposes or for business by enterprise owners. Gold loans extended by the NBFCs are very handy and flexible, though costlier than loans provided by banks. The Company continuously monitors viability of each branch with respect to per branch asset under management.

***Target new customer segments***

The market for our Gold Loans was traditionally confined to lower and middle income groups, who viewed Gold Loans as an option of the last resort in case of emergency. We intend to undertake sustained marketing efforts to diminish the stigma attached to pledging gold jewellery in India. We have introduced new product variants to expand our customer base to include

various groups of population. We intend to emphasize our Gold Loan products' key advantages of expediency and minimal documentation and alter the image of Gold Loans from an option of the last resort to an option of convenience.

***Product diversification***

Our Company is planning to enter into business in new Gold Loan products such as "Online Gold Loan" followed by "Door Step Gold Loan". New products will be launched initially in selected locations after evaluating the risks involved and later on extended to more areas based on performance. In addition to these, we shall be coming out with new variants of gold loan products based on continuous study and appraisal of the Gold Loan market and customers' needs.

***Strengthen our operating processes and risk management systems***

Risk management forms an integral part of our business as we are exposed to various risks relating to the lending business. The objective of our risk management systems is identifying, assessing, monitoring and measuring various elements of risks involved in the business such as including credit risk, interest risk, market risk, liquidity and to implement policies and procedures to mitigate such risks. We plan to continue to adapt our risk management procedures, to take account of trends we have identified. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage all the business risks inherent to our business.

**Loan-Book for the nine months period ended on December 31, 2025 and financial years ended as on March 31, 2025, March 31, 2024 and March 31, 2023**

The product-wise loan book of our Company for the nine months period ended on December 31, 2025 and financial years ended as on March 31, 2025, March 31, 2024 and March 31, 2023 is as follows:

| Particulars | Total Assets Under Management (₹ in lakh) as of | | | | % of Assets Under Management (%) as of | | | |
|---|---|---|---|---|---|---|---|---|
| | December 31, 2025 | March 31, 2025 | March 31, 2024 | March 31, 2023 | December 31, 2025 | March 31, 2025 | March 31, 2024 | March 31, 2023 |
| Gold Loans | 68,671.80 | 53,853.92 | 41,242.54 | 30,190.86 | 94.46% | 90.44% | 83.71% | 74.00% |
| Microfinance Loans | 3,122.27 | 4,166.20 | 5,373.12 | 5,820.77 | 4.29% | 7.00% | 10.91% | 14.27% |
| Business Loans | 304.52 | 567.30 | 1,751.74 | 3,818.60 | 0.42% | 0.95% | 3.56% | 9.36% |
| Other Business* | 598.08 | 958.38 | 899.01 | 970.68 | 0.83% | 1.61% | 1.82% | 2.38% |
| **Total** | **72,696.67** | **59,545.80** | **49,266.41** | **40,800.91** | **100.00%** | 100.00% | **100.00%** | **100.00%** |

**Other business includes consumption loans and insta loans (personal loan)*

**Our Company's Business**

***Gold loans***

Our core business is disbursement of Gold Loans, which are typically small ticket loans secured by the pledge of gold jewellery. For the nine months period ended on December 31, 2025 and financial years ended as on March 31, 2025, March 31, 2024 and March 31, 2023, we had approximately 86,264, 86,258, 78,525 and 64,461, respectively, Gold Loans accounts, aggregating to ₹ 68,671.80 lakh, ₹ 53,853.92 lakh, ₹ 41,242.54 lakh and ₹ 30,190.86 lakh which comprised 94.46%, 90.44%, 83.71% and 74.00% of our total assets under management respectively, before the impairment reserve.

For the nine months period ended on December 31, 2025 and financial years ended as on March 31, 2025, March 31, 2024 and March 31, 2023 income from interest on our Gold Loans constituted 88.10%, 75.94%, 71.78% and 66.76 % of our total income, respectively. For the nine months period ended on December 31, 2025 and financial years ended as on March 31, 2025, March 31, 2024 and March 31, 2023 the average loan amount advanced by us was ₹ 85,665, ₹ 63,272, ₹ 51,587 and ₹ 43,868 per loan transaction. For the nine months period ended on December 31, 2025 and financial years ended as on March 31, 2025, March 31, 2024 and March 31, 2023, our Gold Loans portfolio yield (representing interest income on Gold Loans as a percentage of average outstanding of Gold Loans), were 25.67%, 23.13%, 22.55% and 20.70% per annum, respectively.

***Loan disbursement process***

*Initial Evaluation and Loan Origination Process*

The principal form of security that we accept is household gold jewellery. While these restrictions narrow the pool of assets that may be provided to us as security, we believe that it provides us with the key advantages. 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 lend up to 75% of the value of jewellery (basis the category of gold loan scheme of the 22 carat gold price based on 30 days average price of 22 carat gold declared by India Bullion and Jewellers Association Limited, as per RBI guidelines). We appraise the jewellery collateral solely based on the gold content in the jewellery. Our Gold Loans are 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. As per our internal Gold Loan manual, we do not accept household gold jewellery below 22 carats as security for Gold Loans. Our Company has adopted a board approved consolidated lending policy on May 12, 2025.

Before sanctioning the Gold Loan, the branch officials take precautions and obtain declarations to ensure that the applicant who is pledging the ornaments, is the owner of those ornaments and that the borrower is creditworthy. We conduct field checks to ensure the financial standing and repayment capacity of loan applicants in case the aggregate loans outstanding of the borrower exceeds ₹ 2,00,000 basis which a report is prepared. This is done by way of physical visits to the business/residential place of the customer by the Branch Manager and a branch staff member before processing the loans. The area manager/regional managers further cross verify the particulars of these records. In event of aggregate loan outstanding of the borrower exceeds ₹ 8,00,000, the Area Manager/ Sr. Area Manager shall conduct joint field visits and the field visit reports for borrowers with aggregate loan outstanding above ₹ 12,00,000 are countersigned by the Zonal Manager. We also photograph customers with web-cameras installed in our branches at the time of each pledge. A unique customer number is provided to every customer. The customer's gold is checked for its authenticity by our team of appraisers. Further, a declaration of ownership of the gold jewellery is obtained from the borrower in all cases.

*Loan Approval process*

The first step in the process is the appraisal and evaluation of the household gold jewellery and ornaments, as security/collateral for the Gold Loans. Employees in our branches are trained for gold appraisal and operate in accordance with guidelines contained in our internal Gold Loan manual regarding their function and responsibilities. The initial appraisal is performed by a trained employee and verified by the Branch Manager/ Branch in charge. This process involves several principal tests, which include the acid and salt test, point scratching test, the weight test, flexibility test, smell test, usability test and sound test. The gross weight of the gold jewellery is determined by weighing the jewellery. The weight of stones and other material that is embedded in the jewellery is also deducted from the gross weight to determine the net weight.

During the appraisal and evaluation, the customer fills the application form in connection with the gold to be provided as security and thereafter recorded by an appraiser after the gold has been appraised and evaluated. The application is then signed by the customer, the appraiser (staff) and also by the branch manager/manager in charge.

***Sanction of loan***

In order to have an overall control over the sanction of loans to a single borrower and to ensure the need for having an in-depth knowledge of the borrower who avail higher amounts of loans, the sanction powers are delegated to various authorities of our Company as provided below:

| Sanctioning level | Maximum LIMIT per borrower (₹) |
|---|---|
| Branch Manager | 8,00,000 |
| Area Manager /Sr. Area Manager Regional Manager | 12,00,000 |
| Zonal Manager | 20,00,000 |
| By Head Ops / CFO | 30,00,000 |
| HO GL Sanction Committee | Specific cases above ₹ 30 lakh up to ₹ 50 lakh to a single borrower duly recommended by BM, AM/ Sr. Area Manager /RM and ZM shall be considered by a committee comprising of any two of the following three officials:-<br>i) CFO<br>ii) VP-Audit & RM<br>iii) VP – Sales, Marketing & Recovery |

| Sanctioning level | Maximum LIMIT per borrower (₹) |
|---|---|
| | by submitting all relevant details well in advance (3 working days). Details required to be submitted:<br>1. Field verification by AM/ Sr. Area Manager /RM and ZM jointly with their recommendations.<br>2. CIBIL report of the customer<br>3. Information on the business of the borrower such as ITR, Annual Return etc. if desired by the committee. |
| Maximum limit per borrower | ₹ 50,00,000/- for a maximum period of 6 months. |

*Post disbursement process*

*Custody of gold collateral and Inventory Control*

The gold jewellery and ornaments pledged by the customers are kept in plastic bag and sealed. These ornaments are appraised by the appraiser and verified by the branch manager and joint custodian. The packets are kept in cabinets in the strong room. When the packets/covers are kept inside, entry is made in the securities register which is also kept inside the strong room. In few of our branches where sufficient space is not available for building a strong room, the gold ornaments are stored in fire-proof/burglar proof safes. The safes and strong rooms in which the gold jewellery is kept are built as per industry standards and practices. The physical stock of pledge packets is also verified and tallied with the general ledger on a fortnightly basis and at the time of internal audit and gold inspection. Further, no new branches can be opened without storage arrangements having been made thereat.

*Collection and Recovery Processes*

We believe that our loan recovery procedure is particularly well-suited to our target market for each of our products. The entire collection operation is administered in-house through our branch officials and we do not outsource loan recovery and collection operations. The customers may redeem the loan at any time prior to the full tenure. In the event that a loan is not repaid on time and after providing due notice to the customer, the pledged gold is disposed off in public auction in accordance with the Board approved auction procedure and applicable RBI guidelines. Auction proceeds will be adjusted against the Principal, Interest, postages and auction charges due from the customer. Any surplus arising out of the auction proceeds after adjusting the dues from the customer 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. Notices are sent to all customers whose ornaments are auctioned, intimating them of amount adjusted towards dues and surplus or deficit after such adjustment.

Our Company has an internal collection process wherein a customer is intimated by means of short messaging service and phone calls in the event of defaults in repayment in a timely manner. When a customer does not repay loan on or before its maturity, even after repeated follow up, we initiate the recovery process and dispose off the pledged gold, by public auction as per Reserve Bank of India guidelines to recover the amount owed to us, including the principal, interest and other charges. Before initiating the recovery process, we inform the customer through registered notices. Gold ornaments pledged with our Company will be disposed by the Company by way of public auction, after the due date. Our Company will give due notice of auction to the customer by way of registered post at least 15 days before the date of auction.

**Our Auction Policy**

Chemmanur Credits and Investments Limited is an NBFC mainly engaged in lending against the security of gold ornaments. The situation for auction of the gold ornaments pledged arises only when the borrower has not repaid the dues in spite of the various opportunities given to him by our Company. Thus, auction of the pledged gold ornaments is the last measure resorted by our Company to recover the dues from the borrower. It shall be the policy of our Company to avoid the auction of the ornaments pledged by the customer to the maximum possible extent.

Our Company shall follow up with the borrowers for release of the pledged ornaments before putting the same in the auction list by sending registered notice reminding the borrowers. Even after putting the ornaments in the auction list, a last opportunity shall be given to the customer to get the pledged items released by all possible means of settlement.

Our Company normally categorizes those loan accounts in which pledged ornaments are not released within the loan tenure as overdue loans accounts, and the same will be put in the auction list. Ornaments pledged in such accounts will be sold by

public auction as per the terms of the policy. The Company shall initiate the process for auction after taking approval from the Chief Executive Officer.

Though normally the Company includes only those accounts which are overdue for auction, in a situation where the gold price is on downward trend and the realisation of the loan dues is difficult, our Company can start the auction procedures by giving proper prior notice to the customer even before the accounts are categorised as overdue. However, such steps will be initiated only after a decision to that effect is taken by the Management Committee subject to reporting to the Board in the next meeting.

A report on auction conducted during each quarter shall be placed before the Board for information.

If the loan is not settled by the customer before the due date or on recall, final auction intimation shall be given to the customer by registered post with acknowledgement due giving him another 15 days' time and intimating him of date and place of auction. This intimation shall contain the details of loan such as the loan number, date of loan, net weight of the ornament pledged, principal amount, interest, additional interest and other charges due from the customer, and total amount due. Our Company keeps the post office receipt towards proof of intimation/ notice to the customer.

Pursuant to the circular dated September 16, 2013 issued by RBI, the following additional stipulations have been made in respect to auctioning of gold jewellery:

1. The Company shall obtain registration under respective rules and regulations in force particularly under GST rules. All the terms and conditions prescribed under such rules/regulations shall be complied with.

2. The gold ornaments pledged will be auctioned only through auctioneers approved and appointed by the Board.

The auction shall be announced to the public by issue of advertisement in at least two daily newspapers (one in national and one in vernacular language) and shall be made one month* well in advance before the auction. The auction list shall also be displayed at respective branch office(s). In case the account is not settled despite best efforts, auction may be initiated after completion of one month* from the date of public notice.

** shall be implemented on or before 31st March 2026 as per RBI guidelines.*

**Microfinance Loans**

Our microfinance loans are typically small ticket loans, unsecured and given to Joint Liability Groups of woman customers. Accordingly, we provide loans to groups of women, with each group consisting of minimum five women based on our criteria. Under the JLG model, loans are provided to individual customers, however group guarantees the repayment of loans given to individual members of the group. We provide Microfinance Loans up to a maximum limit of ₹ 60,000 for a maximum period of 24 months.

Our operations are focused on low income households engaged in economic activity and/ or women with limited access to formal financial institutions and our goal is to achieve gender equality in the society by providing the microfinance loan services to women.

For the nine months period ended December 31, 2025 and financial years ended as on March 31, 2025, March 31, 2024 and March 31, 2023, we had approximately, 34,853, 36,119, 45,376 and 49,366, respectively Microfinance Loan accounts, aggregating to ₹ 3,122.27 lakh, ₹ 4,166.20 lakh 5,373.12 lakh and ₹ 5,820.77 lakh which comprised 4.29%, 7.00%, 10.91% and 14.27%, of our total assets under management respectively.

For the nine months period ended December 31, 2025 and financial years ended as on March 31, 2025, March 31, 2024 and March 31, 2023 income from interest on our Microfinance Loans constituted 4.16%, 7.04%, 11.45% and 8.42 % of our total income, respectively. For the nine months period ended December 31, 2025 and financial years ended as on March 31, 2025, March 31, 2024 and March 31, 2023 the average loan amount advanced by us was ₹ 16,381, ₹ 18,053, ₹ 19,496 and ₹ 15,770 per loan transaction. For the nine months period ended December 31, 2025 and financial years ended as on March 31, 2025, March 31, 2024 and March 31, 2023, our Microfinance Loans portfolio yield (representing interest income on Microfinance Loans as a percentage of average outstanding of Microfinance Loans), were 20.48%, 21.95%, 24.12% and 22.59 % per annum, respectively.

*Increase in Microfinance Loans*

With the changes brought in by RBI in 'Microfinance Lending Framework', we have been authorised to increase lending under Microfinance schemes up to 25% of total assets as against 10%.

*Microfinance Loan disbursement process*

The Microfinance branches identify locations where loans are required through market survey within vicinity of branch and collect the KYC documents of the prospective loanees. A group guarantee is taken from the members of JLG group and the loan documentation is completed after the required personal verifications. Group training sessions are held wherein all rules and regulations in respect of the microfinance services are provided to each group. A housing survey of the members of each group is also conducted during this process. The loans of members of a particular group are handed over to their group leader. The collection for the loans is made on daily basis.

**Business Loans**

Apart from Gold Loans, we also provide financial assistance to individuals, who are engaged in small scale businesses, but are currently dependent on informal sources of funding which is known as "Gramin Shakthi Loan" or "GSL".

Gramin Shakthi Loans are provided to mitigate their difficulty in meeting business requirements or to raise working capital funds.

GSL are secured business loans, wherein our Company offer loans up to ₹ 1,50,000 for various fund requirements like working capital needs, expansion of business etc. with weekly instalment or monthly instalment options.

Our business loans typically cover loans provided against the hypothecation of business asset with the loan amount ranging from ₹ 25,000 to ₹ 1,50,000. The tenure of such business loan generally ranges from 50 weeks to 100 weeks. The interest charged is at 25 % per annum at a diminishing rate.

For the nine months period ended December 31, 2025 and financial years ended as on March 31, 2025, March 31, 2024 and March 31, 2023, we had approximately 3,230, 4,655, 10,600 and 19,127, respectively Business Loan accounts, aggregating to ₹ 304.52 lakh, ₹ 567.3 lakh, ₹ 1,751.74 lakh and ₹ 3,818.60 lakh which comprised 0.42%,0.95%, 3.56 % and 9.36 % of our total loan and advances respectively.

For the nine months period ended December 31, 2025 and financial years ended as on March 31, 2025, March 31, 2024 and March 31, 2023 interest income from our Business Loans constituted 0.20%, 1.40%, 5.87% and 11.72% of our total income, respectively. For the nine months period ended December 31, 2025 and financial years ended as on March 31, 2025, March 31, 2024 and March 31, 2023 the average loan amount advanced by us was ₹ 0, ₹ 38,593, ₹ 37,597 and ₹ 34,231 per loan transaction. For the nine months period ended December 31, 2025 and financial years ended as on March 31, 2025, March 31, 2024 and March 31, 2023, our Business Loans portfolio yield (representing interest income on Business Loans as a percentage of average outstanding of Business Loans), were 8.42%, 18.29%, 24.53% and 24.36% per annum, respectively.

***Loan Disbursement Process***

*Initial Evaluation and Loan Origination Process*

Our field officers identify potential borrowers within in the vicinity of our branches based on eligibility criteria such as a) persons engaged in buying and selling of goods/commodities either as retailer/wholesaler, b) self employed persons engaged in service sector and c) regular income with capacity for repayment of loan with interest. The GSLs are secured usually by way of (i) demand promissory notes, and/or (ii) hypothecation of goods/stock/equipment/machinery acquired and/or (iii) personal guarantee of close relatives of the borrower or persons acceptable to our Company.

*Loan approval and Collection process*

For approval of loan, the staff of our Company has to compulsorily collect self-attested true copies of the bank pass book issued in the name of the borrower, post which the loan application is processed. Managers make visits to the applicant's business location/residence for loan appraisal purpose. Based on set parameters, meetings with customers are conducted through personal visits. Once a proposal is sanctioned, our Company works towards the agreement executions and disbursements are conducted. Repayment of the loan with interest is ensured based on prefixed weekly installments advised to the borrower.

Our Field officers visit borrowers' place of business for collection of weekly installments on specified dates. Installment is collected and receipt is provided to the borrower. Collection details are updated in the system using a designed android application in the presence of the borrower.

**Other Business**

***(i) Personal Loan***

We also offer two unsecured loan products viz. Consumption loans and Insta loans (personal loans). The Consumption Loans and Insta Loans are provided to eligible customers, who are having regular income with capacity to repay the loan with interest.

***(ii) Money Transfer Services***

We provide money transfer service as a fee-based business for transfer of money from abroad. Under our money transfer agreements, with agents of Money Transfer companies we make payment of money remitted by persons from abroad to the beneficiaries after checking their identity. The money paid by us on behalf of the agent of the Money Transfer company is refunded to us by the agent on the next working day after payment. We are entitled to receive a commission for the services provided depending on the number of transactions and the amount of money transferred.

With expected increase in branch networks we expect increased volume in Money Transfer services and resultant increase in income in the coming years.

***(iii) Insurance and micro-insurance distribution services***

We have tied up with insurance providers such as Pramerica Life Insurance Limited and Liberty Health Insurance Limited for distribution of their products. We are acting as master policy holders to cover our customers and their spouses under Micro Finance and Gramin Shakthi loans. The insurance coverage ranges from ₹ 5,000 to ₹ 1,50,000 depending on the loan amount. We have obtained corporate agency license from IRDAI to solicit life insurance, general insurance and health insurance.

We plan to focus more on Insurance business in coming years. With the proposed increase in branch network and geographical coverage we expect a reasonable increase in Insurance business and increase in our income.

***Branch Network***

Our Company has established a presence in India, with 302 branches located across 6 states, namely Kerala, Tamil Nadu, Karnataka, Maharashtra, Andhra Pradesh and Telangana as of December 31, 2025. The distribution of branches across India by region as of December 31, 2025, March 31, 2025, March 31, 2024 and March 31, 2023 is as set out in the following table:

| State | As of | | | |
|---|---|---|---|---|
| | December 31, 2025 | March 31, 2025 | March 31, 2024 | March 31, 2023 |
| Kerala | 120 | 123 | 122 | 121 |
| Tamil Nadu | 69 | 68 | 59 | 41 |
| Karnataka | 44 | 44 | 41 | 33 |
| Maharashtra | 5 | 5 | 4 | 0 |
| Andhra Pradesh | 59 | 59 | 41 | 0 |
| Telangana | 5 | 2 | - | - |
| **Total** | **302** | **301** | **267** | **195** |

For further details on our branches please refer the QR code and web link below:

**Weblink**: https://www.chemmanurcredits.com/media/1956/branch-details.pdf

**Marketing, Sales and Customer Care**

Our Company undertakes publicity through media, both print and electronic to increase the visibility of our brand. Our media plans consider the visibility and reach of our 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. We advertise more through digital/social media platform rather than print and electronic media. The branches of our Company display the ombudsman scheme available for customers, the names and address of the nodal officer (Grievance Redressal Officer) along with the RBI official in respect of customer grievances for addressing customer complaints. Our grievance redressal mechanisms are further monitored by the 'Stakeholders Relationship Committee' of our Board.

***Asset Quality***

We maintain our asset quality through the establishment of prudent credit norms, the application of stringent credit evaluation tools, limiting customer exposure, and direct interaction with customers. In addition to our credit evaluation and recovery mechanism, our asset-backed lending model and adequate asset cover has helped maintain low gross and net NPA levels.

***NPA Policy***

Our Board adopted the policy on income recognition and asset classification dated May 12, 2025 ("**IRAC Policy**"). In terms of the IRAC Policy, all gold loans outstanding beyond the loan validity are disposed of as per our Auction Policy. In order to undertake this, our Company has put in place a gold loan monitoring, follow-up and disposal mechanism. In the case of other loans regular follow up is done in person by field officers and their supervisors to recover overdue/NPA loans.

The Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025, as amended ("**NBFC IRAC 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 loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard assets;
- Doubtful assets; and
- 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 above NBFC IRAC Directions. In terms of the NBFC IRAC Directions, non-deposit taking NBFC-BL has to make *inter alia* the following provisions on their loan portfolio:

| Asset Classification | Provisioning Policy |
|---|---|
| **Standard Assets** | 0.25% |
| **Sub-standard Assets** | 10% of the principal & 100% of interest accrued but not collected |
| **Doubtful Assets** | (a) 100% of the principal to the extent to which the advance is not covered by the realisable value of security and 100% of interest accrued but not collected |
| | (b) In addition to item (a) above, depending upon the period for which asset has remained doubtful, provision to the extent of 20% to 50% of the secured portion shall be made. |
| **Loss Assets** | 100% write off |

For further details, please refer to *"Key Regulations and Policies*" on page 163.

Based on the NBFC IRAC Directions for asset classification, details of the classification of our gross NPAs for significant classes of our assets for the nine months period ended December 31, 2025 and Fiscals 2025, 2024 and 2023 are furnished below:

Details of NPA and provisions thereon of our Company, as of the specified dates are set out in the table below:

*(₹ in lakh)*

| Asset Type | As on December 31, 2025 | As on March 31 | | |
|---|---|---|---|---|
| | | 2025 | 2024 | 2023 |
| Sub-standard | 514.54 | 709.28 | 147.82 | 57.99 |
| Doubtful | 445.11 | 198.42 | 159.21 | 136.75 |
| Loss | 98.72 | 76.29 | 54.81 | 54.35 |
| Gross NPA | 1,058.37 | 983.99 | 361.84 | 249.09 |
| Gross NPA% of Assets under management | 1.46% | 1.65% | 0.73% | 0.61% |
| Less Provisions | 465.83 | 280.92 | 174.18 | 150.19 |
| Net NPA | 592.54 | 703.07 | 187.66 | 98.9 |
| Net NPA% of Assets under management | 0.82% | 1.18% | 0.38% | 0.24% |

***Assets-Liabilities Management Policy***

Our Board adopted the asset-liability management policy ("**ALM Policy**") vide board resolution dated May 12, 2025. Through this policy, our Company proposes to lay down broad guidelines in respect of interest rate and liquidity risks management systems in Company, which form part of the Asset-Liability Management (ALM) function. The initial focus of the ALM function would be to enforce the risk management discipline, i.e., managing business after assessing the risks involved. The organizational set up for liquidity risk management under the ALM Policy has been divided between (a) the Board of Directors, (ii) the Risk Management Committee, and (iii) the Asset-Liability Management Committee ("**ALCO**").]

**Funding Sources**

We have expanded our sources of funds in order to reduce our funding costs, protect interest margins and maintain a diverse funding portfolio that will enable us to achieve funding stability and liquidity.

Our Company has put in place a Board approved policy for resource planning ("**Resource Planning Policy**") dated May 12, 2025, the Resource Planning Policy has been formulated by our Company to plan properly and effectively the financial resources of the Company to meet its periodical requirements for funds.

Our sources of funding comprise term loan and cash credit from banks, issuances of (i) redeemable non-convertible debentures; (ii) subordinated debt in addition to equity infused by the Promoter.

For details, please refer to sections titled *"Financial Information" and "Financial Indebtedness"* on pages 111 and 113, respectively.

**Capital Adequacy and Leverage Ratio**

As per the NBFC Capital Adequacy Directions every NBFC-BL including us is subject to the leverage ratio requirements and capital adequacy requirements prescribed by the RBI. Currently, we are required to maintain capital adequacy 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 are required to maintain a minimum Tier I Capital of 12.00% and also the total of Tier II capital, at any point of time, shall not exceed one hundred percent of Tier I capital. We are required to maintain a Leverage ratio of not more than 7 times. Additionally, we are required to transfer up to 20% of our net profit to a reserve fund and make provisions of NPAs. We had Tier I and Tier II capital adequacy ratio of 24.63%,25.26%, 21.84 % and 27.12% as on December 31, 2025, March 31, 2025, March 31, 2024 and March 31, 2023 respectively. Where Tier I capital adequacy ratio stood at 16.27%, 16.69%, 14.43% and 17.94% as on December 31, 2025, March 31, 2025, March 31, 2024 and March 31, 2023 respectively, against prescribed limit of 12% for NBFCs engaged in business of gold loans. We had debt to equity ratio of 5.73 times for the nine months period ended December 31, 2025 and leverage ratio of 5.16 times, 6.28 times and 4.79 times for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023. We have satisfied the minimum capital adequacy ratios prescribed by RBI for the nine months period ended December 31, 2025 and financial years ended March 31, 2025, March 31, 2024 and March 31, 2023.

**Risk Management**

Risk Management Policy approved vide board resolution dated May 12, 2025 represents the standards of risk assessment to be followed by our Company as an NBFC, formulated in line with the RBI guidelines, and with the approval of the Board of

Directors. Company's Risk management is a business facilitator by making more informed decisions with balanced risk-reward paradigm. Our Company follows a disciplined risk management process and has been taking business decisions, ensuring growth and a balanced approach on risk reward matrix. The policy lays down a framework for identifying, assessing, and measuring various elements of risk involved in the business and formulation of procedures and systems for mitigating such risks.

***i. Credit risk***

Credit risk is a risk of loss due to failure of a borrower to meet the contractual obligation of repaying his debt as per the agreed terms is commonly known as risk of default.

***ii. Market risk***

This is due to external market dynamics, which gives rise to risks like fall in price of security, interest Rate Risk and Funding Risk. Our Company deals with gold loans and has to face the risk of market fluctuations in the price of the gold which is determined by many factors. Our Company shall resort to proper ways to manage such risks.

***iii. Operational risk***

An operational risk is any eventuality arising out of the act relating to people, technology, infrastructure and external factors, which can give rise to some type of loss in the organisation, is termed as operational risk. Mostly it is internal and unknown. Therefore the persons responsible shall keep continuous watch and shall gather the symptoms / warning signals to manage operational risk.

***iv. Liquidity risk***

Company may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process.

**Internal Audit System**

A tiered approach is undertaken by our internal audit team in accordance with audit policy approved vide board resolution dated May 12, 2025 to strengthen our risk management process. We have internal audit systems which consist of audit and inspection, for risk assessment and internal controls. The audit system comprises of accounts audit and gold appraisal. In accordance with our audit policy, all of our branches are subject to gold audit every 25 days and internal audit of Microfinance Loans, Business Loans and personal loans is conducted once in every three months.

**Credit Rating**

CRISIL Ratings Limited vide their rating rationale letter dated December 4, 2024 reaffirmed the rating of our long term bank loans of ₹ 5,000 lakh as 'CRISIL BBB-/Stable', and the rating of our non-convertible debentures of ₹ 20,000 lakh was reaffirmed as 'CRISIL BBB-/Stable'. Further, India Ratings *vide* their rating letter dated June 25, 2024 affirmed the rating of our bank loans of ₹ 5,000 lakh as 'IND BBB-/Stable'. Further, India Ratings *vide* their rating letter dated September 24, 2025 affirmed the rating of our bank loans of ₹10,000 lakh and non-convertible debentures of ₹27,568.30 lakh as 'IND BBB-/Stable'. Further, India Ratings *vide* their rating letter dated February 04, 2026 has assigned 'IND BBB-/Stable' in respect of present Issue of NCDs of ₹10,000 lakh.

**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.

**Insurance Coverage**

We maintain insurance coverage on all our assets located at our registered office, on all our movable/immovable assets

including gold ornaments kept as security in branch premises owned by us against Burglary and special perils (such as fire and earthquakes). Our insurance policies are generally policies with a one year validity that we renew upon expiry.

**Intellectual Property**

The trademark/service mark and logo in connection with the "BOCHE, CONQUER THE WORLD WITH LOVE" logo is owned by our Promoter and is pending for registration in various classes including classes which pertain to our Company's business. There can be no assurance that our Promoter would be able to obtain registration of the aforesaid logo and trademarks under each or all of the classes. Once such trademark and/or logo is registered we intend to enter into an agreement with our Promoter for the use of such logo and/or trademark. We have obtained permission from our Promoter in writing to use the logo. For further details, see section titled "*Risk Factors*" on page 17.

**Property**

Our registered office is at Door No. D1 to D4, 3rd Floor, Avenue Tower, East Fort, Thrissur East, Thrissur - 680005, Kerala, India which is being used by us on a leasehold basis. If these leases are not renewed on a timely basis or at all, we do not think that relocating would materially and adversely affect our operations and profitability.

**Human Resource**

As on December 31, 2025, we had 1,270 employees engaged in various business operations like sales, marketing, recovery, audit etc. We endeavour to nurture dedicated talent by providing required training. We groom our employees to take up challenges and to provide better customer service.

## HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### Brief background of our Company

Our Company was incorporated in Kerala on December 16, 2008, as a public limited company under the provisions of the Companies Act, 1956 as Chemmanur Credits and Investments Limited and received the certificate of commencement of business from the RoC on November 10, 2010. Our Company has obtained a certificate of registration dated June 10, 2010, bearing registration no. N16-00185 issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of non-banking finance without accepting public deposits subject to the conditions mentioned in the certificate of registration.

Our Company is promoted by Chemmanur Devassykutty Boby. The promoter has expanded the family-run business of more than 150 years of retail gold jewellery. Chemmanur Devassykutty Boby, under the Boby Chemmanur group, has branches in USA and Middle East apart from those in India and has interests in various other fields such as finance, chits, super market, real estate, builders and developers, e-commerce, holiday resorts, holiday timeshare/vacation ownership etc. The registered office of our Company is situated at Chemmanur Credits and Investments Limited, Door No. D1 to D4, 3rd Floor, Avenue Tower, East Fort, Thrissur East, Thrissur - 680005, Kerala, India. The liability of the members of our Company is limited. The Corporate Identification Number of our Company is U65923KL2008PLC023560.

### Change in Registered Office of our Company

| Date | Details of Registered Office |
|---|---|
| At incorporation | Building No.17/504-F4, Sarara Complex, Mavoor Road, Near New Bust Stand, Puthiyara, P.O. Kozhikode, Kerela – 673 001, India |
| March 19, 2012 | Kozhikode to 4th Floor, West Fort Tower, West Fort Junction, Civil Lane, Thrissur – 680 004 |
| May 25, 2013 | Mangalodhayam Building, Round South, Thrissur – 680 001, Kerala, India |
| April 12, 2024 | Door No. D1 to D4, 3rd Floor, Avenue Tower, East Fort, Thrissur East, Thrissur - 680005, 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 the business of lending or advancing money either upon or without security as a non-banking financial company as per RBI guidelines, to advance money either upon or without security to the weaker sections of society at preferential rate of interest or otherwise, including lending under microfinance schemes, to carry on the business of hire purchase by lending or advancing money upon or without security, and to carry on the business of money lending in accordance with the provisions of Kerala Money lenders Act, 1958, subject to all applicable rules and regulations.

2. To borrow, raise or receive money, including by way of debentures, bonds or otherwise, subject to the laws in force from time to time, but the company shall not carry on the business of banking as defined in the Banking Regulation Act, 1949.

3. To carry on and undertake the business of stock brokers, to undertake depository participant activities, to provide custodial and depository services of assets and securities, to collect dividends, bonuses, interests, income, rights, entitlements accruing on such assets and securities, to do the business of money transfer services, money changers, authorized dealers in foreign exchange or foreign securities, exchange houses etc. 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.

4. To act as a corporate agent for soliciting or procuring the business of all types of insurance.

### Key Milestones and Major Events

| Financial Year | Key Milestones/Major Events |
|---|---|
| 2010 | Certificate of registration issued by RBI to act as non-deposit taking NBFC. |
| 2012-13 | Opened our 100th branch on August 24, 2012 (on first anniversary of opening of first branch) |

| Financial Year | Key Milestones/Major Events |
|---|---|
| 2015-16 | Expanded operation to Tamil Nadu |
| 2016-17 | Certificate of registration as Corporate Agency with IRDAI. |
| 2021-22 | Expanded operation to Karnataka |
| 2022-23 | Issued secured, non-convertible debentures for the first time. The securities were listed on BSE |
| 2023-24 | Expanded operations to Maharashtra and Andhra Pradesh |
| 2024-25 | Expanded operations to Telangana |

**Subsidiaries of our Company**

As on the date of this Draft Prospectus our Company does not have any subsidiary.

**Holding of our Company**

As on the date of this Draft Prospectus our Company does not have any holding company.

**Associate of our Company**

As on the date of this Draft Prospectus our Company does not have any associate company.

**Key terms of Material Agreements**

As on the date of this Draft Prospectus our Company has not entered into any material agreements which are not in the ordinary course of business.

## OUR MANAGEMENT

***Board of Directors***

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. The composition of our Board is governed by the provisions of the Companies Act, 2013, and the rules prescribed thereunder, in compliance with the same, our Company require us to have not less than 3 (three) and not more than 15 (fifteen) Directors.

As on the date of this Draft Prospectus, our Board comprises of 6 (Six) Directors, of which 1 (One) Director is Chairman & Managing Director, 5 (Five) Directors are Non-Executive Directors including 1(One) women Director and 2 (Two) Independent Directors.

***Details of Board of Directors as on the date of this Draft Prospectus*:**

| Name, designation, and DIN | Age (in years) | Address | Date of Appointment | Other directorships |
|---|---|---|---|---|
| Chemmanur Devassykutty Boby<br><br>**Designation**: Chairman & Managing Director<br><br>**DIN**: 00046095 | 61 | Chemmanur House, Avenue Road, VTC, Thrissur - 680005, Kerala India. | Since incorporation | **Indian Companies**<br><br>• Nil<br><br>**Foreign Companies**<br><br>• Nil |
| Lijo Moothedan<br><br>**Designation**: Non-Executive Director<br><br>**DIN**: 00877403 | 50 | Moothedan House, Villa No. 47B/ 48, Hilite Spingdale Velliparamba, Kuttikka Ttoor Kozhikode 673008 Kerala India | Since incorporation | **Indian Companies**<br><br>• C.D.B. 24 Karat International Jewellers Private Limited<br>• C.D.B. 24 Karat Gold and Diamonds Private Limited<br>• Chemmanur Gold Palace International Limited<br>• Boby Chemmanur (No. 1) Chits Private Limited<br>• Boche Bhumi Putra Private Limited<br>• Boche Gold and Diamond Limited<br><br>**Foreign Companies**<br><br>• Nil |
| Smitha Boby<br><br>**Designation**: Non-Executive Director<br><br>**DIN**: 00046059 | 54 | 270/AB/17, 45/46A, Hilite springdale Villa, VTC: Kuttikatoor PO: Velliparamba District Khozikode - 673 008, Kerala, India | September 2, 2022 | **Indian Companies**<br><br>• Nil<br><br>**Foreign Companies**<br><br>• Nil |
| Antony Sebastian C.<br><br>**Designation**: Independent Director<br><br>**DIN**: 10083087 | 71 | Choorakkal House, Thavoos Lane, Mission Quarters, Thrissur, 680001 Kerala India | March 24, 2023 | **Indian Companies**<br><br>• Nil<br><br>**Foreign Companies** |

| Name, designation, and DIN | Age (in years) | Address | Date of Appointment | Other directorships |
|---|---|---|---|---|
| | | | | • Nil |
| Anil Kumar Prahladan<br><br>**Designation**: Independent Director<br><br>**DIN**: 07893500 | 67 | House No. T.C 92/3149; ARA-442-A; Anayara P.O, Trivandrum, PIN: 695029 | March 18, 2025 | **Indian Companies**<br><br>• YANS Healthcare Private Limited<br><br>**Foreign Companies**<br><br>• Nil |
| Sibin Philipose<br><br>**Designation**: Non-Executive Director<br><br>**DIN**: 09777666 | 40 | Pulluvana Veedu, Chittur Road, Kunnathurmedu, Palakkad-678013 | December 28, 2023 | **Indian Companies**<br><br>• Chemmanur International Info Solutions Private Limited<br>• Boche Tours And Travels Private Limited<br>• Brewcraft Hospitality Private Limited<br>• Boche Bhumi Putra Private Limited<br>• Boche RX Lens Private Limited<br>• Boche Jungle Wine Private Limited<br>• Thriprayar Gold And Diamond Private Limited<br>• Port Land Hospital Private Limited<br>• Boche Gold and Diamond Limited<br>• Boche Insurance Brokers Private Limited<br>• DBC Real Estate Developers Private Limited<br>• Boche Homes Private Limited<br><br>**Foreign Companies**<br><br>• Nil |

***Brief profile of the Directors of our Company***

***Chemmanur Devassykutty Boby*** is the Chairman & Managing Director of the Company. He is a veteran in gold jewellery business and has led Chemmanur International group to grow into an international jewellery chain traversing different countries such as USA and Middle East. He has been involved in multiple charity activities including Boby Fans Association Charitable Trust (founder trustee) and Life Vision Charitable Trust (founder trustee). He has been awarded an Honorary Doctorate by World Records University, Mother Theresa Award and Vijayashree Award, Longest Marathon Run (812 KM) for starting world's largest blood bank by Unique World Records, World Records University, Asia Book of Records, India Book of Records, and Limca Book of Records, Business Excellence Award by Cochin Herald & Indian Chamber of Commerce & Industry, Ambassador of Peace by Universal Peace Federation, among others.

***Lijo Moothedan*** is the Non- Executive Director of the Company. He has over 15 years of experience in jewellery segment and expertise in management and operation of diverse nature of business. He holds a degree of Bachelor of commerce from Calicut University.

***Smitha Boby*** is a Non-Executive Director, who joined the Board of our Company in 2022. She is a matriculate and is the spouse of Chemmanur Devassykutty Boby, Chairman & Managing Director of our Company.

***Anil Kumar Prahladan*** is the Independent Director of the Company. He joined to the Board of Chemmanur Credits and Investments Limited in the month of March 2025 as an Additional Director (Independent & Non-Executive) and was appointed as Independent Director in the AGM held on September 11, 2025. He retired as General Manager from Canara Bank in 2018. He served in the Priority Credit and Financial Inclusion wing of Canara Bank as General Manager at its Head Office Bengaluru. Mr. Anil Kumar Prahladan also served as Secretary to the Board of Directors of Canara Bank for a period of two years. He also served as Nominee Director of Canara Bank in NABFINS (NABARD Financial Services Ltd) during his term as General Manager at Canara Bank.

After retirement from Canara Bank, Mr. Anil Kumar Prahladan served as Internal Ombudsman at South Indian Bank from 2019 to 2022. He had a distinguished 34-year career at Canara Bank, holding various roles, including: Agricultural Extension Officer (1984-1995), Manager (1995-2001), Senior Manager in branch at Kot Badal Khan, Jallandhar District, Punjab (2001-2004), Senior Manager (2004-2006), Chief Manager/Divisional Manager (2006-2010), Assistant General Manager (2010-2014), Deputy General Manager (2014-2017), General Manager (2017-2018). Mr. Anil Kumar Prahladan is a post graduate in Agriculture from Kerala Agricultural University and also holds Bachelor of Law degree from University of Calicut.

***Antony Sebastian Choorakkal*** is the Independent Director of the Company. He is a Practicing Chartered Accountant who has been in practice for last 40 years and has experience in statutory audits of companies, banks, firms and other entities, societies etc. He joined the Board of our Company in March 24, 2023, as Independent Director.

***Sibin Philipose*** is a Non-Executive Director of the Company. He joined to the Board of Chemmanur Credits and Investments Limited in Financial Year 2023 as an Additional Director and was appointed as Non-Executive Director on September 20, 2024. He holds the degree of Bachelor in Commerce and Commercial Pilot License with Frozen ATPL.

***Relationship between Directors***

As on date of this Draft Prospectus, except as stated below, none of our Directors are related to each other.

| Sr. No. | Name of Director | Designation | Relationship with other Directors |
|---|---|---|---|
| 1. | Chemmanur Devassykutty Boby | Chairman & Managing Director | Lijo Moothedan – Brother–in-law. |
| | | | Smitha Boby – Wife |
| | | | Sibin Philipose –Son-in-law |
| 2. | Lijo Moothedan | Non-Executive Director | Chemmanur Devassykutty Boby - Brother–in–law. |
| | | | Smitha Boby – Sister |
| 3. | Smitha Boby | Non-Executive Director | Chemmanur Devassykutty Boby – Husband |
| | | | Lijo Moothedan – Brother |
| | | | Sibin Philipose –Son-in-law |
| 4. | Sibin Philipose | Non-Executive Director | Chemmanur Devassykutty Boby - Father–in–law |
| | | | Smitha Boby – Mother–in–law |

***Remuneration of Directors***

Details of remuneration/sitting fees paid for the current year, Fiscal 2025, Fiscals 2024 and 2023 by our Company:

*(₹ in lakh)*

| Name of Director | Current Financial Year (up till December 31, 2025) | Fiscal 2025 | Fiscal 2024 | Fiscal 2023 |
|---|---|---|---|---|
| Chemmanur Devassykutty Boby | 81.00 | 108.00 | 108.00 | 108.00 |
| Lijo Moothedan | 0.00 | 0.00 | 0.00 | 0.00 |
| Smitha Boby | 0.00 | 0.00 | 0.00 | 0.00 |
| Antony Sebastian C. | 6.75 | 8.75 | 5.50 | 0.00 |
| Anil Kumar Prahladan[*] | 5.25 | 0.00 | 0.00 | 0.00 |
| Sibin Philipose[#] | 0.00 | 0.00 | 0.00 | 0.00 |

| Name of Director | Current Financial Year (up till December 31, 2025) | Fiscal 2025 | Fiscal 2024 | Fiscal 2023 |
|---|---|---|---|---|
| Panamittath Madhavan Nair Rajagopal^ | 0.00 | 0.00 | 0.50 | 9.50 |
| Edathole Habeebul Rahiman$ | 1.25 | 8.75 | 5.75 | 9.50 |

** Anil Kumar Prahladan has been appointed as director of the Company w.e.f. March 18, 2025*
*# Sibin Philipose has been appointed as director of the Company w.e.f. September 20, 2024*
*^ Panamittath Madhavan Nair Rajagopal ceased to be director of the Company w.e.f. March 24, 2023*
*$ Edathole Habeebul Rahiman ceased to be director of the Company w.e.f. March 23, 2025. Sitting fee for the meetings held in February 2025 and March 2025 was paid in the current Financial Year.*

***Remuneration paid to the Directors for the current year and Fiscals 2025, 2024 and 2023 by our Subsidiaries and Associates*:**

Not applicable, as our Company does not have any subsidiaries or associate companies as of the date of this Draft Prospectus.

*The terms of remuneration of the Chairman & Managing Director are as below:*

The following table sets forth terms of remuneration to Chemmanur Devassykutty Boby, Chairman & Managing Director. The shareholders of the Company had fixed remuneration of ₹ 96,00,000 for the FY 2021-22 in the annual AGM dated September 30, 2021, due to inadequate profit during the FY 2021-22, the remuneration paid has been limited to ₹ 84,00,000, which is maximum remuneration as per Section 197 of the Companies Act read with Schedule V of Companies Act, 2013.

The Board in their meeting held on September 2, 2022 and shareholders by their resolution dated September 30, 2022 approved payment of remuneration of ₹ 1,08,00,000 to Chemmanur Devassykutty Boby, Chairman and Managing Director with effect from the FY 2022-23 as per Section 197 of the Companies Act read with Schedule V of Companies Act, 2013.

The Board in their meeting held on May 30, 2025 and shareholders by their resolution dated September 11, 2025 approved the proposal for reduction of salary/remuneration from ₹ 1,08,00,000/- p.a. to ₹ 96,00,000/- p.a. to Chemmanur Devassykutty Boby, Chairman and Managing Director with effect from the FY 2025-26 as per Section 197 of the Companies Act read with Schedule V of Companies Act, 2013.

| Particulars | Remuneration |
|---|---|
| Salary | ₹ 96,00,000 |
| Bonus | NIL |
| Perquisites | NIL |

***Remuneration of Independent Directors***

The Independent Directors are paid remuneration by way of sitting fees and reimbursement of other expenses (travelling, boarding and lodging) incurred for attending the Board/Committee meetings. The Non-Executive Directors are not paid any sitting fees.

Our Company pays sitting fees of ₹ 25,000 per meeting to the Independent Directors for attending the meetings of the Board and Committees thereof. The Non-Executive Directors are not paid any sitting fees during the current year and the last three fiscals i.e., Fiscal 2025, 2024 and 2023.

There is no commission paid to any of the Directors during the current year and the last three fiscals i.e. Fiscal 2025, 2024 and 2023.

***Confirmations***

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 restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

None of our Directors is a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Prospectus, in accordance with Chapter V of the SEBI (Delisting of Equity Shares) Regulations, 2021.

None of the director of our Company are promoters or whole time directors of another company that is a wilful defaulter.

None of our Directors have been categorised as a wilful defaulter by the RBI, any government/regulatory authority and/or by any bank or financial institution. None of our Directors are 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.

None of the Directors of our Company interested in the appointment of or acting as lead managers, credit rating agency(ies), underwriter, registrar, debenture trustee, advertising agency, printers, banker to the Issue or any other such intermediary appointed in connection with the Issue.

***Borrowing Powers of the Board:***

Pursuant to resolution passed by the shareholders of our Company on September 20, 2024 in accordance with provisions of 180(1)(c) and all other applicable provisions of the Companies Act and Articles of Association, 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 purposes) by a sum not exceeding ₹ 1,25,000 lakh.

***Interest of the Directors:***

Except Chemmanur Devassykutty Boby, Smitha Boby, Lijo Moothedan and Sibin Philipose no other Directors are interested in the promotion of the Company. Chemmanur Devassykutty Boby, Smitha Boby and Lijo Moothedan were holding 1,96,000 shares, 500 shares and 1,000 shares respectively as on the date of subscription of Memorandum of Association. Chemmanur Devassykutty Boby, Smitha Boby and Lijo Moothedan are holding 6,97,12,800 shares, 55,000 shares and 35,000 shares respectively as on December 31, 2025. Sibin Philipose is not holding any shares as on December 31, 2025.

All the Directors of our Company, including our Independent Directors, 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 and reimbursement of expenses payable to them. All the Independent Directors of our Company are entitled to sitting fees for attending every meeting of the Board or a committee thereof.

All the directors of our Company, including independent directors, 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 disclosed below or otherwise stated in this Draft 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 Draft 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. Our Company's directors have not taken any loan from our Company. Our Company have entered into a five year trademark license agreement on June 21, 2025, with our Director and Promoter, namely Chemmanur Devassykutty Boby, for usage of registered trademark 'BOCHE', pursuant to which a monthly license fee of ₹ 1 lakh plus applicable taxes is payable by our Company to Chemmanur Devassykutty Boby effective from April 1, 2025.

As of the date of this Draft Prospectus, our Directors have not taken any loan from our Company. Except as disclosed in the Section "*Related Party Transactions*" on page 110 none of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them to become, or to help them qualify as a director, or otherwise for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company.

No contribution has been made by the directors as part of the Issue or separately in furtherance of object.

None of our Directors' relatives have been appointed to an office or place of profit of our Company.

Except as stated in the sections titled "*Related Party Transactions*" on page 110 and to the extent of compensation and commission if any, and their shareholding in our Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any immovable property acquired or proposed to be acquired by our Company in the preceding two years of filing this Draft Prospectus nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company. No benefit/interest will accrue to our Promoter/Directors/ Key Managerial Person/ Senior Management Personnel out of the objects of the Issue.

None of our Directors, Promoters or Key Managerial Personnel have any financial or other material interest in the offer.

**Debenture holding of Directors:**

As on December 31, 2025, none of the Directors of our Company hold any debentures issued by our Company.

***Details of change in Directors of our Company during last three years preceding the date of this Draft Prospectus and the current financial year:***

| Name, Designation and DIN | Date of Appointment | Date of Cessation, if applicable | Date of resignation, if applicable | Remarks |
|---|---|---|---|---|
| Chemmanur Devassykutty Boby<br><br>**Designation:** Chairman and Managing Director<br><br>**DIN:** 00046095 | October 1, 2022 | NA | NA | Re- appointment as Managing Director |
| Smitha Boby<br><br>**Designation:** Non-Executive Director<br><br>**DIN:** 0046059 | September 2, 2022 | NA | NA | Appointment |
| Panamittath Madhavan Nair Rajagopal<br><br>**Designation**: Independent Director<br><br>**DIN**: 07177470 | March 25, 2015 | March 24, 2023 | NA | Retirement |
| Antony Sebastian C.<br><br>**Designation**: Independent Director<br><br>**DIN**: 10083087 | March 24, 2023 | NA | NA | Appointment |
| Sibin Philipose.<br><br>**Designation**: Non- | September 20, 2024 | NA | NA | Change in designation from Additional Director to Non- |

| Name, Designation and DIN | Date of Appointment | Date of Cessation, if applicable | Date of resignation, if applicable | Remarks |
|---|---|---|---|---|
| Executive Director<br><br>**DIN**: 09777666 | | | | Executive Director |
| Edathole Habeebul Rahiman<br><br>**Designation:** Independent Director<br><br>**DIN**: 06973269 | September 28, 2017 | March 23, 2025 | NA | Cessation |
| Anil Kumar Prahladan<br><br>**Designation**: Additional Director (Non-Executive & Independent Director)<br><br>**DIN**:07893500 | March 18, 2025 | NA | NA | Appointment |
| Anil Kumar Prahladan<br><br>**Designation**: Independent Director<br><br>**DIN**:07893500 | September 11, 2025 | NA | NA | Change in designation from Additional Director to Independent Director |

**Shareholding of Directors, including details of qualification shares held by Directors as on December 31, 2025:**

As on December 31, 2025, none of our Directors hold any qualification shares in our company.

Except as mentioned below, none of the Directors of our Company holds shareholding in our Company:

| Sr. No. | Name of the Director | No. of Equity Shares | % of total shares of our Company |
|---|---|---|---|
| 1. | Chemmanur Devassykutty Boby | 6,97,12,800 | 89.43 |
| 2. | Lijo Moothedan | 35,000 | 0.045 |
| 3 | Smitha Boby | 55,000 | 0.07 |

***Shareholding of Directors in Subsidiaries and Associate companies, including details of qualification shares held by Directors as on the date of this Draft Prospectus*:**

Not applicable as our Company does not have any subsidiaries or associate companies.

***Key Managerial Personnel:***

Provided below are the details of the Key Managerial Personnel and Senior Management of our Company, other than our Chairman & Managing Director, as of the date of this Draft Prospectus.

***T K Thomas*** is the Chief Executive Officer of the Company. He is an experienced Banker with more than 4 decades experience in the financial services industry. He has previously worked with Bank of Baroda. Before joining our Company as CEO he worked with a major NBFC as Vice President for five years. He is with the Company as CEO for the last 14 years and has been in Gold Loan NBFC sector for the last 19 years. He holds a Masters' degree in Business Administration (MBA) and he is certified associate of the Indian Institute of Bankers.

***Jasmine M.P*** is the Chief Financial Officer of the Company. She is a qualified Chartered Accountant having acquired ACA from ICAI in May 2008. She started her professional career as Finance Controller in Elite Group of Companies-Athani, Thrissur. Her previous employment was with KLM Axiva Finvest Limited (Gold Loan NBFC) as Senior-Manager, Accounts for the last one and half years, and she has over a decade of overall working experience.

***Anju Thomas*** is the Company Secretary/Compliance officer of the Company. She is a Company Secretary from 2015 batch and has 8 years of experience of working with certain well known NBFCs such as Hedge Finance Limited. She is with the Company for more than five years now.

As on the date of this Draft Prospectus, all of the Key Managerial Personnel of our Company are the permanent employees of our Company.

**Senior Management Personnel of our Company**

In addition to the T K Thomas, Jasmine M.P, Anju Thomas who are also designated as our Company's Key Managerial Personnel, whose details are provided in "Key Managerial Personnel" on page 102, the details of the Senior Management Personnel, as on the date of this Draft Prospectus, are set out below:

Brief profile of our Senior Management Personnel

1. Sreeni V.S (Chief Operating Officer)
2. Jayakumar K (SVP-HR)
3. Suresh S (VP- Audit & Risk Management)
4. Subi G Nair (VP-Sales, Marketing & Recovery)
5. Ratheesh N T (DVP-Credit Division)
6. Aneesh Antony (AVP-IT)
7. Raveendranath N (AVP-Admin)

**Compensation of our Company's Key Managerial Personnel and Senior Management Personnel**

*(₹ in lakh)*

| Name of KMP/SMP | For Current Year (till December 31, 2025) | For Fiscal 2025 | For Fiscal 2024 | For Fiscal 2023 |
|---|---|---|---|---|
| T K Thomas | 27.00 | 34.42 | 30.00 | 30.00 |
| Jayakumar K | 16.98 | 20.61 | 18.25 | 17.12 |
| Suresh S | 13.90 | 17.01 | 14.71 | 11.35 |
| Subi G Nair | 16.71 | 20.37 | 17.89 | 15.11 |
| Jasmine M.P | 12.80 | 8.97 | NA | NA |
| Anju Thomas | 8.85 | 10.63 | 9.18 | 8.24 |
| Ratheesh N T | 10.33 | 12.54 | 10.90 | 9.44 |
| Aneesh Antony | 7.19 | 8.74 | 7.25 | 6.82 |
| Raveendranath N | 10.70 | 13.25 | 12.23 | 11.33 |

**Interest of Senior Management Personnel**

Except as stated below, none of our Senior Management Personnel has been paid any consideration of any nature from our Company:

- Remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Except as stated below, Senior Management Personnel are not interested in the Company**:**

- To the extent of the shareholding in the Company, if any held by them or their relatives or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding and/ or the stock options granted to some of our key managerial personnel.
- To the extent of debentures of our Company held by them or to be subscribed by them in this Issue and to the extent of any interest/redemption procees paid/payable to him and other distributions in respect of the said debentures.

Except for the letter of appointment issued to our Senior Management Personnel as an employee of the Company**,** our Company has not entered into any contracts or arrangement with the Senior Management Personnel relating to appointment and remuneration or providing for benefits upon termination of employment.

**Relationship with other Senior Management Personnel**

None of our Senior Management Personnel are related to each other.

**Shareholding of our Company's Senior Management Personnel**

As on the date of this Draft Prospectus, none of the SMPs hold shares in our Company.

***Corporate Governance***

We are in compliance with the requirements in relation to the composition of the Board of Directors and constitution of Committees such as Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee as required under the Companies Act, 2013 and other applicable law.

Details of various committees of the Board:

***Audit Committee***

The Audit Committee was last reconstituted vide a resolution passed by the Board on March 18, 2025. As on the date of this Draft Prospectus, it comprises of:

| Name | Designation on Committee | Designation on Board |
|---|---|---|
| Antony Sebastian C. | Chairman | Independent Director |
| Lijo Moothedan | Member | Non-Executive Director |
| Anil Kumar Prahladan | Member | Independent Director |

The scope of the Audit Committee includes the references made under Section 177 and other applicable provisions of the Companies Act, 2013 besides the other terms that may be referred by the Board of Directors.

***Nomination and Remuneration Committee***

The Nomination and Remuneration Committee was last reconstituted vide a resolution passed by the Board on March 18, 2025. As on the date of this Draft Prospectus, it comprises:

| Name | Designation on Committee | Designation on Board |
|---|---|---|
| Anil Kumar Prahladan | Chairman | Independent Director |
| Antony Sebastian C. | Member | Independent Director |
| Lijo Moothedan | Member | Non-Executive Director |
| Sibin Philipose | Member | Non-Executive Director |

The scope of activities of the Nomination and Remuneration Committee is as set out in Section 178 of the Companies Act, 2013.

***Corporate Social Responsibility Committee ("CSR Committee")***

The CSR Committee was last re-constituted vide a resolution passed by the Board on March 18, 2025. As on the date of this Draft Prospectus, it comprises:

| Name | Designation on Committee | Designation on Board |
|---|---|---|
| Lijo Moothedan | Chairman | Non-Executive Director |
| Smitha Boby | Member | Non-Executive Director |
| Antony Sebastian C. | Member | Independent Director |
| Anil Kumar Prahladan | Member | Independent Director |

***Stakeholders Relationship Committee***

The Stakeholders Relationship Committee was last re-constituted vide a resolution passed by the Board on March 18, 2025. As on the date of this Draft Prospectus, it comprises:

| Name | Designation on Committee | Designation on Board |
|---|---|---|
| Antony Sebastain C. | Chairman | Independent Director |

| Name | Designation on Committee | Designation on Board |
|---|---|---|
| Anil Kumar Prahladan | Member | Independent Director |
| Chemmanur Devassykutty Boby | Member | Chairman & Managing Director |
| Lijo Moothedan | Member | Non-Executive Director |
| Sibin Philipose | Member | Non-Executive Director |

***Risk Management Committee***

The Risk Management Committee was last reconstituted vide a resolution passed by the Board on March 18, 2025. As on the date of this Draft Prospectus, it comprises of:

| Name | Designation on Committee | Designation on Board |
|---|---|---|
| Anil Kumar Prahladan | Chairman | Independent Director |
| Antony Sebastian C. | Member | Independent Director |
| Chemmanur Devassykutty Boby | Member | Chairman & Managing Director |
| Lijo Moothedan | Member | Non-Executive Director |
| T.K. Thomas | Member | Chief Executive Officer |
| Suresh S. | Member | VP- Audit & Risk Management |
| Jasmine M.P | Member | Chief Financial Officer |
| Subi G Nair | Member | VP-Sales, Marketing and Recovery |

***Asset Liability Management Committee***

The Asset Liability Management Committee was reconstituted vide a resolution passed by the Board on September 25, 2024. As on the date of this Draft Prospectus, it comprises of:

| Name | Designation on Committee | Designation on Board |
|---|---|---|
| T.K. Thomas | Chairman | Chief Executive Officer |
| Lijo Moothedan | Member | Non-Executive Director |
| Jasmine M.P | Member | Chief Financial Officer |
| Suresh S | Member | VP- Audit & Risk Management |
| Subi G Nair | Member | VP- Sales, Marketing & Recovery |

***Debenture Committee***

The Debenture Committee was last reconstituted vide a resolution passed by the Board on September 25, 2024. As on the date of this Draft Prospectus, it comprises of:

| Name | Designation on Committee | Designation on Board |
|---|---|---|
| Lijo Moothedan | Chairman | Non-Executive Director |
| T.K. Thomas | Member | Chief Executive Officer |
| Jasmine M.P | Member | Chief Financial Officer |
| Anju Thomas | Member | Company Secretary |

***Special Committee of the Board for Monitoring and Follow-Up of cases of Frauds***

The Special Committee of the Board for Monitoring and Follow-Up of cases of Frauds was last re-constituted vide a resolution passed by the Board on March 18, 2025. As on the date of this Draft Prospectus, it comprises of:

| Name | Designation on Committee | Designation on Board |
|---|---|---|
| Antony Sebastian C | Chairman | Independent Director |
| Anil Kumar Prahladan | Member | Independent Director |
| Lijo Moothedan | Member | Non-Executive Director |
| T.K. Thomas | Member | Chief Executive Officer |

***Finance Committee***

The Finance Committee of the Board was constituted vide a resolution passed by the Board on March 18, 2025. Further it was reconstituted vide a resolution passed by Board on August 13, 2025. As on the date of this Draft Prospectus, it comprises of:

| Name | Designation on Committee | Designation on Board |
|---|---|---|
| Antony Sebastain C. | Chairman | Independent Director |
| Lijo Moothedan | Member | Non-Executive Director |
| T.K. Thomas | Member | Chief Executive Officer |
| Suresh S. | Member | VP- Audit & Risk Management |
| Jasmine M.P | Member | Chief Financial Officer |
| Subi G Nair | Member | VP- Sales, Marketing & Recovery |

## OUR PROMOTER

The Promoter of our Company is: Chemmanur Devassykutty Boby

**Profile of the Promoter:**

As on December 31, 2025, our Promoter holds 6,97,12,800 Equity Shares equivalent to 89.43% of the Equity Share capital of our Company.

**Profile of our Promoter**

| | |
|---|---|
|  | Chemmanur Devassykutty Boby<br><br>**Date of Birth**: May 26, 1964<br><br>**Age**: 61<br><br>**Educational qualifications**: Honorary Doctorate Degree from World Record's University<br><br>**Experience in the business or employment**: 14 years |

For more details regarding the Promoter, please see "*Our Management*" on page 96.

Other than directorship in our Company, our Promoter holds no directorships as on date of this Draft Prospectus.

**Other ventures**

Our Promoter has investments in our Company and the following entities which forms part of our Promotor Group:

Promoter Group Entities:

1. Boby Chemmanur (No.1) Chits Private Limited
2. Boby Chemmanur Airlines Private Limited
3. Boby Housing and Construction Private Limited
4. CD Boby Developers and Builders Private Limited
5. CDB Infrastructure Private Limited
6. BDC Realty and Infra Private Limited
7. DBC Real Estate Developers Private Limited
8. Boby Chemmanur International Developers LLP
9. Bofast Logistics Limited
10. BOCHE Enterprises LLP
11. Melophilez Associates Private Limited
12. Mallooz IT Solutions Private Limited
13. Boche Tours And Travels Private Limited
14. Port Land Hospital Private Limited
15. Boche Bhumi Putra Private Limited
16. Pushyaragam Jewellers (Koyilandy) Private Limited
17. Boby Bazaar Private Limited
18. Phygicart E-Commerce Private Limited
19. Boche Jungle Wine Private Limited
20. Boche RX Lens Private Limited
21. Heloboche Telemarketing Private Limited
22. Boche Uzhichil and Pizhichil Private Limited
23. Patronymic Technologies and Industries Private Limited
24. Boby Chemmanur Enterprises Private Limited

25. Boche Gold and Diamond Limited

**Other Confirmations:**

Our Company confirms that the PAN, AADHAR number, driving license number, passport number, personal address and bank account number of the Promoter and PAN of Directors have been submitted to the Stock Exchange at the time of filing this Draft Prospectus.

Our Promoter and the relatives of the Promoter as per the Companies Act, have not been identified as Wilful Defaulters.

No violation of securities laws has been committed by our Promoter in the past or is currently pending against it except as disclosed in section titled "*Outstanding Litigations*" on page 134.

Our Promoter was not a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Our Promoter has 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 the SEBI or any other authority or refused listing of any of the securities issued by it by any stock exchange in India or abroad.

Our Promoter is a not a promoter of another company which is debarred from accessing the securities market or dealing in securities under any order or directions passed for any reasons by SEBI.

Our Promoter is not a fugitive economic offender.

Our Promoter is not a promoter of another company that is a wilful defaulter.

None of the member 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.

**Common pursuits of our Promoter**

Our Promoter is not engaged in businesses similar to ours.

**Interest of our Promoter in our Company**

Except as stated under the chapter titled "*Financial Information*" beginning on page 111, and to the extent of their shareholding in our Company, our Promoter does not have any other interest in our Company's business.

Our Promoter does not intend to subscribe to this Issue.

**Payment of benefit to our Promoter for last three financial years**

Other than as disclosed under the *"Related Party Transactions" and "Our Management"*, available at page 110 and 96, respectively and the dividend that declared and paid by our Company, our Company has not made payments of any benefits to the Promoter during last three financial year preceding the date of this Draft Prospectus.

**Interest of our Promoter in property, land and construction**

Our Promoter does not have any interest in any property acquired by our Company within two years preceding the date of filing of this Draft Prospectus or any property 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.

**Change in Promoter's holdings during the preceding financial year beyond the threshold specified by RBI from time to time**

Our Promoter's shareholding in our Company has not changed beyond the threshold specified by RBI from time to time during the preceding financial year.

## RELATED PARTY TRANSACTIONS

For details of the related party transactions for the financial year ended March 31, 2025 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "Audited Financial Statements for the year ended March 31, 2025" on page F 99 – Note 49

For details of the related party transactions for the financial years ended March 31, 2024 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "Audited Financial Statements for the year ended March 31, 2024" on page F 181 – Note 51

For details of the related party transactions for the financial years ended March 31, 2023 in accordance with the requirements under AS 18 "Related Party Disclosures" notified under Section 133 of the Companies Act read with applicable rules as amended from time to time, see "Special Purpose Audited Financial Statements for the year ended March 31, 2023" on page F 255 – Note 52.

**Related party transactions entered during the Fiscal 2025, Fiscal 2024 and Fiscal 2023 with regard to loans made or, guarantees given or securities provided:**

*(₹ in lakh)*

| Name of Related Party | Fiscal | Loans Made | Guarantees given | Securities provided |
|---|---|---|---|---|
| NIL | 2023 | NIL | NIL | NIL |
| NIL | 2024 | NIL | NIL | NIL |
| NIL | 2025 | NIL | NIL | NIL |

**Related party transactions entered during the current financial year for the period from April 1, 2025 till as on February 2, 2026 with regard to loans made or, guarantees given or securities provided:**

*(₹ in lakh)*

| Name of Related Party | Loans Made | Guarantees given | Securities provided |
|---|---|---|---|
| NIL | NIL | NIL | NIL |

## SECTION V - FINANCIAL INFORMATION

## FINANCIAL STATEMENTS


| No. | Particulars | Page No. |
|---|---|---|
| 1. | Limited Review Unaudited Financial Results for the nine months period ended December 30, 2025 | F-1-F27 |
| 2. | Audited Financial Statements for the year ended March 31, 2025 | F-28 -F112 |
| 3. | Audited Financial Statements for the year ended March 31, 2024 | F-113-F193 |
| 4. | Special Purpose Audited Financial Statements for the year ended March 31, 2023 | F-194-F267 |


Please refer to Annexure IV *(Financial Statements)* of this Draft Prospectus.

## MATERIAL DEVELOPMENTS

Other than as disclosed below and elsewhere in this Draft Prospectus, there have been no material developments since April 1, 2025 till February 02, 2026 and there has arisen no circumstance that materially or adversely affect the operations, or financial condition or profitability of the Company or the value of its assets or its ability to pay its liabilities within the next 12 months.

The following events occurred between April 01, 2025 till February 02, 2026 (Cut-off date) were not considered in this certificate:

i. The company from April 01, 2025 till February 02, 2026 have made the repayment of the term loans from Dhanlaxmi bank amounting to ₹ 121.09 Lakhs.

ii. The company from April 01, 2025 till February 02, 2026 have made the repayment of the term loans from State Bank of India amounting to ₹ 539.40 Lakhs.

iii. The company from April 01, 2025 till February 02, 2026 have made the repayment of Working capital demand loans from Federal bank amounting to ₹ 1,211.12. Lakhs.

iv. The Company from April 01, 2025 till February 02, 2026 has raised funds through issuance of Redeemable non-convertible debentures amounting to ₹ 17,687.77.00 Lakhs.

v. The Company from April 01, 2025 till February 02, 2026 has redeemed secured publicly issued non- convertible debentures amounting to ₹ 6,899.85 Lakhs.

vi. The Company from April 01, 2025 till February 02, 2026 has redeemed secured privately placed non-convertible debentures amounting to ₹ 64.77 Lakhs [out of which ₹ 7.37 Lakhs pertains to non- convertible debentures which were earlier matured but remained unclaimed as on March 31,2025]

vii. The Company from April 01, 2025 till February 02, 2026 has raised funds through issuance of subordinated debt amounting to ₹ 3,135.60 Lakhs.

viii. The Company from April 01, 2025 till February 02, 2026 has redeemed subordinated debt amounting to ₹ 3,260.00 Lakhs [out of which ₹ 112.60 Lakhs pertains to subordinated debt which were earlier matured but remained unclaimed as on March 31, 2025]

ix. The Company from April 01, 2025 till February 02, 2026 has availed unsecured borrowings amounting to ₹ 13,600.00 Lakhs from Malankara Multi State Co-operative Credit Society Limited vide letter of arrangements dated April 07, 2025; April 29, 2025; May 02, 2025; May 02, 2025 May 05, 2025; May 12, 2025; May 28, 2025; June 04, 2025; September 09, 2025; October 10, 2025; October 31, 2025; October 31, 2025; November 01, 2025; January 08, 2026; January 16, 2026; January 28, 2026; and January 31, 2026.

x. The Company from April 01, 2025 till February 02, 2026 has made the repayment of unsecured borrowings from Malankara Multi state co-operative credit society Limited amounting to ₹ 10,400.00 Lakhs.

xi. Sanction of Term Loan from Indian Overseas Bank of ₹ 1,000.00 Lakhs vide letter of arrangement dated December 30, 2025 and the company has availed ₹ 1,000.00 Lakhs as on January 09, 2026.

## FINANCIAL INDEBTEDNESS

As on December 31, 2025, the company had outstanding Total Borrowings of **₹ 63,013.39 lakh**:

| Sr. No. | Nature of Borrowings | Principal Amount Outstanding *(in ₹ lakh)* | Less: EIR Adjustments *(in ₹ lakh)* | Net Amount Outstanding *(in ₹ lakh)* | % |
|---|---|---|---|---|---|
| 1. | Secured borrowings | 44,475.10 | (738.81) | 43,736.29 | 69.41% |
| 2. | Unsecured borrowings | 19,277.10 | (0.00) | 19,277.10 | 30.59% |
| **Total Borrowings** | | **63,752.20** | **(738.81)** | **63,013.39** | **100.00%** |

Set forth below, is a summary of the borrowings by the company outstanding as on December 31, 2025 together with a brief description of certain significant terms of such financing arrangements.

### A. Details of secured borrowings:

The company's secured outstanding borrowings as on December 31, 2025 amounts to **₹ 43,736.29** lakhs. The details of the secured borrowings are set out below:

***Term Loans and Working Capital Demand Loan from Banks/ Financial Institutions:***

| Sr. No. | Lender's Name | Date of Sanction | Amount Sanctioned *(₹ in lakh)* | Principal Amount Outstanding as on December 31, 2025 *(₹ in lakh)* | Repayment Date/Schedule | Security and Guarantee | Prepayment Clause in Loan Agreement | Credit Rating, if applicable | Asset Classification |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Dhanlaxmi Bank | March 18, 2025 | 500.00 | 392.39 | To be repaid in 36 monthly installments of ₹ 16,70,300/- (appx) | (i) Primary Security: Exclusive charge on gold loan receivables of the existing 5 branches (Kulathupuzha, Sasthamkotta, Vizhinjam, Vytila, Vazhuthacadu) or more with 25% margin<br><br>(ii) Collateral Security:<br>(a) Land EM of (627.5 cents) of land in Sy No.147/161/2 and 1225/P of Ollukkara village Mullakkara Desom Thrissur Taluk, Thrissur Dist in the name of M/s DBC Real Estate | 3% on the highest principal outstanding amount in last 6 months to be considered. | IND BBB-/stable | Standard |

| Sr. No. | Lender's Name | Date of Sanction | Amount Sanctioned *(₹ in lakh)* | Principal Amount Outstanding as on December 31, 2025 *(₹ in lakh)* | Repayment Date/Schedule | Security and Guarantee | Prepayment Clause in Loan Agreement | Credit Rating, if applicable | Asset Classification |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Developers Pvt Ltd.<br>(b) Land and Building EM of 11.24 cents of residential plot with 750sqft residential building U/Sy No 985/IP in Ollukkara village Thrissur Taluk and District in the name of M/s BDC Realty and Infra (P) Ltd.<br>(c) Land EM over 28.29 cents (11.45 are) of land comprised in Re Sy No 101 1B 2 of Thazhekode village, Kozhikode District (Mukkam) in the name of Mr. C D Boby.<br>(d) Flat EM over flat No G2&G3,Hema Apartments in 2/18 undivided share in 12.23 ares U/Sy No 190/22 Kasba Village Kalathilkunnu Desom,,Kohikode Taluk, Kozhikode Dist. in the name of Mr. C D Boby.<br><br>(iii) Personal guarantee by Mr. C D Boby, Mr. Lijo Moothedan and | | | |

| Sr. No. | Lender's Name | Date of Sanction | Amount Sanctioned *(₹ in lakh)* | Principal Amount Outstanding as on December 31, 2025 *(₹ in lakh)* | Repayment Date/Schedule | Security and Guarantee | Prepayment Clause in Loan Agreement | Credit Rating, if applicable | Asset Classification |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Ms. Smitha Boby<br><br>(iv) Corporate gurantee by (a) DBC Real Estate Developers Pvt Ltd. & (b) BDC Realty and Infra (P) Ltd | | | |
| 2. | State Bank of India (Term Loan) | December 23, 2024 | 2,500.00 | 1,328.49 | 47 Monthly installment of ₹ 52,08,333/- each and one (last) monthly installment of ₹ 52,08,349/-, with the first instalment commencing on March 15, 2024 and the last instalment falling due on February 15, 2028 | (i) Primary security: Exclusive hypothecation charge on the entire loan receivables of 54 specific branches of the Company both present and future of the Company.<br><br>(ii) Collateral security: (a) 317.65 Ares of land comprised in Sy No. 147/197/8, 147/197/3, 985/1P, 147/197/7, 983/1#, 984/1#, 986/P and 987/P along the side of Thrissur Palakkad NH, 6th Stone, Vattakkallu, Mulayam, Ollukara Village, Thrissur District, Ollukkara SRO in the name of M/s CD Boby Developers and Builders Pvt | 2% of the outstanding amount | IND BBB-/stable | Standard |

| Sr. No. | Lender's Name | Date of Sanction | Amount Sanctioned *(₹ in lakh)* | Principal Amount Outstanding as on December 31, 2025 *(₹ in lakh)* | Repayment Date/Schedule | Security and Guarantee | Prepayment Clause in Loan Agreement | Credit Rating, if applicable | Asset Classification |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Ltd; (b) 5.93 Cents of land comprised in Sy. No. 984/3 along the side of Thrissur – Palakkad NH,6th Stone, Vattakkallu,, Mulayam, Ollukkara Village, Thrissur District, Ollukkara SRO in the name of M/s Boby Housing and Construction Pvt Ltd; (c) 10.23 Ares of land and building admeasuring 278.81 Sq. Mtr thereon comprised in Sy. No. 205/4 of Aranattukara Village, Thrissur District, Ayyanthole SRO in the name of Shri. C D Boby; (d)5.56 Ares of land comprised in Sy. No. 983/1 along the side of Thrissur Palakkad NH, 6th Stone, Vattakkallu, Mulayam, Ollukkara Village, Thrissur District, Ollukkara SRO in the name of M/s CDB | | | |

| Sr. No. | Lender's Name | Date of Sanction | Amount Sanctioned *(₹ in lakh)* | Principal Amount Outstanding as on December 31, 2025 *(₹ in lakh)* | Repayment Date/Schedule | Security and Guarantee | Prepayment Clause in Loan Agreement | Credit Rating, if applicable | Asset Classification |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Infrastructure Pvt Ltd, (e) Exclusive charge (Lien) over the fixed deposit of ₹750 lakhs held in the name of the Company with SBI<br>(f) DSRA equivalent to 2 months' interest and instalments<br><br>(iii) Personal guarantee by Chemmanur Devassykutty Boby, Lijo Moothedan and Smitha Boby<br><br>(iv) Corporate guarantee by: (a) CD Boby Developers and Builders Private Limited; (b) Boby Housing & Construction Private Limited; (c) CDB Infrastructure Pvt. Ltd | | | |
| 3. | Federal Bank (Working Capital Demand Loan) | March 25, 2024 | 1,000.00 | 166.66 | Moratorium period: 6 months<br>18 Monthly instalments of ₹ 55.55 lakh each, with the first instalment commencing on October 30, 2024 and the last instalment falling due on March 30, 2026 | i) Primary security: Hypothecation of standard gold loan receivables of selected branches of the Company with 1.4x coverage<br>(ii) Collateral security: a)Exclusive charge (Lien) over the fixed deposit of ₹300 lakh held in the name of the | 3% of the balance outstanding or DP whichever is higher or amount of prepayment in case of limit closed during the tenure of loan either by own fund or by way of take over by | IND BBB-/Stable | Standard |

| Sr. No. | Lender's Name | Date of Sanction | Amount Sanctioned *(₹ in lakh)* | Principal Amount Outstanding as on December 31, 2025 *(₹ in lakh)* | Repayment Date/Schedule | Security and Guarantee | Prepayment Clause in Loan Agreement | Credit Rating, if applicable | Asset Classification |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Company with Federal Bank (iii) Personal guarantee by Chemmanur Devassykutty Boby, Lijo Moothedan and Smitha Boby | other financial institution | | |
| 4. | Federal Bank (Working Capital Demand Loan) | December 17, 2024 | 1,000.00 | 766.67 | Moratorium period: 5 months and 30 Monthly instalments of ₹ 33.33 lakh each, with the first instalment commencing on June 23, 2025 and the last instalment falling due on November 23, 2027 | i) Primary security: Hypothecation of standard gold loan receivables of selected branches of the Company with 1.4x coverage (ii) Collateral security: a)Exclusive charge (Lien) over the fixed deposit of ₹300 lakh held in the name of the Company with Federal Bank (iii) Personal guarantee by Chemmanur Devassykutty Boby, Lijo Moothedan and Smitha Boby | 3% of the limit sanctioned (including adhoc-limit if sanctioned), in case of limit closed during the tenure of loan by way of own funds or take over by other financial institutions | IND BBB-/Stable | Standard |
| | **Total Principal Outstanding** | | **5,000.00** | **2,654.21** | | | | | |
| | **Less: EIR Adjustments** | | | **(14.38)** | | | | | |
| | **Net Outstanding** | | | **2,639.83** | | | | | |

**Terms and conditions of the term loans and Working Capital Demand Loan**

**Dhanlaxmi Bank**

<table>
<tr><th>Re-scheduling</th><th>Events of Default</th><th>Penalty</th></tr>
<tr><td>Nil</td><td>The facility documents executed by the Company stipulates Overdue charges on the overdue amount at 2% p.a.<table><tr><th>Irregularity in Term Loan Account</th><th>SMA Charge</th></tr><tr><td>a) SMA 1</td><td>0.50% on the o/s amount for the no. of days the account was in SMA 1</td></tr><tr><td>b) SMA 2</td><td>1% on the o/s amount for the no. of days the account was in SMA 2</td></tr></table></td><td>The loan documentation executed with Dhanlaxmi bank with respect to the term loan mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:<br>1. Delayed submission of Financial Reports/ Non-compliance of sanction conditions – 2% p.a. charges on the limit for the delayed period for breach of financial or non-financial reports<br>2. Commitment charges –<br>1. Minimum 60% on Drawing power<br>2. 1% p.a. on unutilised portion to be charged on quarterly basis if the utilization below 60%<br>3. Pre-closure Charges – 3% on the highest principal o/s amount in the last 6 months to be considered.<br>4. Renewal Overdue charges – 2% p.a. charges on the limit for the delayed period, if the delay is due to non-submission of documents by the customer.</td></tr>
</table>

**2. State Bank of India**

<table>
<tr><th>Re-scheduling</th><th>Events of Default</th><th>Penalty</th></tr>
<tr><td>Nil</td><td>The facility documents executed by the Company stipulates charging of Enhanced rate of interest as under cumulatively subject to a maximum of 5% will be charged for the period of delay in respect of:<table><tr><td>Irregularity in Cash Credit/ Overdraft Account/ Term Loan Account</td><td>Rate of Penal Interest</td></tr><tr><td>a) Irregularity up to 60 Days</td><td>2% per annum on the irregular portion for the period of irregularity</td></tr><tr><td>b) Continuous irregular for a</td><td>5% per annum on the outstanding for the period of irregularity</td></tr></table></td><td>The loan documentation executed with State Bank of India with respect to the term loan mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:<br>1. Non-submission of Stock Statements on time (Stock Statement not submitted within 20 days of the succeeding month to be treated as non-submission except where period is extended/ specified by the sanctioning authority or in the scheme) - 0.05 % on the Sanctioned Limit for the period of default/ delay.<br>2. Non-submission of renewal data including Audited Balance Sheet (Non-submission of Renewal Data 30 days</td></tr>
</table>

| Re-scheduling | Events of Default | | Penalty |
|---|---|---|---|
| | period beyond 60 days | | before the due date for renewal of limits) - 0.05 % on the Sanctioned Limit for the period of default/ delay.<br><br>3. Non completion of perfection of security within the stipulated timelines (including extended timelines permitted by the competent authority) (Penalty to be levied from the next day of the expiry of the stipulated/ extended time period for perfection of security till the security is perfected) - 0.25 % on the Sanctioned Limit for the period of default/ delay.<br><br>4. Non-renewal / Expired ECR (Exemption: Autonomous body promoted by Central Government / Profit making Central PSUs (Maharatna/ Navratna/ Miniratna)/ SPVs promoted by profit making central PSUs (Maharatna/ Navratna/ Miniratna)/ PSUs guaranteed by Central Government/ State Government Institutions/ State PSUs guaranteed by State Government) - 0.20 % on the Sanctioned Limit for the period of default/ delay.<br><br>5. Non-renewal of insurance policy in a timely manner or inadequate insurance cover - 0.05 % on the Sanctioned Limit for the period of default/ delay<br><br>6. Non-submission/ delayed submission of FFRs on due date (For AA & better rated borrowers: Nil for delay upto 30 days, if delay is beyond 30 days, penal interest will be levied as stipulated) - 0.02 % on the Sanctioned Limit for the period of default/ delay.<br><br>7. Pre-payment charges - 2.00 % of the pre-paid amount. Pre-payment penalty of 1% will be applicable on account of "Loan prepaid out of higher cash accruals from the project/ equity infusion by promoters"(20% concession permitted)<br><br>8. Commitment charges –<br><br>i) If the average utilization is more than 60% - No charges<br><br>ii) If the average utilization is between 50-60% - 0.15% p.a. to be recovered on entire unutilized portion on a quarterly basis. |

| Re-scheduling | Events of Default | Penalty |
|---|---|---|
| | | iii) If the average utilization is less than 50% - 0.40% p.a. on entire unutilized portion on a quarterly basis. (20% concession permitted)<br><br>9. Diversion of Funds - 2% per annum on the outstanding amount, till such time the position is rectified in case of Diversion of Funds. |

**3. Federal Bank (Working Capital Demand Loan)**

<table>
<tr><th>Re-Scheduling</th><th>Events of Default</th><th>Penalty</th></tr>
<tr><td>Nil</td><td>The loan documentation executed with Federal Bank with respect to the loan mentioned the below penal interest/ Additional Penal Interest.<br><br>Penal interest 4% for exceeding/overdrawing/arrears in the account, non-submission of receivables statement/audited financial statements, violation of terms and conditions of sanction order. The overdue/penal interest on loans and advances is capped at a maximum of 4% p.a excluding SMA penal charges.
<table>
<tr><th>Default Category</th><th>Penal Interest</th><th>Additional Penal Interest</th></tr>
<tr><td>SMA 0<br><br>(Principal or interest payment overdue for not more than 30 days and/or account showing signs of incipient stress like 3 or more cheque returns etc. )</td><td>4% per annum on the overdue portion</td><td>Nil</td></tr>
<tr><td>SMA 1 (instalment or interest overdue between 31-60 days)</td><td>4% per annum on the overdue portion</td><td>0.5% per annum on the balance outstanding less overdue portion</td></tr>
</table></td><td>The loan documentation executed with Federal Bank with respect to the term loan mentioned above set out the following penalty provisions.<br><br>1) Commitment charges 50% of processing fee if not availed.<br><br>2) Prepayment penalty of 3% of the balance outstanding or DP whichever is higher or amount of prepayment in case of limit closed during the tenure of loan either by own funds or by way of takeover by other financial institutions.<br><br>3) Penal interest @ 4% is charged for non-submission of receivables statement/audited financial statements, violation of terms and conditions of sanction order.</td></tr>
</table>

| Re-Scheduling | Events of Default | | | | Penalty |
|---|---|---|---|---|---|
| | SMA 2 (instalment or interest overdue above 60 days till classification as NPA) | 4% per annum on the overdue portion | 1% per annum on the balance outstanding less overdue portion | | |
| | NPA (Instalment or interest overdue above 90 Days) | 4% per annum on the overdue portion | | | |

***Cash Credit / Overdraft against Fixed Deposit ("ODFD") facility availed by the company:***

| Sr. No. | Lender Name | Date of Sanction/ Renewal | Amount Sanctioned *(₹ in lakh)* | Principal Amount Outstanding as on December 31 2025 *(₹ in lakh)* | Repayment Date / Schedule | Security and Guarantee | Credit Rating, if applicable | Asset Classification |
|---|---|---|---|---|---|---|---|---|
| 1. | State Bank of India | December 23, 2024 | 2,500.00 | 2,448.95 | Repayable on demand | (i) Primary security: Exclusive hypothecation charge on the entire loan receivables of 54 specific branches of the Company both present and future of the Company.<br><br>(ii) Collateral security: (a) 317.65 Ares of land comprised in Sy No. 147/197/8, 147/197/3, 985/1P, 147/197/7, 983/1#, 984/1#, 986/P and 987/P along the side of Thrissur Palakkad NH, 6th Stone, Vattakkallu, Mulayam, Ollukara Village, Thrissur District, Ollukkara SRO in the name of M/s CD Boby Developers and Builders Pvt Ltd; (b) 5.93 Cents of land comprised in Sy. No. 984/3 along the side of Thrissur – Palakkad NH,6th Stone, Vattakkallu,, Mulayam, Ollukkara Village, Thrissur District, Ollukkara SRO in the name of M/s Boby Housing and Construction Pvt Ltd; (c) 10.23 Ares of land and building admeasuring 278.81 Sq. Mtr thereon comprised in Sy. No. 205/4 of Aranattukara Village, | IND BBB-/Stable | Standard |

<table>
<tr><th>Sr. No.</th><th>Lender Name</th><th>Date of Sanction/ Renewal</th><th>Amount Sanctioned (₹ in lakh)</th><th>Principal Amount Outstanding as on December 31 2025 (₹ in lakh)</th><th>Repayment Date / Schedule</th><th>Security and Guarantee</th><th>Credit Rating, if applicable</th><th>Asset Classification</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td>Thrissur District, Ayyanthole SRO in the name of Shri. C D Boby; (d)5.56 Ares of land comprised in Sy. No. 983/1 along the side of Thrissur Palakkad NH, 6th Stone, Vattakkallu, Mulayam, Ollukkara Village, Thrissur District, Ollukkara SRO in the name of M/s CDB Infrastructure Pvt Ltd, (e) Exclusive charge (Lien) over the fixed deposit of ₹750 lakhs held in the name of the Company with SBI<br>(f) DSRA equivalent to 2 months' interest and instalments<br><br>(iii) Personal guarantee by Chemmanur Devassykutty Boby, Lijo Moothedan and Smitha Boby<br><br>(iv) Corporate guarantee by: (a) CD Boby Developers and Builders Private Limited; (b) Boby Housing & Construction Private Limited; (c) CDB Infrastructure Pvt. Ltd</td><td></td><td></td></tr>
<tr><td></td><td>Dhanlaxmi Bank</td><td>March 18, 2025(Date of renewal)</td><td>500.00</td><td>495.80</td><td>Repayable on demand</td><td>(i) Primary Security: Exclusive charge on gold loan receivable of the existing 5 branches or more with 25% margin<br><table><tr><th>Branch</th><th>Non – NPA as on March 31, 2025 (₹ in lakh)</th></tr><tr><td>Kulathupuzha</td><td>165.51</td></tr><tr><td>Sasthamkotta</td><td>187.54</td></tr><tr><td>Vizhinjam</td><td>146.36</td></tr><tr><td>Vytila</td><td>100.01</td></tr><tr><td>Vazhuthacadu</td><td>114.35</td></tr><tr><td>Kaloor</td><td>168.86</td></tr></table></td><td>IND BBB-/Stable</td><td>Standard</td></tr>
</table>

| Sr. No. | Lender Name | Date of Sanction/ Renewal | Amount Sanctioned *(₹ in lakh)* | Principal Amount Outstanding as on December 31 2025 *(₹ in lakh)* | Repayment Date / Schedule | Security and Guarantee | Credit Rating, if applicable | Asset Classification |
|---|---|---|---|---|---|---|---|---|
| | | | | | | <table><tr><td>Thoppumpadi</td><td>204.16</td></tr><tr><td>Kuttipuram</td><td>335.77</td></tr><tr><td>**Total**</td><td>**1422.56**</td></tr></table><br>(ii) Collateral Security:<br>(a) Land EM of (627.5 cents) of land in Sy No.147/161/2 and 1225/P of Ollukkara village Mullakkara Desom Thrissur Taluk, Thrissur Dist in the name of M/s DBC Real Estate Developers Pvt Ltd.<br>(b) Land and Building EM of 11.24 cents of residential plot with 750sqft residential building U/Sy No 985/1P in Ollukkara village Thrissur Taluk and District in the name of M/s BDC Realty and Infra (P) Ltd.<br>(c) Land EM over 28.29 cents (11.45 are) of land comprised in Re Sy No 101 1B 2 of Thazhekode village, Kozhikode District (Mukkam) in the name of Mr. C D Boby.<br>(d) Flat EM over flat No G2&G3,Hema Apartments in 2/18 undivided share in 12.23 ares U/Sy No 190/22 Kasba Village Kalathilkunnu Desom,,Kohikode Taluk, Kozhikode Dist. in the name of Mr. C D Boby.<br><br>(iii) Personal guarantee by Mr. C D Boby, Mr. Lijo Moothedan and Ms. Smitha Boby<br><br>(iv) Corporate gurantee by (a) DBC Real Estate Developers Pvt Ltd. & (b) BDC Realty and Infra (P) Ltd | | |
| | **Total Principal Outstanding** | | **3,000.00** | **2,944.75** | | | | |

| Sr. No. | Lender Name | Date of Sanction/ Renewal | Amount Sanctioned *(₹ in lakh)* | Principal Amount Outstanding as on December 31 2025 *(₹ in lakh)* | Repayment Date / Schedule | Security and Guarantee | Credit Rating, if applicable | Asset Classification |
|---|---|---|---|---|---|---|---|---|
| | **Less: EIR Adjustments** | | | **(0.00)** | | | | |
| | **Net Outstanding** | | | **2,944.75** | | | | |

**Terms and conditions of cash credit facilities**

| Re-scheduling | Prepayment | Penalty | Default |
|---|---|---|---|
| Nil | Prepayment of loans before the expiry of the stipulated payment date shall carry a prepayment penalty of two (2) % premium per annum for the unexpired term of the loan or 1% absolute over the amount of the loan, whichever is lower. | The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:<br><br>Penalty of 2% over and above the rate of interest quoted for the delay period in case of any delay/ non-submission of financials/ stock statements/ financial follow up report. | The facility documents executed by the Company stipulates certain events as "Events of Default", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:<br><br>(a) Any instalment of the principal or interest remaining unpaid and in arrears for a period of one month after the due date whether demanded or not;<br>(b) the borrower committing any breach or default in the performance or observance of any of the terms contained herein or in the Borrower(s)'s proposal or any other documents;<br>(c) if any of the representations or the documents furnished by the Borrower(s) in its application are found to be untrue or false or incorrect;<br>(d) upon entering into any arrangement or composition with its creditors or committing any act of insolvency;<br>(e) any execution or other similar process being levied or enforced against the borrower;<br>(f) if an order is made or a resolution passed for the winding up or a petition of winding up is filed or notice of meeting to pass such a resolution is issued;<br>(g) a receiver being appointed for all or any part of the borrower's property;<br>(h) if the borrower ceases to carry on business or threatens not to carry on business; |

| Re-scheduling | Prepayment | Penalty | Default |
|---|---|---|---|
| | | | (i) if any circumstances shall occur which in the opinion of the Bank is prejudicial to or imperils or is likely to prejudice or imperil the security or which affects adversely the Borrower(s)'s capacity to repay any amounts under the said facilities; and<br>(j) if the Borrower(s) does not submit the required statements or misutilises/ diverts the monies or the said assets without the Bank's prior permission / knowledge. |

***External Commercial Borrowings***

As on December 31, 2025, the Company do not have any outstanding borrowing by way of External Commercial Borrowings

***Secured Redeemable Non-Convertible Debentures***

*i.* **Private Placement of secured unlisted redeemable non-convertible debentures as on December 31, 2025**

The Company has secured unlisted redeemable non-convertible debentures issued on private placement basis which have matured but were unclaimed of ₹ 35.06 lakhs as on December 31, 2025.

| Sr. No. | Series of NCS | ISIN | Tenor / Period of Maturity (Years) | Coupon (p.a.) in % | Amount outstanding as on December 31, 2025 (₹ in lakh) | Date of Allotment | Redemption Date/Schedule | Credit Rating | Secured/ Unsecured | Security |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | NCD 2012/05 | N.A | 10 | 12.00 - 14.87 | 3.25 | July 2, 2012 | June 30, 2022 | NA | Secured | Amount parked in separate Bank account |
| 2 | NCD 2012/06 | N.A | 10 | 11.88 - 14.87 | 0.12 | September 20, 2012 | September 18, 2022 | NA | Secured | Amount parked in separate Bank account |
| 3 | NCD 2012/07 | N.A | 10 | 9.30 - 14.87 | 9.02 | December 15, 2012 | December 13, 2022 | NA | Secured | Amount parked in separate Bank account |
| 4 | NCD 2012/08 | N.A | 10 | 13.00 | 0.01 | January 15, 2013 | January 13, 2023 | NA | Secured | Amount parked in separate Bank account |
| 5 | NCD 2015/XII IA | N.A | 6 | 12.50 | 6.67 | July 31, 2015 | July 31, 2021 | NA | Secured | Amount parked in separate |

| Sr. No. | Series of NCS | ISIN | Tenor / Period of Maturity (Years) | Coupon (p.a.) in % | Amount outstanding as on December 31, 2025 (₹ in lakh) | Date of Allotment | Redemption Date/Schedule | Credit Rating | Secured/ Unsecured | Security |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Bank account |
| 6 | NCD2015/XIIIE | N.A | 6 | 11.00 | 2.00 | March 31, 2016 | March 31, 2022 | NA | Secured | Amount parked in separate Bank account |
| 7 | NCD2015/XII | N.A | 6 | 10.75 | 10.00 | March 31, 2015 | March 31, 2021 | NA | Secured | Amount parked in separate Bank account |
| 8 | NCD 2013/10 | N.A | 10 | 9.30 - 14.87 | 0.51 | June 20, 2013 | June 18, 2023 | NA | Secured | Amount parked in separate Bank account |
| 9 | NCD 2012/09 | N.A | 10 | 9.30 - 14.87 | 3.48 | June 20, 2013 | June 18, 2023 | NA | Secured | Amount parked in separate Bank account |
| **Total Principal Outstanding** | | | | | **35.06** | | | | | |
| **Less: EIR Adjustments** | | | | | **(0.00)** | | | | | |
| **Net Outstanding** | | | | | **35.06** | | | | | |

***Penalty Clause***

Nil

***Event of Default***

The occurrence of any of the following events shall constitute an event of default by the company in relation to the secured debentures, and on occurrence of such default the security becomes enforceable:

a) When the company makes two consecutive defaults in the payment of any interest which ought to have been paid in accordance with the terms of the issue.

b) When the company without the consent of debenture holders ceases to carry on its business or gives notice of its intention to do so.

c) When an order has been made by the tribunal or special resolution has been passed by the members of the company for winding up of the company.

d) When any breach of the terms of this Draft Prospectus inviting the subscription of debentures or of the covenants of this deed is committed.

e) When the company creates or attempts to create any charge on the mortgaged assets or any part thereof without the prior approval of the trustee's / debenture holders.

f) When in the opinion of the trustees the security of debenture holders is in jeopardy.

***Secured Redeemable non-convertible debentures (Public issue):***

The company has issued by way of public issue, secured, unlisted, redeemable, non-convertible debentures under various series of which ₹ 38,116.65 lakh is outstanding as on December 31, 2025, the details of which are set forth below:

| Sr. No. | ISIN | Tenor/ Period of Maturity (Months) | Coupon (p.a.) in % | Amount outstanding as on December 31, 2025 (₹ in lakh) | Date of Allotment | Redemption Date/Schedule | Credit Rating | Secured/Unsecured | Security |
|---|---|---|---|---|---|---|---|---|---|
| 1 | INE051307AA0 | 36 | 11.00 | 1,061.79 | January 12, 2023 | January 9, 2026 | CRISIL BBB-/Stable | Secured | Refer Note below |
| 2 | INE051307AB8 | 60 | 11.50 | 1,694.69 | January 12, 2023 | January 11, 2028 | CRISIL BBB-/Stable | Secured | |
| 3 | INE051307AD4 | 36 | 11.00 | 319.59 | January 12, 2023 | January 9, 2026 | CRISIL BBB-/Stable | Secured | |
| 4 | INE051307AE2 | 74 | 11.90 | 1,163.49 | January 12, 2023 | March 9, 2029 | CRISIL BBB-/Stable | Secured | |
| 5 | INE051307AJ1 | 36 | 11.00 | 834.42 | November 3, 2023 | November 2, 2026 | CRISIL BBB-/Stable | Secured | |
| 6 | INE051307AM5 | 60 | 11.50 | 1,063.12 | November 3, 2023 | November 2, 2028 | CRISIL BBB-/Stable | Secured | |
| 7 | INE051307AK9 | 74 | 11.90 | 609.02 | November 3, 2023 | January 3, 2030 | CRISIL BBB-/Stable | Secured | |
| 8 | INE051307AV6 | 24 | 10.75 | 401.75 | March 11, 2024 | March 10, 2026 | IND BBB-/Stable | Secured | |
| 9 | INE051307AU8 | 36 | 11.00 | 475.42 | March 11, 2024 | March 10, 2027 | IND BBB-/Stable | Secured | |
| 10 | INE051307AT0 | 60 | 11.50 | 878.57 | March 11, 2024 | March 10, 2029 | IND BBB-/Stable | Secured | |
| 11 | INE051307AR4 | 24 | 10.75 | 430.87 | March 11, 2024 | March 10, 2026 | IND BBB-/Stable | Secured | |
| 12 | INE051307AQ6 | 72 | 12.25 | 701.31 | March 11, 2024 | March 11, 2030 | IND BBB-/Stable | Secured | |
| 13 | INE051307AZ7 | 18 | 10.75 | 1,754.66 | August 14, 2024 | February 13, 2026 | IND BBB-/Stable | Secured | |
| 14 | INE051307BA8 | 24 | 11.00 | 829.73 | August 14, 2024 | August 13, 2026 | IND BBB-/Stable | Secured | |

| Sr. No. | ISIN | Tenor/ Period of Maturity (Months) | Coupon (p.a.) in % | Amount outstanding as on December 31, 2025 (₹ in lakh) | Date of Allotment | Redemption Date/Schedule | Credit Rating | Secured/Unsecured | Security |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| 15 | INE051307BB6 | 36 | 11.25 | 252.61 | August 14, 2024 | August 13, 2027 | IND BBB-/Stable | Secured | |
| 16 | INE051307BD2 | 60 | 12.00 | 1,003.84 | August 14, 2024 | August 13, 2029 | IND BBB-/Stable | Secured | |
| 17 | INE051307BE0 | 24 | 11.00 | 547.02 | August 14, 2024 | August 13, 2026 | IND BBB-/Stable | Secured | |
| 18 | INE051307BF7 | 60 | 12.25 | 17.63 | August 14, 2024 | August 13, 2029 | IND BBB-/Stable | Secured | |
| 19 | INE051307AY0 | 70 | 12.62 | 746.64 | August 14, 2024 | June 13, 2030 | IND BBB-/Stable | Secured | |
| 20 | INE051307BH3 | 12 | 9.50 | 402.37 | January 17, 2025 | January 19, 2026 | IND BBB-/Stable | Secured | |
| 21 | INE051307BI1 | 18 | 10.75 | 1,014.56 | January 17, 2025 | July 16, 2026 | IND BBB-/Stable | Secured | |
| 22 | INE051307BJ9 | 24 | 11.00 | 1,491.14 | January 17, 2025 | January 16, 2027 | IND BBB-/Stable | Secured | |
| 23 | INE051307BK7 | 60 | 12.00 | 1,219.22 | January 17, 2025 | January 16, 2030 | IND BBB-/Stable | Secured | |
| 24 | INE051307BL5 | 36 | 11.15 | 53.42 | January 17, 2025 | January 17, 2028 | IND BBB-/Stable | Secured | |
| 25 | INE051307BM3 | 60 | 12.10 | 24.00 | January 17, 2025 | January 16, 2030 | IND BBB-/Stable | Secured | |
| 26 | INE051307BN1 | 12 | 9.50 | 747.18 | January 17, 2025 | January 19, 2026 | IND BBB-/Stable | Secured | |
| 27 | INE051307BP6 | 24 | 11.00 | 616.35 | January 17, 2025 | January 16, 2027 | IND BBB-/Stable | Secured | |
| 28 | INE051307BO9 | 70 | 12.62 | 798.90 | January 17, 2025 | November 16, 2030 | IND BBB-/Stable | Secured | |
| 29 | INE051307BQ4 | 18 | 10.50 | 1,828.70 | June 20, 2025 | December 19, 2026 | IND BBB-/Stable | Secured | |
| 30 | INE051307BR2 | 24 | 10.90 | 635.95 | June 20, 2025 | June 19, 2027 | IND BBB-/Stable | Secured | |

| Sr. No. | ISIN | Tenor/ Period of Maturity (Months) | Coupon (p.a.) in % | Amount outstanding as on December 31, 2025 (₹ in lakh) | Date of Allotment | Redemption Date/Schedule | Credit Rating | Secured/Unsecured | Security |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| 31 | INE051307BU6 | 36 | 11.30 | 753.79 | June 20, 2025 | June 20, 2028 | IND BBB-/Stable | Secured | |
| 32 | INE051307BT8 | 60 | 12.00 | 1,987.44 | June 20, 2025 | June 19, 2030 | IND BBB-/Stable | Secured | |
| 33 | INE051307BW2 | 12 | 9.50 | 1,207.72 | June 20, 2025 | June 21, 2026 | IND BBB-/Stable | Secured | |
| 34 | INE051307BS0 | 24 | 11.00 | 823.31 | June 20, 2025 | June 19, 2027 | IND BBB-/Stable | Secured | |
| 35 | INE051307BV4 | 70 | 12.62 | 1,097.09 | June 20, 2025 | April 19, 2031 | IND BBB-/Stable | Secured | |
| 36 | INE051307BZ5 | 18 | 10.50 | 1,437.48 | November 10, 2025 | May 11, 2027 | IND BBB-/Stable | Secured | |
| 37 | INE051307BY8 | 24 | 10.90 | 986.35 | November 10, 2025 | November 10, 2027 | IND BBB-/Stable | Secured | |
| 38 | INE051307CD0 | 36 | 11.30 | 942.01 | November 10, 2025 | November 10, 2028 | IND BBB-/Stable | Secured | |
| 39 | INE051307CA6 | 60 | 12.00 | 2,094.04 | November 10, 2025 | November 09, 2030 | IND BBB-/Stable | Secured | |
| 40 | INE051307CB4 | 12 | 9.50 | 1,263.99 | November 10, 2025 | November 11, 2026 | IND BBB-/Stable | Secured | |
| 41 | INE051307BX0 | 24 | 11.00 | 1,035.39 | November 10, 2025 | November 10, 2027 | IND BBB-/Stable | Secured | |
| 42 | INE051307CC2 | 70 | 12.62 | 1,594.51 | November 10, 2025 | September 10, 2031 | IND BBB-/Stable | Secured | |
| | **Total Principal Outstanding** | | | **38,841.08** | | | | | |
| | **Less: EIR Adjustments** | | | **(724.43)** | | | | | |
| | **Net Outstanding** | | | **38,116.65** | | | | | |

*Note: Security- First ranking pari passu charge with existing secured creditors, on all movable assets, including book debts and receivables, cash and bank balances, loans and advances both present and future of the Company (excluding (a) reserves created in accordance with law; (b) receivables of the Company, fixed deposits, cash collateral, immovable and movable assets over which exclusive charge is created in favour of State Bank of India, , Dhanlaxmi Bank, Federal Bank or any other lender), such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.*

***Collateralised borrowing and lending obligation***

As on December 31, 2025, the company has no outstanding collateralised borrowing and lending obligations.

**B. Corporate Guarantee**

The company has not issued any corporate guarantee as on December 31, 2025.

**C. Details of unsecured borrowings:**

**1. Commercial Papers**

The company has not issued any commercial papers as on December 31, 2025.

**2. Inter-Corporate Deposits**

There is no outstanding amount borrowed by way of inter-corporate deposits as on December 31, 2025.

**3. Inter-Corporate Loans**

The company has not borrowed any amount by way of demand loans under the same management as on December 31, 2025.

**4. Loan from Directors and Relatives of Directors:**

The company has not raised any loan from directors and relatives of directors as on December 31, 2025.

**5. Subordinated Debts**

The company has unsecured subordinated debts of ₹ 19,277.10 lakhs cumulatively outstanding as on December 31, 2025, the details of which are set forth below:

| Sr. No. | Series of NCS | ISIN | Tenor/ Period of Maturity (Months/ Years) | Coupon (p.a.) in % | Amount outstanding as on December 31, 2025 (₹ in lakh)* | Date of Allotment | Redemption Date/Schedule (Range) | Secured / Unsecured | Credit Rating |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 5 Years Monthly | NA | 5 years | 10 to 12.50 | 13,415.90 | NA | February 18, 2022 to January 01, 2031 | Unsecured | NA |
| 2 | 5 Years Cumulative | NA | 5 years | 14.87 | 2.00 | NA | February 11 , 2018 | Unsecured | NA |
| 3 | 5.5 years Cumulative | NA | 5.5 years | 12.98 | 653.50 | NA | October 26 , 2029 to December 20, 2029 | Unsecured | NA |
| 4 | 5.6 years Cumulative | NA | 5.6 years | 12.98 | 24.00 | NA | March 03, 2026 to April 4, 2027 | Unsecured | NA |
| 5 | 6 Years Cumulative | NA | 6 years | 12.25 | 3,146.40 | NA | December 20, 2022 to January 08, 2032 | Unsecured | NA |
| 6 | 6.5 years Cumulative | NA | 6.5 years | 11.23 to 15.38 | 306.20 | NA | May 23, 2025 to December 12, 2029 | Unsecured | NA |
| 7 | 7 Years Cumulative | NA | 7 years | 10.41 | 697.90 | NA | August 16, 2028 to March 13, 2031 | Unsecured | NA |
| 8 | 70 Months Cumulative | NA | 70 Months | 12.60 | 977.75 | NA | March 29, 2029 to June 27, 2030 | Unsecured | NA |
| 9 | 74 Months Cumulative | NA | 74 Months | 11.90 | 53.45 | NA | January 03, 2030 to January 06, 2030 | Unsecured | NA |
| | **Total Principal Outstanding** | | | | **19,277.10** | | | | |
| | **Less: EIR Adjustments** | | | | **(0.00)** | | | | |
| | **Net Outstanding** | | | | **19,277.10** | | | | |

** Inclusive of Sub-ordinated debt matured but unclaimed amounting to ₹ 62.50 lakh*

Penalty Clause- Nil
Event of Default- Nil

**6. Details of Unsecured Term Loans**

The company has not availed any unsecured term loan facilities as on December 31, 2025.

**D. Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or debt securities**

As on the date of this Draft Prospectus, there has been no rescheduling, default and/or delay in payment of principal or interest on any existing term loan, debt security(ies) or any other financial indebtedness including corporate guarantee issued by the Issuer in the past three years.

**E. The amount of corporate guarantee or letter of comfort issued by the issuer along with name of the counterparty (like name of the subsidiary, joint venture entity, group company, etc.) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc. (Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on December 31, 2025**

The company has no amount of corporate guarantee or letter of comfort, contingent liability including debt service reserve account guarantees/ any put option etc. and has nil outstanding borrowings taken / debt securities issued where taken/issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on December 31, 2025.

**F. Details of bank fund-based facilities /rest of borrowings (if any, including hybrid debt instruments such as foreign currency convertible bonds or optionally convertible debentures/ preference shares) from financial institutions or financial creditors as on December 31, 2025**

Other than disclosed, the company does not have any bank fund-based facilities /rest of borrowings (if any, including hybrid debt instruments such as foreign currency convertible bonds or optionally convertible debentures/ preference shares) from financial institutions or financial creditors as on December 31, 2025.

***Restrictive covenants under the financing arrangements:***

The financing agreements include various restrictive conditions and covenants restricting certain corporate actions and the company is required to take the prior approval of the debenture trustee before carrying out such activities. For instance, the company, inter-alia, is required to obtain the prior written consent in the following instances:

1. To declare/pay any dividend to the shareholders/stake holders
2. For extending any guarantee for the credit facilities extended to the group/allied concerns
3. To repay monies brought in by the promoters / directors/principal shareholders and friends and relatives by way of deposits / loans / advances
4. Effect any change in the unit's capital structure.
5. Implement any scheme of expansion / modernization / diversification / renovation or acquire any fixed assets during any accounting year, except such schemes which have already been approved by banks.
6. Formulate any scheme of amalgamation or reconstruction.
7. Invest by way of share capital or lend or advance funds to or place deposits with any other concern, including sister / associate / family / subsidiary / group concerns. However, normal trade credit or security deposits in the normal course of business or advances to employees can be excluded.

8. Enter into borrowing arrangements either secured or unsecured with any other bank, financial institution, company or person.

9. Undertake guarantee obligations on behalf of any other company, firm, director or person.

10. Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations.

11. Effect any drastic change in their management setup.

12. Effect any change in the remuneration payable to the Directors / partners, etc. either in the form of siting fees or otherwise.

13. Pay guarantee commission to the guarantors whose guarantees have been stipulated / furnished for the credit limits sanctioned by the banks.

14. Create any further charge, lien or encumbrance over the assets and properties of the unit/ guarantors to be charged / charged to the bank in favour of any other bank, financial institution, firm or person.

15. Sell, assign, mortgage or otherwise dispose off any the fixed assets charged to the bank.

16. Undertake any trading activity other than the sale of produce arising out of its own manufacturing / trading operations.

17. Open any account with any other bank. If already opened, the details thereof is to be given immediately and confirmation to this effect given to the bank.

18. Effect any change in promoter directors or in the core management team

19. Undertake any expansion/ modernization/ diversification programme/new line of business or manufacture other than incurring routine capital expenditure.

20. Revalue the fixed assets

21. Change the accounting policies in regard to stock valuation, depreciation of fixed assets, payment of dividends etc.

22. Declare dividend or distribute profits if any instalments of principal and/or interest remains unpaid in respect of the aforesaid loan and/or in arrear for a period of three months or more.

23. Enter into any hire purchase or lease arrangement during the currency of the loan.

24. Receive, release, or compound any of the book debts /receivables and assets, except in the ordinary course of business, and not do anything whereby the recovery thereof may be delayed, impeded, prejudiced, prevented or become time-barred.

## SECTION VI - 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; (iii) claims for any indirect and direct tax liability; and (iv) other litigations which are identified as material in terms of the Materiality Threshold (as defined hereinafter below), each involving our Company, Directors or Promoter.*

*Our Board Resolution dated March 18, 2025 have adopted a threshold for the identification of material litigations ("**Materiality Threshold**"). As per the Materiality Threshold, other than for the purposes of (i) to (iii) above, all outstanding litigation, wherein:*

*(a) the quantified monetary amount of claim by or against the relevant person in any such pending litigation proceeding is or is in excess of 5% of our Company's average profit after tax as per our last three year audited financial statements, i.e., for Fiscal 2024, Fiscal 2023, Fiscal 2022, 5% of our Company's average profit after tax amounts to ₹ 8.00 lakh; or*

*(b) the outcome of such litigation proceeding may have a material adverse effect on the business, operations, prospects or reputation of the Company,*

*has been considered as 'material litigation', and accordingly has been disclosed in this Draft Prospectus.*

*Further, there are no proceedings involving our Group Companies, which may have a material adverse effect on the position of our Company.*

*It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors, Promoter, or Group Companies shall, unless otherwise decided by our Board of Directors, not be considered as litigation until such time that our Company or Directors or Promoter or Group Companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.*

*Further, except as stated in this section, there are no: (i) litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last three years immediately preceding the year of the issue of this Draft Prospectus and any direction issued by such Ministry or Department or statutory authority; (ii) pending litigation involving our Company, our Promoter, our Directors, Group Companies, or any other person, whose outcome could have material adverse effect on the position of our Company; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues, etc; (v) inquiries, inspections or investigations initiated or conducted against our Company under the Companies Act or any previous companies law in the three years immediately preceding the year of this Draft Prospectus; (vi) prosecutions filed (whether pending or completed), fines imposed or compounding of offences done in the three years immediately preceding the year of this Draft Prospectus; (vii) material frauds committed against our Company in the last three years and current financial year; and (viii) disciplinary action taken by SEBI or stock exchange against the Promoter.*

*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. 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 Draft Prospectus.*

*All terms defined in a particular litigation disclosure below are for that particular litigation only.*

### 1. Material litigations and regulatory actions involving our Company

As on the date of this Draft Prospectus, following are material litigations in our Company:

### (i) Civil Litigation

### (a) By our Company

Except as disclosed below there are no civil cases filed by our Company:

A consumer case in number CC 383/2021 before the Consumer Dispute Redressal Commission, Thrissur, has been filed by the Company against United India Insurance Company Limited in respect of insurance claim denial by the Insurance Company under the Bankers Indemnity Policy ,for the loss sustained by the company as a result of misappropriation of funds committed by staff of our Company at Edappal branch. The complaint in which the claim amounts to ₹ 14,40,599

(Indian Rupees Fourteen Lakhs Forty Thousand Five Hundred Ninety Nine) together with 12% interest and a compensation to the complainant of ₹ 1 lakh. The case is pending before the Court.

**(b) Against our Company**

Except as disclosed below there are no civil cases against our Company:

*Nil*

**(ii) Criminal Cases**

**(a) By our Company**

Except as disclosed below there are no criminal cases filed by our Company:

1. The complainant, C.T Jomon, the Area Manager of the Company, Edappal branch, filed a criminal complaint and registered a First Information Report bearing no. 107/2018 (**"FIR"**) dated May 15, 2018, against Ajesh, Mukesh and Neethu under Section 408, 411, 418, 420 and 120 read with Section 34 of Indian Penal Code, 1860 (**"IPC"**). Subsequently, a charge sheet has been filed by the police authorities on May 23, 2019, and pursuant to which a criminal case (CC 275/2019) was filed in Judicial First Class Magistrate, Ponnani against Ajesh and Mukesh (**"Accused"**). The Accused cheated the Company and committed fraud and financial misappropriation by pledging with the Company gold ornaments that was already pledged with another NBFC with the help of the Company's employees for an amount of ₹ 14,40,599 (Indian Rupees Fourteen Lakh Forty Thousand Five Hundred Ninety Nine). The case is currently pending for hearing.

2. The complainant, Sunish Unnikrishnan, the branch Manager of the Company, Chelakkara branch, filed a case, reference no. CC 291/2019 and registered an First Information Report bearing no. 450/2018 ("**FIR**") dated July 30, 2018, under Section 406 and 420 read with Section 34 of Indian Penal Code, 1860 ("**IPC**") pursuant to which a criminal petition/complaint ("**Petition**") was filed in Judicial First Class Magistrate-1, Palakkad against Jayasree, Chandu, Sharafudheen Abbas Geetha Suresh, Krishnakumar and Ratheesh ("**Accused**"). The Accused cheated the Company for an amount of ₹ 8,00,000 (Indian Rupees Eight Lakh) by promising to procure a loan against gold ornaments pledged with another party, by claiming that the said pledge would be released, and ornaments brought to the Company and, then disappearing with the cash collected for the purpose. The case is currently pending for hearing.

3. A criminal complaint bearing number CC.483/2021 was filed by our Company's branch manager at Cherpulassery branch against customers, Rajitha and Sajith ("**Accused**"), before Judicial First Class Magistrate Court, Ottapalam. The Accused have pledged gold coated ornaments, pretending it as pure gold ornaments, and cheated the Company by availing a loan of ₹ 3,14,155 (Indian Rupees Three Lakh Fourteen Thousand One Hundred and Fifty Five) from our Cherpulassery branch. The case is currently pending before the aforesaid magistrate. The matter is currently pending for hearing.

4. A complaint bearing number 14/B1/2022/K was filed by our Company's branch manager on October 6, 2022, against a gold loan customer, Ismail ("**Accused**"), before the Kerala Police, Kannur Town Police Station. The Accused had pledged stolen gold with the Company pretending it as his own ornaments, declared himself as the original owner, and cheated the Company for an amount of ₹ 1,99,999 (Indian Rupees One Lakh Ninety Nine Thousand Nine Hundred and Ninety Nine). The case is currently pending for police action and charge sheet.

5. An FIR bearing number 46/2023 dated March 11, 2023, was filed by our Company against Lokesh and Shireesh Subaraya Hegde for pledging spurious gold ornaments for ₹ 12,25,000 (Indian Rupees Twelve Lakh Twenty Five Thousand) with Nandini Lay Out Branch. The matter is currently under investigation.

6. A complaint was filed by our company *vide* Application number 15293020-2023-5-00070 against Kulathupuzha branch staffs, Arun M, Anju Chandran Pillai and Jubi Mol, for misappropriating the Company's cash and pledged ornaments. Subsequently an FIR bearing No. 941/2023 was filed by the Police authorities and subsequently a criminal case (CC 291/2024) was registered by the court which is pending. The amount involved is ₹ 8,26,118 (Indian Rupees Eight Lakh Twenty Six Thousand One Hundred and Eighteen).

7. An FIR bearing number 79/2023 was filed at Wadakkanchery Police Station by the Company against Hareesh for pledging spurious gold ornaments and thereby, cheating the Company for an amount of ₹ 92,000 (Indian Rupees Ninety Two Thousand) from the Wadakkanchery branch. Subsequently after Police investigation a criminal case (CC 1113/2023) was registered before the Wadakkanchery JFCM court which is pending before the court.

8. An FIR bearing number 2/2024, dated January 2, 2024 was filed at Vazhakulam Police Station by the Company through its Asst. Manager against Jishnu for pledging spurious gold ornaments and thereby cheating the Company involving an amount of ₹ 4,28,200 (Indian Rupees Four Lakh Twenty Eight Thousand Two Hundred) at the Vazhakulam branch. Subsequently after Police investigation a criminal case (CC 365/2024) was registered before the Muvattupuzha JFCM court which is pending.

9. An FIR bearing number FIR 50/2024 was filed by the Police of Anekal Police Station, Bengaluru, Karnataka, based on the complaint filed by the Company against theft and break open of lock at Anekal branch. The matter is currently under Police investigation.

10. An FIR bearing number FIR 251/2024 was filed by the Police of Kozhikode Town Police Station, on the complaint filed by the Company against Mr. Nisar and Mrs. Safura for pledging spurious gold ornaments and for cheating an amount of ₹ 3,43,700 (Indian Rupees Three Lakh Forty Three Thousand Seven Hundred). Post investigation, the Police filed charge sheet before Chief Judicial Magistrate Court, Kozhikode and the case numbered as CC 105/2025. The matter is currently pending with the court.

11. An FIR bearing number FIR 405/2024 was filed by the Police of Alathur Police Station, on the Complaint filed by the Company against Mrs. Manjusha for pledging stolen ornaments as claiming her own one and cheated the Company for an amount of ₹ 60,207 (Indian Rupees Sixty Thousand Two Hundred Seven). Subsequently after Police investigation a criminal case (CC 649/2024) was registered before the Alathur JFCM court which is pending.

12. An FIR bearing number 1050/2024 was filed by the Mannarghat police on the complaint filed by the Company's Territory Manager – Credit Division against Vishwan, Ajith Joseph, Abhinav, Vivek and Subin as accused for forging loan documents, KYC, and generating fake loans and thereby cheating and misappropriating the Company cash to the tune of ₹ 27,98,982 (Indian Rupees Twenty Seven Lakh Ninety Eight Thousand Nine Hundred Eighty Two). The matter is pending before the court (CC.695/2025 - JFCM Court, Mannarghat) as police investigation was over and charge sheet has been filed by the police.

13. An FIR bearing 1841/2024 was filed by the Perinthalmanna police upon on the complaint filed by the Company's Territory Manager – Credit Division against Abu Thahir, Akhilesh A, and Binu P as accused for forging loan documents, KYC, and generating fake loans and thereby cheating and misappropriating the company cash to the tune of ₹ 15,00,739 (Indian Rupees Fifteen Lakh Seven Hundred Thirty Nine). The matter is pending for police investigation.

14. An FIR bearing no. 239/2025 at Yeshwanathapura Police Station was filed by the Company against Nitish Kumar, Manikanta, Koushik C Kambar and Bharath Reddy for pledging spurious ornaments and cheating the Company to the tune of ₹ 10,01,817 (Indian Rupees Ten Lakh One Thousand Eight Hundred Seventeen). In this, Police filed FIR and investigation is pending.

15. An FIR bearing no. 5/2026 at Thoppumpady Police Station was filed by the Company against Kiran, Nimisha and Ambika for cheating and misappropriating the cash from the Company to the tune of ₹15,89,674 (Indian Rupees Fifteen Lakh Eighty Nine Thousand Six Hundred Seventy Four). The investigation is pending in the matter.

16. An FIR bearing no. 5/2026 at Karimedu Police station was filed by the Company against Santhi Murugandi, Priya and Shanmugapriya for pledging spurious ornaments and thus cheating resulting financial loss to the Company, to the tune of ₹ 4,38,900 (Indian Rupees Four Lakh Thirty Eight Thousand Nine Hundred). The investigation is pending.

**(b) Against our Company**

Except as disclosed below there are no criminal cases against our Company:

*Nil*

**(iii) Cases filed by the Company under Section 138 of the Negotiable Instruments Act, 1881**

The Company has filed various complaints and notices under Section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. As of the date of this Draft Prospectus, there are 9 such complaints pending before Judicial First Class Magistrate Court, Thrissur. The total amount involved in such cases is approximately ₹ 7.40 lakh.

**(iv) Tax Proceedings involving our Company**

Except as disclosed below there are no tax proceedings against our Company:

A single show cause notice addressing around 37 entities across the country, including ours, bearing number 137/2022-23 was received from the Goods and Service Tax authority (Directorate General of Goods and Service Tax Intelligence, Ghaziabad Regional Unit) to show cause why penalty should not be imposed upon the company in terms of section 122 (1) (ii) of the CGST Act, 2017 read SGST Act, 2017, and or under section 20 of the IGST Act, 2017, for issuance of invoices or bills passing on of total ITC of GST amounting ₹ 9,32,408 (Indian Rupees Nine Lakh Thirty Two Thousand Four Hundred and Eight) without concomitant supply of goods/services in violation of the provisions of the CGST Act 2017 read SGST Act, 2017, and or under section 20 of the IGST Act, 2017. The Company has replied to the notice vide letter dated July 10, 2023, stating that the notice levied tax on availing of input tax by one of our service recipient, namely M/s. Lambent Marketing Pvt Limited on invoices issued by us and not remitting tax and that our company has paid the tax collected from the party in time. After online hearing, the case was ordered with a penalty against the Company to the tune of ₹ 9,32,408/- (Rupees Nine Lakh Thirty Two Thousand Four Hundred and Eight only). Subsequently, the Company preferred an appeal against the order imposing penalty before the Commissioner (Appeals), Central GST and Customs, Meerut and the appeal is pending before the authority.

**Legal action taken by statutory or regulatory authorities against our Company**

There are no legal actions taken by statutory or regulatory authorities and pending against our Company.

**2. Material litigations involving our Subsidiary Company as on the date of this Draft Prospectus**

Not applicable as our Company does not have any Subsidiaries.

**3. Material litigations involving our Directors as on the date of this Draft Prospectus**

As on the date of this Draft Prospectus, following are material litigations involving our Directors:

**(i) Civil Litigations**

**(a) By our Directors**

Except as disclosed below there are no civil cases filed by our Directors:

1. Chemmanur Devassykutty Boby ("**Petitioner**") filed a writ petition number 19861/2020 (G) dated September 23, 2020, before the High Court of Kerala against the State of Kerala, Jewellery workers welfare Board and Assistant Labour officer of Palakkad District ("**Respondent**") under Article 226 of the Constitution of India ("**Constitution**") challenging the notice dated August 26, 2020, wherein jewellery workers cess was imposed on all jewellery showrooms at the rate of 0.1% on total sales. The Petitioner has submitted that the said notice is illegal and unconstitutional and violative of the Kerala Jewellery Workers Welfare Fund (Amendment) Act, 2019 and have prayed for stay. The Kerala High Court vide its order dated September 24, 2020, admitted the petition, and stayed the proceedings under the above said notice issued by the Assistant Labour Officer, Palakkad. The case is presently pending before the High Court of Kerala for hearing.

2. A consumer case bearing number CC No 43/2022 was filed by Chemmanur Devassykutty Boby against Destination Health for not providing gym equipment at Palazhi villa on time, claiming an amount of ₹ 11,25,000 (Indian Rupees Eleven Lakh Twenty Five Thousand). The matter is currently pending for hearing.

**(b) Against our Directors**

Except as disclosed below there are no civil cases against our Directors:

1. A consumer case bearing number CC100/2020 claiming an amount of ₹ 8,000 (Indian Rupees Eight Thousand) was filed by complainant Mrs Girija Kunjappan against the Directors and the Company, alleging deficiency of service from the part of company. The complaint claimed post-maturity interest of six subordinate debts at a rate of 13.5% for the period starting from maturity till the date of her surrender of SDs. The matter is currently pending before the Consumer Disputes Redressal Forum, Ernakulam.

2. An Indigent Original Petition (I.O.P.22/2024, Sub Court, Thrissur) filed by Jaison Chemmanur against CD Boby, claiming for a compensation of ₹ 10,00,00,000 (Rupees Ten Crores only) alleged against the Respondent CD Boby for his defamatory publications against the Petitioner and Petitioner's organisation. The Civil Suit had been filed as an Indigent OP as the Petitioner claims himself as Pauper and Indigent, and thus has to be exempted from applicable Court fees. Accordingly, Respondent CD Boby had filed a Counter Statement to that effect and the case is presently pending before the Court.

3. A Consumer complaint in no.CC.622/2025 before Consumer Dispute Redressal Commission, Kollam ("**Commission**") was filed by Vishnu. S against Liberty General Insurance Ltd, Chairman and Managing Director of the Company (as Opposite party no.2 ) and the Branch Manager, Kottiyam, of the Company (as Opposite party no.3). The allegation is on the denial of the complainant's policy claim resulting in deficiency of service. The Complainant has claimed a compensation of ₹1,20,282 (Indian Rupees One Lakh Twenty Thousand Two Hundred Eighty Two) and Company has filed its response on December 11, 2025. The case is posted for hearing and pending before the Commission.

**(ii) Criminal Litigations**

**(a) By our Directors**

Except as disclosed below there are no criminal cases filed by our Directors:

1. A First Information Report (FIR) was filed against A K Linesh, (ex-employee), Hareesh and Roopesh ("**Accused Persons**") based on a complaint filed by Chemmanur Devassykutty Boby under sections 419, 420, 468 and 47 read with 34 of CRPC. The Accused Persons had forged false documents and cheated the complainant causing a loss of ₹ 12,00,000 (Indian Rupees Twelve Lakh). Based on the FIR two cases were registered before - Judicial First Class Magistrate VI, MARAD (Calicut), as CC No 92/2010 against Linesh, Hareesh and Roopesh and CC No 93/2010 against A.K Lineesh. The case is presently called on JFCM VI Court, Kozhikode.

2. Smitha Boby has filed a criminal complaint dated May 21, 2020, before the Baluseri Police Station and a First Information Report (FIR) has been filed by the police authorities on October 27, 2020. Based on that a criminal case as CC 437/2021 was registered before the Judicial First Class Magistrate Perambra against Killiyamburath Bhaskaran ("**Accused Person**") for cutting down trees from Unnikulam land. The case has been transferred to Judicial First Class Magistrate 1, Tamarassery as CC 484/2022. The case is currently pending.

**(b) Against our Directors**

Except as disclosed below there are no criminal cases against our Directors:

1. Station House Officer of Meppadi Police Station had filed a First Information Report (FIR), numbered as 235/2024, dated May 8, 2024 against CD Boby alleging making unlawful gains from lucky draws associated with the tea products sale of M/s. Boche Bhumiputra Private Limited and thereby decreasing the sales of Kerala Government Lottery. 'Investigation going on, CD Boby had applied for Anticipatory Bail and was allowed by District and Sessions Court, Kalpetta, Wayanad.

2. Station House Officer of Ernakulam Central Police Station had filed an FIR no. as 31/2025, against CD Boby, upon the Complaint filed by De-facto Complainant Honey Rose Varghese, alleging the Accused of making sexually coloured remarks and body shaming comments with an intention to humiliate the Complainant in social media network. C.D. Boby had applied for Bail during the period of judicial custody and a Conditional Bail was allowed to

him by the High Court of Kerala. Post Police investigation, charge sheet was filed before the court. Case is currently pending at District & Sessions Judge, Ernakulam in SC.1154/2025.

3. Mr. T.V. Lokesha filed a complaint under sec.138 and 141 of Negotiable Instruments Act read with Sec.223 of BNSS against Mr. Harisha B.H. and 6 others, in which Chemmanur Credits and Investments Limited, Thrissur, through its Chairman and Manging Director was made as accused no.5. The case is filed before the Court of Small Causes and ACJM, Bengaluru South as no.CC.27440/2025. Summons received by the Company and the Company proceeded with the filing of its statement.

**(iii) Cases filed by the Directors under Section 138 of the Negotiable Instruments Act, 1881**

*Nil*

**(iv) Tax Proceedings involving our Directors**

There are no tax proceedings against our Directors.

**(v) Legal action taken by statutory or regulatory authorities against our Directors**

Other than disclosed below, there are no legal actions taken by statutory or regulatory authorities and pending against our Directors.

MCA has imposed a penalty of ₹ 39,200 (Indian Rupees Thirty Nine Thousand Two Hundred) by way of its order dated August 02, 2024 against our director Lijo Moothedan for delay in filing of e-form BEN-2 to Registrar of Companies, and thereby violating section 90(4) of the Companies Act, 2013.

**4. Material litigation or legal or regulatory actions involving our Promoter as of the date of this Draft Prospectus**

Except as covered in section 3 *(Material litigations involving our Directors as on the date of this Draft Prospectus)* of this *Outstanding Litigations* Chapter on page 134 above, there no material litigation involving Promoter of the Company (being Chemmanur Devassykutty Boby).

**5. Litigations involving group companies**

As on the date of this Draft Prospectus, following are litigations involving group companies:

**(i) Material Civil Litigation**

**(a) By group companies**

There are no material civil proceedings by our group companies.

**(b) Against group companies**

Except as disclosed below there are no material civil proceedings against our group companies:

1. Suhaina Sherin has filed a consumer complaint (CC 308/2025) before the Consumer Disputes Redressal Commission, Kasaragode against Chemmanur Gold Palace International Limited, Kasaragode, alleging that the gold ornaments purchased were defective and broke easily. The complainant has claimed compensation of ₹1,21,767 (Indian Rupees One Lakh Twenty One Thousand Seven Hundred Sixty Seven). The matter is currently pending and has been posted for notice/appearance of the Opposite Party.

**(ii) Criminal Cases**

**(a) By the group companies**

Except as disclosed below there are no criminal proceedings by our group companies:

1. Chemmanur Gold Palace International Limited had filed a criminal complaint 293/2021 dated August 14, 2021, before the Judicial Magistrate Court, Ooty against Ganapathy, an ex-employee for cheating and misappropriation. The case is numbered as CC 82/2024 and pending before the Court.

2. Chemmanur Gold Palace International Limited ("**CGIPL**") had filed a defamation petition, CC No. 55/2017 dated November 3, 2016, before the Metropolitan Magistrate Court, Egmore, Chennai against Joy Kaitharam. Further, Joy Kaitharam had filed a transfer petition T.P.(Crl.) No. 000082 - / 2021 dated January 21, 2021, before the Supreme Court of India, to transfer the above-mentioned criminal case for defamation to Chief Judicial Magistrate, Thrissur. The transfer application matter is disposed and the defamation petition is pending before the Metropolitan Magistrate Court, Chennai.

**(b) Against the group companies**

*Nil*

**(iii) Cases filed by our group companies under Section 138 of the Negotiable Instruments Act, 1881**

The group companies have filed various complaints and notices under Section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various parties on account of dishonouring of cheques issued by such parties. As of the date of this Draft Prospectus, there are 583 such complaints pending across various jurisdictions. The total amount involved in such cases is approximately ₹ 148.49 lakh.

**(iv) Tax Proceedings involving the group companies**

An excise duty matter no. SVLDRS-01 Declaration No. LD1501200003409 dated January 15, 2020, amounting to ₹ 4,95,490 (Indian Rupees Four Lakh Ninety Five Thousand Four Hundred and Ninety) is pending against CGPIL before the Central Board of Indirect Taxes and Customs. CGPIL had opted for Sabka Vishwas (Legacy Dispute Resolution) Scheme and initiated payment via challan on June 29, 2020. But due to technical issues in the portal of Tax Authorities the payment has been failed and hence the CGPIL couldn't remit the tax on the due date of June 30, 2020, and resulted in issue of a show cause notice dated March 30, 2021, with an outstanding duty liability of ₹ 39,84,965 (Indian Rupees Thirty Nine Lakh Eighty Four Thousand Nine Hundred and Sixty Five) by the Central Excise authorities. Against the Show Cause Notice, CGPIL filed a Writ Petition as WP(C) 30356/2021 (T) dated December 22, 2021, before the Honourable High Court of Kerala. High Court of Kerala passed an interim order on January 12, 2022, that the proceedings under the above Show Cause Notice shall be kept in abeyance and this was extended further by subsequent orders. The matter is still pending.

**(v) Other Regulatory proceedings involving group companies**

1. Boby Chemmanur No.1 Chits Private Limited has matter pending in with the Registrar of Chits, Thiruvananthapuram on compounding fee of ₹ 55,04,000 (Indian Rupees Fifty Five Lakh Four Thousand) with respect to twenty-three chits, for not filing minutes, chitty balance sheet and balance sheet of the company within the stipulated time with Assistant Registrar of Chits, Thrissur. The company has approached Inspector General of Registration, Thiruvananthapuram for downward revision in compounding fee and the matter is still being pursued by Inspector General of Registration, Thiruvananthapuram. The Office of the Inspector General of Registration replied that they are not entitled to make a decision on the request as a similar application seeking reduction of Compounding fee has already been submitted by the Company before the Ministry of Taxation. In addition to that, Boby Chemmanur No.1 Chits Private Limited have filed a Writ Petition before High Court of Kerala no. as WP(C)10847/2024, against The State of Kerala and others for compounding the offences.

2. The Ministry of Corporate Affairs ("MCA") has imposed a penalty of ₹1,35,500 (Indian Rupees One Lakh Thirty Five Thousand Five Hundred) on our group company, Chemmanur Gold Palace International Limited, for delay in filing e-Form BEN-2 with the Registrar of Companies, resulting in a violation of Section 90(4) of the Companies Act, 2013.

**6. *Litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last three years immediately preceding the year of the issue of this Draft Prospectus and any***

***direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action***

There are no litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last three years immediately preceding the year of the issue of this Draft Prospectus and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action.

**7. 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 Draft 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 Draft Prospectus**

There are no 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 Draft 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 Draft Prospectus.

**8. *Details of acts of material frauds committed against our Company in current financial year and last three Fiscals, if any and if so, the action that was taken by our Company***

The list of material frauds against the Company in the current financial year and last three financial years are as follows:

| Sr. No | Financial Year/ Period | Branch | Date Of Detection / Date of Reporting To RBI | Gross Amount (₹ Lakh) | Modus Operandi & Action Taken | Recovery (₹ Lakh) | Amount Written Off (₹ Lakh) | Provision (₹ Lakh) | Action taken by the Company |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Current Financial Year as on February 02, 2026 | Various Branches | Various dates | 139.92 | Pledged low purity ornaments. | 116.07 | - | - | Follow up for recovery continued |
| 2. | 2024-25 | Various Branches | Various dates | 76.82 | Pledged low purity ornaments. | 76.80 | 0.00 | 0.00 | Follow up for recovery continued |
| 3. | 2023-2024 | Various Branches | Various dates | 40.13 | Pledged low purity ornaments. | 40.13 | 0.00 | 0.00 | Recovered |
| | | Vazhakulam | January 02, 2024 | 4.28 | Pledged low purity ornaments | 0.00 | 0.00 | 4.28 | Complaint filed with police authorities |
| 4. | 2022-2023 | Kulathupuzha | January 14, 2023 | 15.76 | Misappropriation of cash by Branch staff | 8.22 | 0.00 | 7.54 | Complaint filed with police authorities. |
| | | Various Branches | Various dates | 39.39 | Pledged low purity ornaments. Company recovered part of the amount from customers and follow- | 26.22 | 0.00 | 13.17 | Complaint filed with police authorities. |

| Sr. No | Financial Year/ Period | Branch | Date Of Detection / Date of Reporting To RBI | Gross Amount (₹ Lakh) | Modus Operandi & Action Taken | Recovery (₹ Lakh) | Amount Written Off (₹ Lakh) | Provision (₹ Lakh) | Action taken by the Company |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | up are being made | | | | |

9. ***Summary of reservations, qualifications, emphasis of matter or adverse remarks of auditors for the last three Fiscals immediately preceding the year of issue of this Draft Prospectus and of 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 emphasis of matter or adverse remarks***

Our statutory auditors have highlighted certain matters of emphasis to their audit opinion relating to our Audited Financial Statements for the last three financial years, as mentioned below:

| Financial Year | Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO | Impact on the financial statements and financial position of the Company | Corrective steps taken and proposed to be taken by the Company |
|---|---|---|---|
| 2024 - 2025 | **(A) Emphasis of Matter** | | |
| | We draw attention to Note No. 3.7 of the financial statements, which details the impact arising from the inclusion of addendum agreements to the lease agreements during the financial year. Our opinion is not modified in respect of this matter. | During the financial year 2024–25, the majority of lease agreements were updated through addendum agreements, which resulted in these leases becoming short-term in nature and thereby falling outside the scope of Ind AS 116. Consequently, a significant reversal of lease liability and ROU asset was recorded, resulting in a lease-term gain of ₹959.90 lakhs | - |
| 2023-2024 | **(A) Pending Litigations** | As there is no additional tax liability, contingent liability provided has been reversed. | - |
| | (i) Income Tax demand for the A.Y. 2017-18 | | |
| | There was an Income Tax appeal filed by the company with the Commissioner of Income Tax (Appeals) for the AY 2017-18 against the order under sec 143(3) of the Income Tax act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur, making a tax addition by disallowing expenditure. The total tax impact on the above order was ₹ 137.57 Lakh. Against this demand Company paid 10% of total demand amounting to ₹ 13.76 Lakhs. The Appeal has been disposed in favour of the Company vide order No. ITBA/NFAC/S/250/2023-24/1055330358(1) dated 22/08/2023. | | |
| 2022-2023 | **(A) Emphasis of Matter** | | |
| | We draw attention to note 57 of the financial statements regarding the transition to Ind AS in the final quarter of the financial year ended March 31, 2023 and the unaudited results published for the nine months ended December 31, 2022 in Accounting Standards | The financial statements for the financial year ended on March 31, 2023 is | The company has changed its accounting |

| Financial Year | Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO | Impact on the financial statements and financial position of the Company | Corrective steps taken and proposed to be taken by the Company |
|---|---|---|---|
| | (IGAAP) notified under The Companies (Accounts) Rules, 2014 (as amended). Our opinion is not qualified with regard to this matter.<br>**Note 57 of the Financial Statement for the year ended on March 31, 2023:**<br>The company listed its non-convertible debentures on January 12, 2023. The financial statements of the Company for the year ended March 31, 2023 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101, First-Time Adoption of Indian Accounting Standards, with April 1, 2021 as the transition date from previous GAAP.<br>However, since the transition to Ind AS was done in last quarter of FY 2022-23, the unaudited results of 9 months ended December 31, 2022 and the comparative quarters was presented in accordance with Accounting Standards (IGAAP) notified under The Companies (Accounts) Rules, 2014 (as amended).Since the Ind AS adjustments were given effect in the final quarter of financial year 2022-23, the published unaudited results of the quarter/ nine months ending December 31, 2022 are not comparable with the audited results published for the year ended March 31, 2023 | prepared in accordance with Ind AS and the impact has been already reflected in audited financial statements for the year. | in line with Ind AS |
| | **(B) Pending Litigations** | | Pending at various stage of appeal |
| | (i) Income Tax demand for the A.Y. 2012-13 | No impact on financial position of the Company. | |
| | Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2012-2013. Appeal is filed by the company against the order under sec 143(3) of the Income Tax act 1961, issued by the income tax officer, ward1(2), Thrissur making an addition by disallowing various expenditures. The addition did not increase the tax liability of the Company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is ₹ 95.87 lakhs. | | |
| | (ii) Income Tax demand for the A.Y. 2017-18 | | |
| | Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2017-18. Appeal is filed by the company against the order under sec 143(3) of the Income Tax act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The total tax impact on the addition is ₹ 137.57 Lakhs. Against this demand Company paid 10% of total demand amounting to ₹ 13.76 Lakhs and stay granted for the balance 90% of the demand till the disposal of the appeal by the commissioner of income tax (Appeals). | Contingent liability of ₹ 137.57 lakhs is disclosed for the AY 2017-18. | |

10. ***Summary of other observations of the auditors during the last three Fiscals immediately preceding the year of issue of this Draft Prospectus and of 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 observation***:

There are no other observations of the auditors during the last three Fiscals immediately preceding the year of issue of this Draft Prospectus and of their impact on the financial statements and financial position of our Company.

11. ***Details of disciplinary action taken by SEBI or Stock Exchanges against the Promoter/Group companies in the last five financial years, including outstanding action:***

| Entity | Competent Authority | Regulatory Charges | Regulatory Action(s) / Date of Order |
|---|---|---|---|
| Chemmanur Gold Palace International Limited ("**CGPIL**") | SEBI | CGPIL raised funds through issuance of 6% participating preference shares ("**PPS**") by way of private placement aggregating to ₹ 28,828 lakh from 5,323 investors violating sections 56, 60, 64, 67 and 73 of the Companies Act, 1956 (parallel, section 25, 26, 28, 33(1), 40 and 42 of the Companies Act, 2013 read with section 465 of the Companies Act, 2013).<br><br>Raised such funds without making application for listing of securities nor obtained in-principle approval for listing of securities, did not obtain credit rating nor appointed merchant banker, did not disclose requirement in offer document nor filed draft offer document with stock exchanges, did not advertise for public issues nor disclose in abridged prospectus & application forms and did not apply for listing of securities post issuance violating regulations 4(2)(a) to 4(2)(c), 4(5), 5, 6, 8, 9 and 16 of SEBI (Issue And Listing Of NCRPS) Regulations, 2013.<br><br>Pursuant to the order, CGIPL had remitted the penalty amount within specified time limit. | Imposed penalty ₹ 25,00,000 (Indian Rupees Twenty Five Lakh)<br><br>April 30, 2021 |

12. ***Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interests thereon; and loan from any bank or financial institutions and interest thereon:***

*Nil*

## OTHER REGULATORY AND STATUTORY DISCLOSURES

**Issuer's Absolute Responsibility**

*"The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft 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 this Draft 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 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 in any material respect."*

**Authority for the Issue**

At the meeting of the Board of Directors of our Company held on March 18, 2025, approved the public issue of secured, redeemable, non-convertible debenture for an amount amounting up to ₹ 30,000 lakh in one or more tranches and accordingly, the Debenture Committee vide resolution dated January 6, 2026 approved the present public issue of secured, redeemable, non-convertible debentures for an amount aggregating up to ₹ 5,000 lakh, with an option to retain oversubscription up to ₹ 5,000 lakh aggregating up to ₹ 10,000 lakh. Further, the present Issue 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 annual general meeting held on September 20, 2024.

**Prohibition by SEBI**

Our Company, persons in control of our Company, Directors of our Company and/or our Promoter 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.

Our Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of this Draft Prospectus.

No regulatory action is pending against the Issuer or its Promoter or directors before the SEBI or the Reserve Bank of India.

**Categorisation as a Wilful Defaulter**

Our Company, our Directors and/or our Promoter 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 Directors have been declared as a Fugitive Economic Offender.

**Other confirmations**

None of our Company or our Directors or our Promoter, 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 Draft Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

The 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.

The 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, wherever required, have been obtained.

Further, it is confirmed that our Company is in compliance with applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and any other guidelines so specified by SEBI.

Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in this Draft Prospectus.

Issuer will disclose all covenants proposed to be included in debenture trust deed, in the Prospectus.

**Window Advertisements of Financial Results**

The Company may publish only a window advertisement in the newspapers that refers to a quick response code and the link of the website of the Company and stock exchange(s), where such financial results are available and capable of being accessed by the investors under the terms of SEBI Listing Regulations. Further, in respect of non-convertible securities of the Company outstanding as on date of this Draft Prospectus, where the relevant offer documents do not provide for such window advertisements, the Company shall obtain prior approval from the relevant debenture trustee prior to making such window advertisement.

**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 DRAFT 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 ACCEPTS 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 DRAFT PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED 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 DRAFT PROSPECTUS. THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 IN FORCE FOR THE TIME BEING. 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 DRAFT PROSPECTUS, 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, VIVRO FINANCIAL SERVICES PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•] WHICH READS AS FOLLOWS:**
**[•]**

**DISCLAIMER CLAUSE OF BSE**

**[•]**

**DISCLAIMER CLAUSE OF RBI**

**THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED JUNE 10, 2010, BEARING REGISTRATION NO. N-1600185 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 ICRA (INDUSTRY REPORT PROVIDER)**

**ALL INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED BY ICRA FROM SOURCES BELIEVED BY IT TO BE ACCURATE AND RELIABLE. ALTHOUGH REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE INFORMATION HEREIN IS TRUE, SUCH INFORMATION IS PROVIDED 'AS IS' WITHOUT ANY WARRANTY OF ANY KIND, AND ICRA IN PARTICULAR, MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS OR COMPLETENESS OF ANY SUCH INFORMATION. ALSO, ICRA OR ANY OF ITS GROUP COMPANIES, WHILE PUBLISHING OR OTHERWISE DISSEMINATING OTHER REPORTS MAY HAVE PRESENTED DATA, ANALYSES AND/OR OPINIONS THAT MAY BE INCONSISTENT WITH THE DATA, ANALYSES AND/OR OPINIONS IN THIS PUBLICATION. ALL INFORMATION CONTAINED HEREIN MUST BE CONSTRUED SOLELY AS STATEMENTS OF OPINION, AND ICRA SHALL NOT BE LIABLE FOR ANY LOSSES INCURRED BY USERS FROM ANY USE OF THIS PUBLICATION OR ITS CONTENTS.**

**DISCLAIMER CLAUSE OF INDIA RATINGS (CREDIT RATING AGENCY)**

**INDIA RATINGS & RESEARCH PRIVATE LIMITED (“INDIA RATINGS”) RELIES ON INFORMATION OBTAINED FROM MULTIPLE SOURCES AND THERE MAY BE INSTANCES WHERE THE INFORMATION IS NOT ACCURATE/INCOMPLETE, DESPITE EFFORTS BEEN TAKEN TO VERIFY THE SAME. ULTIMATELY, THE ISSUER /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 RATING, INDIA RATINGS RELIES 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 MAY NOT HAVE BEEN ANTICIPATED AT THE TIME A RATING WAS ISSUED OR AFFIRMED.**

**IT NEEDS TO BE NOTED THAT 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 OF ANY ISSUER. CREDIT 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. THE RATING AGENCY SHALL NEITHER CONSTRUED TO BE NOR ACTING UNDER THE CAPACITY OR NATURE OF AN 'EXPERT' AS DEFINED UNDER SECTION 2(38) OF THE COMPANIES ACT, 2013. INDIA RATINGS DOES NOT PROVIDE ANY FINANCIAL, LEGAL, AUDITING, ACCOUNTING, APPRAISAL, VALUATION OR ACTUARIAL SERVICES IN ANY MANNER. A RATING SHOULD NOT BE VIEWED AS A REPLACEMENT FOR SUCH ADVICE OR SERVICES. INVESTORS MAY FIND OUR 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.**

**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 Master Circular, are available at the following website:

| Name of Lead Manager | Website |
|---|---|
| Vivro Financial Services Private Limited | http://www.vivro.net/offerdocuments |

**Listing**

An application will be made to BSE for permission to deal in and for an official quotation of our NCDs.

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 Draft 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 3 Working Days from the date of closure of the issue.

**Consents**

Consents in writing of Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, legal advisor to the Issue, Lead Manager, the Registrar to the Issue, Credit Rating Agency, the Debenture Trustee, Industry Report Provider (ICRA), the Public Issue Account Bank*, Sponsor Bank*, Refund Bank*, Syndicate Member*, and the lenders to our Company to act in their respective capacities, have been obtained and will be filed along with a copy of the Prospectus with the RoC as required under Section 26 of the Companies Act, 2013. Further such consents have not been withdrawn up to the time of delivery of the Prospectus with the Stock Exchange.

** Consents to be obtained at the Prospectus stage.*

**Expert Opinion**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor, namely C.M. Joseph & Associates, Chartered Accountants, to include its name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as a statutory auditor, in respect of the (a) Limited Review Unaudited Financial Results for the nine months period ended December 31, 2025; (b) Audited Financial Statements for the financial year ended March 31, 2025; (c) Audited Financial Statements for the financial year ended March 31, 2024; and (c) Special Purpose Audited Financial Statement for the financial year ended March 31, 2023; included in this Draft Prospectus. The consent of the Statutory Auditors has not been withdrawn as on the date of this Draft Prospectus.

**Common form of Transfer**

We undertake that there shall be a common form of transfer for the NCDs held in dematerialised form and they 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**

A copy of this 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) prior to the opening of the Issue. The Draft Prospectus is displayed on the website of the Company and the Lead Manager. The Draft Prospectus has also been submitted with SEBI for record purpose.

**Filing of the Prospectus**

The Prospectus shall be filed with the RoC in accordance with Section 26 of the Companies Act, 2013.

**Disclosure in accordance with the SEBI Debenture Trustee Master Circular**

**Appointment of Debenture Trustee**

The Company has appointed the Debenture Trustee in accordance with the terms of the Debenture Trustee Agreement.

**Terms and Conditions of Debenture Trustee Agreement**

**Fees charged by Debenture Trustee**

The remuneration of the Debenture Trustee shall include ₹ 60,000 as trustee acceptance fees along with annual fees amounting to 0.0065% of outstanding debentures, as provided under the offer letter MCTSL/EL/24-25/639 dated March 18, 2025, as may be amended/modified from time to time.

**Terms of carrying out due diligence**

As per the SEBI Debenture Trustee Master Circular, as amended and/ or supplemented from time to time, 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 initial and on continuous basis 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 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.

e. The Debenture Trustee shall have the power to independently 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.

f. The Debenture Trustee shall obtain the following certificates as a part of due diligence:

   (i) Security Cover Certificate
   (ii) Undertaking from the Issuer
   (iii) CERSAI Search

(iv) ROC Search
(v) Letter ceding pari-passu charge from the existing charge holders, if any
(vi) Any other document as may be required to conduct the due diligence

g. The Debenture Trustee shall, at the time of filing of Disclosure Document with the Stock Exchange and prior to the opening of the public issue, furnish to the Board and the Stock Exchange a due diligence certificate.

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 Debenture Trustee Master Circular.

The 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.

All disclosures made in this Draft Prospectus with respect to creation of security are in conformity with the Debenture Trustee Agreement.

**MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED HAVE FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 06, 2026, AS PER THE FORMAT SPECIFIED IN ANNEX-II-A TO THE SEBI DEBENTURE TRUSTEE MASTER CIRCULAR AND AND PART A OF SCHEDULE IV OF THE SEBI NCS REGULATIONS WHICH READS AS FOLLOWS:-**

**WE, THE DEBENTURE TRUSTEE 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 and listed.*

*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 further charge on assets in offer document/ placement memorandum and all disclosures made in the offer document/ placement memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.*

e. *Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document/ placement memorandum.*

f. *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.*

*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 Annex II-A of the SEBI Debenture Trustee Master Circular and Part A of Schedule IV of the SEBI NCS Regulations.

**Debenture Redemption Reserve ("DRR")**

Pursuant to Regulation 16 of the SEBI NCS Regulations and Section 71(4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. As per rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Amendment Rules, 2019, an NBFC is not required to create a DRR in case of public issue of debentures. The rules further mandate that the company which is coming with a Public Issue shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more prescribed methods.

Accordingly, our Company is not required to create a DRR for the NCDs proposed to be issued through this Issue. Further, our Company shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (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 clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year, in terms of the applicable laws.

**Issue related expenses**

For details of Issue related expenses, see "*Objects of the Issue*" on page 50.

**Reservation**

No portion of this Issue has been reserved.

**Details regarding the Company and other listed companies which are associate companies as described under the Companies Act, 2013, which made any capital issue during the last three years**

There are no other listed companies under the same management / associate companies as described under the Companies Act, 2013, which have made any public capital issuances during the previous three years from the date of this Draft Prospectus.

**Public issue of Equity Shares**

Our Company has not made any public issue of Equity Shares or rights issuances in the last three years.

**Previous Public Issues of Non-Convertible Debenture**

Other than Public Issue 1, Public Issue 2, Public Issue 3, Public Issue 4 and Public Issue 5, of the non-convertible debentures as disclosed below, there has been no previous public issue of non-convertible debentures by the Company.

**Dividend**

Our Company has no formal dividend policy. The declaration and payment of dividends on our Equity 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. Our Company has declared following dividends during the current financial year and the last three Fiscals.

*(₹ in lakh, except per share data)*

| **Particulars** | **From April 1, 2025 till date of this Draft Prospectus** | **For the Financial Year ended** | | |
|---|---|---|---|---|
| | | **March 31, 2025** | **March 31, 2024** | **March 31, 2023** |
| **On Equity Shares** | | | | |
| Fully Paid-up Share Capital (Nos.) | 7,79,50,000 | 7,40,00,000 | 6,00,00,000 | 6,00,00,000 |
| Face Value / Paid Up Value (₹) | 10 | 10 | 10 | 10 |
| | | | | |
| Equity Share Capital | 7,795 | 7,400 | 6,000 | 6,000 |
| Dividend on Equity shares (*₹ per equity share)* | - | - | - | - |
| Dividend | - | - | - | - |
| Rate of Dividend | - | - | - | - |
| Dividend Distribution Tax | - | - | - | - |

**Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Thrissur, Kerala, India.

**Impersonation**

As a matter of abundant caution, 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.

**Details regarding the lending done by the issuer out of the issue proceeds of debt securities in last three years**

***A. Lending Policy***

Please refer to the paragraph titled "*Our Company's Business- Gold Loans*" under Chapter "*Our Business*" at page 84.

***B. Utilisation of Issue Proceeds of the previous issue by our Company and Group Companies***

***Company:***

i. **Public issue of equity shares by the Company**

The Company has not undertaken any public issue of equity shares in the last three years.

ii. **Previous public issues of non-convertible debentures by the Company**

Except as given below, the Company has not undertaken the public issues of non-convertible debentures.

**Public Issue 1**

| **Particulars** | |
|---|---|
| ISIN | INE051307986, INE051307978, INE051307994, INE051307AA0, INE051307AB8, INE051307AC6, INE051307AD4, INE051307AE2 |
| Date of opening | December 14, 2022 |
| Date of closing | January 6, 2023 |
| Issue Proceeds* (₹ in lakh) | 9,222.69 |
| Date of allotment | January 12, 2023 |
| Date of refunds/ unblocking of funds | January 16, 2023 |
| Date of listing | January 13, 2023 |
| Utilisation of proceeds | **Purpose** / **Amount utilised (in ₹ lakh)**<br>Onward Lending / 8,567.79<br>Repayment of Loans / 654.90<br>Issue Related Expense** / -<br>General Corporate Purpose / -<br>**Total** / 9,222.69 |

** Original issue size was ₹ 10000 lakh, but allotted amount was ₹ 9,222.69 lakh.*
*** Company has incurred Issue related expenses amounting to ₹ 179.22 lakh from the internal accruals.*

**Public Issue 2**

| **Particulars** | |
|---|---|
| ISIN | INE051307AP8, INE051307AO1, INE051307AN3, INE051307AJ1, INE051307AM5, INE051307AL7, INE051307AI3, INE051307AK9 |
| Date of opening | October 16, 2023 |
| Date of closing | October 30, 2023 |
| Issue Proceeds* (₹ in lakh) | 6,021.11 |
| Date of allotment | November 3, 2023 |
| Date of refunds/ unblocking of funds | November 7, 2023 |
| Date of listing | November 6, 2023 |
| Utilisation of proceeds | **Purpose** / **Amount utilised (in ₹ lakh)**<br>Onward Lending / 5,965.11<br>Interest/Repayment of Loans / 56.00<br>Issue Related Expense** / -<br>General Corporate Purpose / -<br>**Total** / 6,021.11 |

** Original issue size was ₹ 10000 lakh, but allotted amount was ₹ 6,021.11 lakh.*
*** Company has incurred Issue related expenses amounting to ₹ 147.27 lakh from the internal accruals.*

**Public Issue 3**

| **Particulars** | |
|---|---|

| | |
|---|---|
| ISIN | INE051307AX2, INE051307AW4, INE051307AV6, INE051307AU8, INE051307AT0, INE051307AS2, INE051307AR4, INE051307AQ6 |
| Date of opening | February 20, 2024 |
| Date of closing | March 4, 2024 |
| Issue Proceeds* (₹ in lakh) | 4,814.02 |
| Date of allotment | March 11, 2024 |
| Date of refunds/ unblocking of funds | March 7, 2024 |
| Date of listing | March 12, 2024 |
| Utilisation of proceeds | **Purpose** / **Amount utilised (in ₹ lakh)**<br>Onward Lending: 4,439.02<br>Interest/Repayment of Loans: 375.00<br>Issue Related Expense**: -<br>General Corporate Purpose: -<br>**Total**: **4,814.02** |

** Original issue size was ₹ 10000 lakh, but allotted amount was ₹ 4,814.02 lakh.*
*** Company has incurred Issue related expenses amounting to ₹ 158.41lakh from the internal accruals.*

**Public Issue 4**

| **Particulars** | |
|---|---|
| ISIN | INE051307BC4, INE051307AZ7, INE051307BA8, INE051307BB6, INE051307BD2, INE051307BG5, INE051307BE0, INE051307BF7, INE051307AY0, |
| Date of opening | July 26, 2024 |
| Date of closing | August 08, 2024 |
| Issue Proceeds* (₹ in lakh) | 6,000.00 |
| Date of allotment | August 14, 2024 |
| Date of refunds/ unblocking of funds | August 13,2024 |
| Date of listing | August 16,2024 |
| Utilisation of proceeds | **Purpose** / **Amount utilised (in ₹ lakh)**<br>Onward Lending: 5,494.44<br>Repayment of Loans: 505.56<br>Issue Related Expense**: -<br>General Corporate Purpose: -<br>**Total**: 6,000.00 |

** Original issue size was ₹* 6000 *lakh, but allotted amount was ₹* 6,000 *lakh.*
*** Company has incurred Issue related expenses amounting to ₹* 206.01 *lakh from the internal accruals.*

**Public Issue 5**

| **Particulars** | |
|---|---|
| ISIN | INE051307BH3,INE051307BI1, INE051307BJ9, INE051307BK7, INE051307BL5, INE051307BM3, INE051307BN1, INE051307BP6, INE051307BO9 |
| Date of opening | December 31, 2024 |
| Date of closing | January 13, 2025 |
| Issue Proceeds* (₹ in lakh) | 6,367.14 |
| Date of allotment | January 17, 2025 |
| Date of refunds/ unblocking of funds | January 16, 2025 |
| Date of listing | January 20, 2025 |
| Utilisation of proceeds | **Purpose** / **Amount utilised (in ₹ lakh)**<br>Onward Lending: 6,367.14<br>Repayment of Loans: -<br>Issue Related Expense**: -<br>General Corporate Purpose: -<br>**Total**: 6,367.14 |

** Original issue size was ₹ 9,000 lakh, but allotted amount was ₹ 6,367.14 lakh.*

*** Company has incurred Issue related expenses amounting to ₹ 134.32 lakh from the internal accruals.*

**Public Issue 6**

| **Particulars** | |
|---|---|
| ISIN | INE051307BQ4;INE051307BR2:INE051307BU6;INE051307BT8; INE051307BW2;INE051307BS0; INE051307BV4 |
| Date of opening | June 03, 2025 |
| Date of closing | June 16, 2025 |
| Issue Proceeds* (₹ in lakh) | 8,334.00 |
| Date of allotment | June 20, 2025 |
| Date of refunds/ unblocking of funds | June 19, 2025 |
| Date of listing | June 23, 2025 |
| Utilisation of proceeds | **Purpose** / **Amount utilised (in ₹ lakh)**<br>Onward Lending: 8,334.00<br>Repayment of Loans: -<br>Issue Related Expense**: -<br>General Corporate Purpose: -<br>**Total: 8,334.00** |

** Original issue size was ₹ 10000 lakh, but allotted amount was ₹ 8,334.00 lakh.*
*** Company has incurred Issue related expenses amounting to ₹ 82.53 lakh from the internal accruals.*

**Public Issue 7**

| **Particulars** | |
|---|---|
| ISIN | INE051307BZ5;INE051307BY8;INE051307CD0;INE051307CA6;INE051307CB4;INE 051307BX0; INE051307CC2 |
| Date of opening | October 17, 2025 |
| Date of closing | November 03, 2025 |
| Issue Proceeds* (₹ in lakh) | 9,353.77 |
| Date of allotment | November 10, 2025 |
| Date of refunds/ unblocking of funds | November 9, 2025 |
| Date of listing | November 10, 2025 |
| Utilisation of proceeds | **Purpose** / **Amount utilised (in ₹ lakh)**<br>Onward Lending: 5,310.62<br>Repayment of Loans: 4,043.15<br>Issue Related Expense**: -<br>General Corporate Purpose: -<br>**Total: 9,353.77** |

** Original issue size was ₹ 10000 lakh, but allotted amount was ₹ 9,353.77 lakh.*
*** Company has incurred Issue related expenses amounting to ₹ 232.17 lakh from the internal accruals.*

iii. **Previous private placement of non-convertible debentures by the Company**

The issue proceeds of the previous issues of non-convertible debentures issued on private placement basis made on or after April 1, 2022 till the date of this Draft Prospectus have been utilized by the Company; towards the object of the issue, as per the respective offer documents.

iv. **Rights issue by the Company**

The Company has not undertaken any rights issue of equity shares in the last three years.

***Subsidiary company***

Nil

*Group Companies-*

(a) **Chemmanur Gold Palace International Limited**

i. **Public issue of equity shares by the Chemmanur Gold Palace International Limited**

Chemmanur Gold Palace International Limited has not undertaken any equity public issue in the last three years.

ii. **Previous public issues of non-convertible debentures by Chemmanur Gold Palace International Limited**

Chemmanur Gold Palace International Limited has not undertaken the public issue of non-convertible debentures in the last three years.

iii. **Previous private placement of non-convertible debentures by Chemmanur Gold Palace International Limited in the last three years**

Chemmanur Gold Palace International Limited has not undertaken any private placement of non-convertible debentures in the last three years.

iv. **Rights issue by the Chemmanur Gold Palace International Limited**

Chemmanur Gold Palace International Limited has not undertaken any rights issue of equity shares in the last three years.

(b) **Boby Chemmanur (No.1) Chits Private Limited**

**Public issue of equity shares by the Boby Chemmanur (No.1) Chits Private Limited**
Boby Chemmanur (No.1) Chits Private Limited has not undertaken any equity public issue in the last three years.

i. **Previous public issues of non-convertible debentures by Boby Chemmanur (No.1) Chits Private Limited**

Boby Chemmanur (No.1) Chits Private Limited has not undertaken the public issue of non-convertible debentures in the last three years.

ii. **Previous private placement of non-convertible debentures by Boby Chemmanur (No.1) Chits Private Limited in the last three years**

Boby Chemmanur (No.1) Chits Private Limited has not undertaken any private placement of non-convertible debentures in the last three years.

iii. **Rights issue by Boby Chemmanur (No.1) Chits Private Limited**

Boby Chemmanur (No.1) Chits Private Limited has not undertaken any rights issue of equity shares in the last three years.

(c) **Boby Bazar Private Limited**

i. **Public issue of equity shares by Boby Bazar Private Limited**

Boby Bazar Private Limited has not undertaken any equity public issue in the last three years.

ii. **Previous public issues of non-convertible debentures by Boby Bazar Private Limited**

Boby Bazar Private Limited has not undertaken the public issue of non-convertible debentures in the last three years.

iii. **Previous private placement of non-convertible debentures by Boby Bazar Private Limited in the last three years**

Boby Bazar Private Limited has not undertaken any private placement of non-convertible debentures in the last three years.

iv. **Rights issue by Boby Bazar Private Limited**

Boby Bazar Private Limited has not undertaken any rights issue of equity shares in the last three years.

(d) **Phygicart E-commerce Private Limited**

i. **Public issue of equity shares by Phygicart E-commerce Private Limited**

Phygicart E-commerce Private Limited has not undertaken any equity public issue in the last three years.

ii. **Previous public issues of non-convertible debentures by Phygicart E-commerce Private Limited**

Phygicart E-commerce Private Limited has not undertaken the public issue of non-convertible debentures in the last three years.

iii. **Previous private placement of non-convertible debentures by Phygicart E-commerce Private Limited in the last three years**

Phygicart E-commerce Private Limited has not undertaken any private placement of non-convertible debentures in the last three years.

iv. **Rights issue by Phygicart E-commerce Private Limited**

Phygicart E-commerce Private Limited has not undertaken any rights issue of equity shares in the last three years.

(e) **Boche Bhumi Putra Private Limited**

i. **Public issue of equity shares by Boche Bhumi Putra Private Limited**

Boche Bhumi Putra Private Limited has not undertaken any equity public issue in the last three years.

ii. **Previous public issues of non-convertible debentures by Boche Bhumi Putra Private Limited**

Boche Bhumi Putra Private Limited Boche Bhumi Putra Private Limited Boche Bhumi Putra Private Limited has not undertaken the public issue of non-convertible debentures in the last three years.

iii. **Previous private placement of non-convertible debentures by Boche Bhumi Putra Private Limited in the last three years**

Boche Bhumi Putra Private Limited has not undertaken any private placement of non-convertible debentures in the last three years.

iv. **Rights issue by Boche Bhumi Putra Private Limited**

Boche Bhumi Putra Private Limited has not undertaken any rights issue of equity shares in the last three years.

(f) **Boche Tours and Travels Private Limited**

i. **Public issue of equity shares by Boche Tours and Travels Private Limited**

Boche Tours and Travels Private Limited has not undertaken any equity public issue in the last three years.

ii. **Previous public issues of non-convertible debentures by Boche Tours and Travels Private Limited**

Boche Tours and Travels Private Limited has not undertaken the public issue of non-convertible debentures in the last three years.

iii. **Previous private placement of non-convertible debentures by Boche Tours and Travels Private Limited in the last**

**three years**

Boche Tours and Travels Private Limited has not undertaken any private placement of non-convertible debentures in the last three years.

iv. **Rights issue by Boche Tours and Travels Private Limited**

Boche Tours and Travels Private Limited has not undertaken any rights issue of equity shares in the last three years.

***C. Loans given by the Company***

The Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoter out of the proceeds of previous private placements of debentures.

***D. Type of loans***

***Classification of loans/advances given***

The detailed breakup of the types of loans given by the Company as on March 31, 2025 is as follows:

*(₹ in lakh)*

| Sr. No. | Type of Loans | Amount | Percentage of AUM |
|---|---|---|---|
| 1 | Secured | 54,421.22 | 91.39% |
| 2 | Unsecured | 5,124.58 | 8.61% |
| **Total Assets Under Management (AUM)** | | **59,545.80** | **100.00%** |

***Denomination of loans outstanding by LTV as on March 31, 2025****

| Sr. No. | LTV | Percentage of AUM |
|---|---|---|
| 1. | Up to 40% | 1.85% |
| 2. | 40%-50% | 4.90% |
| 3. | 50%-60% | 14.12% |
| 4. | 60%-70% | 62.44% |
| 5. | 70%-80% | 15.65% |
| 6. | 80%-90% | 0.00% |
| 7. | More than 90% | 1.04% |
| | **Total** | **100.00%** |

**LTV at the time of origination*

***Sectoral Exposure as on March 31, 2025***

| Sr. No. | Segment wise break up of AUM | Percentage of AUM |
|---|---|---|
| 1. | **Retail** | |
| (a) | Mortgages (home loans and loans against property) | - |
| (b) | Gold Loans | 90.44% |
| (c) | Vehicle Finance | - |
| (d) | MFI | 7.00% |
| (e) | MSME | - |
| (f) | Capital market funding (loans against shares, margin funding) | - |
| (g) | Others: | |
| | (i) Gramin Shakthi Loan(GSL) | 0.95% |
| | (ii) Consumption Loan | 0.08% |
| | (iii) Insta Loan | 1.53% |
| 2. | **Wholesale** | |
| (a) | Infrastructure | - |
| (b) | Real Estate (including builder loans) | - |

| Sr. No. | Segment wise break up of AUM | Percentage of AUM |
|---|---|---|
| (c) | Promoter funding | - |
| (d) | Any other sector (as applicable) | - |
| (e) | Others | - |
| | **Total** | **100.00%** |

***E. Denomination of the loans outstanding by ticket size as on March 31, 2025****

| Sr. No. | Ticket size** | Percentage of AUM |
|---|---|---|
| 1. | Up to 2 lakh | 75.43% |
| 2. | 2 lakh to 5 lakh | 18.50% |
| 3. | 5 lakh to 10 lakh | 5.25% |
| 4. | 10 lakh to 25 lakh | 0.82% |
| 5. | 25 lakh to 50 lakh | 0.00% |
| 6. | 50 lakh to 1 crore | 0.00% |
| 7. | 1 crore to 5 crore | 0.00% |
| 8. | 5 crore to 25 crore | 0.00% |
| 9. | 25 crore to 100 crore | 0.00% |
| 10. | Above 100 core | 0.00% |
| | **Total** | **100.00%** |

** Ticket size at the time of origination*
***The details provided are as per borrower and not as per loan account.*

***F. Geographical classification of the borrowers as on March 31, 2025***

| Sr. No. | Top 5 states* | Percentage of AUM |
|---|---|---|
| 1. | Kerala | 43.79% |
| 2. | Tamil Nadu | 18.91% |
| 3. | Karnataka | 15.31% |
| 4. | Andhra Pradesh | 20.55% |
| 5. | Maharashtra | 1.43% |
| 6 | Telangana | 0.01% |
| | **Total** | **100.00%** |

***G. Details of loans overdue and classified as non-performing in accordance with the RBI's guidelines as on March 31, 2025***

*(₹ in lakh)*

| Particulars | Amount |
|---|---|
| **Movement of gross NPA** | |
| Opening gross NPA | 361.84 |
| - Additions during the year | 680.73 |
| - Reductions during the year | (58.58) |
| Closing balance of gross NPA | 983.99 |
| **Movement of net NPA** | |
| Opening net NPA | 187.66 |
| - Additions during the year | 560.27 |
| - Reductions during the year | (44.86) |
| Closing balance of net NPA | 703.07 |
| **Movement of provisions for NPA** | |
| Opening balance | 174.18 |
| - Provisions made during the year | 120.46 |
| - Write-off / write-back of excess provisions | (13.72) |
| Closing balance | 280.92 |

***H. Segment-wise gross NPA as on March 31, 2025***

| Sr. No. | Segment wise break up of gross NPA | Gross NPA (%)* |
|---|---|---|
| 1. | **Retail** | |
| (a) | Mortgages (home loans and loans against property) | - |
| (b) | Gold Loans | 0.20% |
| (c) | Vehicle Finance | - |
| (d) | MFI | 13.52% |
| (e) | M & SME | - |
| (f) | Capital market funding (loans against shares, margin funding) | - |
| (g) | Others: | - |
| | (i) Gramin Shakthi Loan(GSL) | 49.00% |
| | (ii) Consumption Loan | 68.77% |
| | (iii) Insta loan | 0.31% |
| 2. | **Wholesale** | |
| (a) | Infrastructure | - |
| (b) | Real Estate (including builder loans) | - |
| (c) | Promoter funding | - |
| (d) | Any other sector (as applicable) | - |
| (e) | Others | - |
| **Total Gross NPA to Total Advances** | | 1.65% |

** Gross NPA (%) means percentage of NPAs to total advances in that sector*

***I. Residual Maturity Profile of Assets and Liabilities as on March 31, 2025***

*(₹ in lakh)*

| | 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 | Total |
|---|---|---|---|---|---|---|---|---|---|
| Deposit | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Advances | 6,981.44 | 5,810.19 | 8,025.24 | 26,111.81 | 11,426.30 | 206.83 | 709.28 | 274.71 | 59,545.80 |
| Investments | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Borrowings | 524.08 | 1,902.19 | 593.96 | 3,686.81 | 12,005.47 | 16,869.24 | 14,722.99 | 2,864.24 | 53,168.98 |
| Foreign Currency Assets | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Foreign Currency Liabilities | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

***J. Details of top 20 borrowers with respect to concentration of advances as on March 31, 2025***

*(₹ in lakh)*

| Particulars | Amount |
|---|---|
| Total advances to twenty largest borrowers | 512.65 |
| Percentage of Advances to twenty largest borrowers to Total Advances to the Company | 0.86% |

***K. Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2025***

*(₹ in lakh)*

| Particulars | Amount | |
|---|---|---|
| | Secured | Unsecured |
| Total exposure to twenty largest borrowers | 504.50 | 8.15 |
| Percentage of exposure to twenty largest borrowers to Total exposure to the Company | 0.85% | 0.01% |

*L. Classification of loans/advances given to Group Companies as on March 31, 2025:*

| | Name of Borrower | Amount of Advance/ exposure to such borrower (₹ in lakh) (A) | Percentage of Exposure (A/ Total AUM) |
|---|---|---|---|
| 1. | NIL | NIL | NIL |

**Revaluation of assets**

Our Company has not revalued its assets in the last three financial years.

**Mechanism for redressal of investor grievances**

Registrar Agreement dated February 04, 2026 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 eight 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 grievances 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 Debt UPI 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) Working 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.

***Registrar to the Issue***

**KFin Technologies Limited**
Selenium Tower-B, Plot 31 & 32 Gachibowli
Financial District, Nanakramguda
Serilingampally, Hyderabad - 500 032
Telangana, India
**Telephone:** +91 40 6716 2222 / 18003094001
**Facsimile:** +91 40 6716 1563
**Email**: ccil.ncdipo@kfintech.com
**Website**: www.kfintech.com
**Contact Person**: M Murali Krishna
**Investor Grievance id**: einward.ris@kfintech.com
**Compliance Officer**: Manju Anand
**SEBI Registration Number**: INR000000221

***Compliance Officer of our Company***

Anju Thomas 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:

**Name**: Anju Thomas

**Address**: Company Secretary,
Door No. D1 to D4, 3rd Floor, Avenue Tower,
East Fort, Thrissur East,
Thrissur, 680005
Kerala, India
**E-mail**: cs@chemmanurcredits.com
**Telephone**: +91 0487 7121200

***Details of Auditor to the Issuer:***

| Name of Auditor | Address | Auditor Since |
|---|---|---|
| C.M. Joseph & Associates Chartered Accountants | MRA 5A, Pallath Lane,<br>San Clinic Building,<br>Mount Carmel Church Road,<br>Mamangalam, Palarivattom.P.O,<br>Cochin –682025 | FY 2023-24 |

**Change in Auditors of our Company during the last three years**

| Name of Auditor | Address | Date of Appointment | Date of cessation, if applicable | Date of resignation, if applicable |
|---|---|---|---|---|
| Cheeran Varghese & Co, Chartered Accountants | CHEERANS, Mundupalam 1st Cross, Thrissur-680001 | September 30, 2019 | September 30, 2021 | NA |
| V K S Narayan and Co, Chartered Accountants | 32/88, Thiruvambady, Shornur Road, Thrissur-680022 | September 30, 2021 | NA | August 30, 2023 |
| C.M. Joseph & Associates, Chartered Accountants | MRA 5A, Pallath Lane,<br>San Clinic Building,<br>Mount Carmel Church Road,<br>Mamangalam,<br>Palarivattom.P.O,<br>Cochin –682025 | September 04, 2023 | Nil | Nil |

## KEY REGULATIONS AND POLICIES

*The regulations summarized 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 laws 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.*

The major regulations governing our Company are detailed below:

On November 28, 2025 RBI issued Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, as amended from time to time ("**SBR Directions**"). A revised regulatory framework for NBFCs 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 ("**NBFCs-D**"), 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) Non-Banking Financial Company-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 the set of parameters and scoring methodology as provided in SBR Directions. 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.

Therefore, NBFCs with asset size of over ₹ 1,00,000 lakh have been considered risky and will fall under middle layer ("**NBFC-ML"**). The Master Directions provide 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. SBR Directions clarified that existing NBFC-ND-SIs having asset size of ₹ 50,000 lakh and above but below ₹ 1,00,000 lakh (except those necessarily featuring in NBFC-Middle Layer) will be known as NBFC-BL. The reporting requirements as prescribed by department of supervision of the Reserve Bank shall be adhered to by all NBFCs.

**Regulations governing NBFCs**

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 business' has not been defined in any statute; however, RBI has clarified through a press release (*Ref. No. 1998-99/1269*) issued in April 8, 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 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

With effect from 1997, NBFCs were not permitted to commence or carry on the business of a non-banking financial institution without obtaining a Certificate of Registration ("**CoR**"). Further, with a view to imparting greater financial soundness and achieving the economies of scale in terms of efficiency of operations and higher managerial skills, the RBI under the SBR Directions has raised the requirement of minimum net owned fund ("**NOF**") of ₹ 200 lakh for the NBFCs not availing public funds.

NBFCs are primarily governed by the RBI Act, SBR Directions, Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025, Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023, Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 Reserve Bank of India (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025 Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023, Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions, 2024, Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, Reserve Bank of India (Non-Banking Financial Companies– Credit Facilities) Directions, 2025, Reserve Bank of India (Non-Banking Financial Companies – Branch Authorisation) Directions, 2025, Reserve Bank of India (Non-Banking Financial Companies - Acceptance of Public Deposits) Directions, 2025, Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025, Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025, Reserve Bank of India (Non-Banking Financial Companies - Concentration Risk Management) Directions, 2025, Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025, Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

NBFCs lend and make investments and hence these activities are akin to that of banks, however, there are a few important and key differences. The most important distinctions as per the RBI Frequently Asked Questions on 'All you wanted to know about NBFCs (updated as on April 23, 2025)' are::

i. An NBFC cannot accept deposits repayable on demand;
ii. NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself; and
iii. Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositor of NBFCs.

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the RBI in order to be able to function as an NBFC.

As on date of filing of this Draft Prospectus the Company falls under the category of NBFC-BL, as its assets size is below ₹ 1,00,000 lakh, as per the last audited balance sheet.

*NBFC-BL*

Under Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025 dated November 28, 2025, all NBFC-BL shall maintain a leverage ratio of not more than 7 and shall maintain a minimum Capital to Risk-Weighted Assets Ratio of 15 per cent.

*Rating of NBFCs*

Pursuant to the Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025 dated November 28, 2025 , NBFCs with asset size of ₹ 10,000 lakh and above are required to furnish information about downgrading / upgrading of assigned rating of any financial product issued by them, within fifteen days of such a change in rating, to the

regional office of the RBI under whose jurisdiction their registered office is functioning.

*Prudential and Governance Norms*

The SBR Directions, read with the applicable master directions issued by the RBI, inter alia, provide for requirements applicable to NBFC-BL in relation to capital requirement, income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/ investment and norms relating to gold loans. Further, under the Reserve Bank of India (Non-Banking Financial Companies - Concentration Risk Management) Directions, 2025 dated November 28, 2025, the concentration of credit/ investment norms shall not apply to non-banking financial company not accessing public funds in India, either directly or indirectly, and not issuing guarantees.

*Provisioning Requirements*

Under the Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025 dated November 28, 2025, every NBFC (except microfinance loans of NBFC-MFIs), after taking into account time lag between an account becoming non-performing, its recognition as such, the realisation of the security and the erosion over time in the value of security charged, make provision against sub-standard assets, doubtful assets and loss assets.

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, NBFC-BL are required to make provisions for standard assets at 0.25 per cent. of the outstanding, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

*Capital Adequacy Norms*

Under the terms of Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025 dated November 28, 2025, NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50 per cent or more of their financial assets) shall maintain a minimum Tier l capital of 12 percent. The Tier 2 capital of the NBFC, at any point of time, shall not exceed 100 per cent of Tier 1 capital.

"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 subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

*Owned Funds*, are defined as paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

*Credit Concentration Norms*

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Reserve Bank of India (Non-Banking Financial Companies - Concentration Risk Management) Directions, 2025 dated 28 November 2025, prescribed credit exposure limits for financial institutions in respect of their lending to single/group borrowers.

For an NBFC – UL: Credit exposure to a single counterparty shall not exceed 20 per cent of the Company's available eligible capital base at all times. Board of the NBFC may allow additional 5 percent exposure beyond 20 percent but at no time higher than 25 percent of the NBFC's eligible capital base, subject to the following conditions: (a) NBFC has a policy approved by its board of directors setting out conditions under which exposure beyond 20 percent may be considered; and (b) NBFC shall record in writing the exceptional reasons for which exposure beyond 20 percent is being allowed in a specific case.

The credit exposure to a group of connected counterparties shall not exceed 25 per cent of the Company's available eligible capital base at all times. However, the Company may exceed the exposure limit by 10 percent of its Tier 1 capital for exposure to a group of connected counterparties, if the additional exposure is on account of infrastructure loan and/or investment.

For NBFC – BL and NBFC - ML: Credit exposure to a single counterparty shall not exceed 25 percent of their Tier 1 capital at all times and 40 percent of their Tier 1 capital to a single group of parties. However, the NBFCs may exceed these limits by

5 percent for a single party and 10 percent for a group if the excess is related to infrastructure loans or investments. For NBFC-IFC, the limits are slightly higher, allowing 30 percent exposure to a single party and 50 percent to a group.

Further NBFCs-BL shall put in place an internal Board approved policy for credit/investment concentration limits for both single borrower/party and single group of borrowers/parties.

*Asset Classification*

The Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025 dated November 28, 2025 require that an 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 as laid out in the Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025 November 28, 2025. At present an NBFC-BL shall make provision for standard assets at 0.25 per cent of the outstanding, which shall not be reckoned for arriving at net NPAs.

*Net Owned Fund*

Section 45-IA of the RBI Act provided 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 ₹ 200 lakh. However, the net owned fund requirement has been incrementally revised by SBR Direction. SBR Direction specifies ₹1,000 lakh as the Net Owned Fund (NOF) required for an NBFC-ICC, NBFC-MFI and NBFC-Factor to commence or carry on the business of non-banking financial institution. For NBFC-P2P, NBFC-AA, and NBFC not availing public funds and not having any customer interface, the NOF shall be ₹200 lakh. For NBFC-IFC and IDF-NBFC, the NOF shall be ₹30,000 lakh. NBFCs failing to achieve the prescribed level within the stipulated period shall not be eligible to hold the Certificate of Registration (CoR) as NBFCs.

For this purpose, the RBI Act has defined "Net Owned Fund" to mean:

1) 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, and
   (iii) other intangible assets,

2) further reduced by the amounts representing,
   (i) investment by such companies in shares of (a) its subsidiaries, (b) companies in the same group, (c) 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 (a) subsidiaries of such companies; and (b) companies in the same group, to the extent such amount exceeds 10 per cent. of (1) above.

*Reserve Fund*

In addition to the above, Section 45-IC of the RBI Act requires every NBFCs (unless specifically exempted by RBI) 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 a fund is to be created by every NBFC irrespective of whether it is a ND NBFC or not. 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 appropriation. Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

*Maintenance of liquid assets*

The RBI through Reserve Bank of India (Non-Banking Financial Companies - Acceptance of Public Deposits) Directions, 2025 dated November 28, 2025, as amended has prescribed that every NBFC-D, shall invest and continue to invest in India in unencumbered approved securities valued at the price not exceeding the current market price of such securities an amount which shall, at the close of business on any day, not be less than 15.0% of the public deposit outstanding at the close of business on the last working day of 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-ML and NBFC-UL and are governed by Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025 dated November 28, 2025.

Under Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025, all NBFCs are required to inform the RBI of any change in the address, telephone no's, etc. of its registered office/corporate 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.

All NBFCs with an asset size of ₹ 10,000 lakhs and above are required to adhere to the requirements under Chapter II of Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 dated November 28, 2025.

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All NBFCs shall constitute grievance redressal machinery and comply with the requirements under Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 dated November 28, 2025.

*Lending against security of gold*

Under Reserve Bank of India (Non-Banking Financial Companies – Branch Authorisation) Directions, 2025, a Non-Banking Financial Company - Investment and Credit Company (NBFC- ICC) which is in the business of lending against gold collateral, shall obtain prior approval of RBI to open branches exceeding 1,000. Further, an NBFC-ICC which already has more than 1000 branches shall approach RBI for prior approval for any further branch expansion. Besides, no new branches shall be allowed to be opened without the facilities for storage of gold collateral and minimum-security facilities for the pledged gold collateral. Such applications shall be made using the PRAVAAH portal.

Chapter IV and Annex II of Reserve Bank of India (Non-Banking Financial Companies– Credit Facilities) Directions, 2025 deals with lending against gold and silver collateral. Gold or silver accepted as collateral shall be valued based on the reference price corresponding to its actual purity (caratage). For this purpose, the lower of (a) the average closing price for gold or silver, as the case may be, of that specific purity over the preceding 30 days, or (b) the closing price for gold or silver, as the case may be, of that specific purity on the preceding day, as published either by the India Bullion and Jewellers Association Ltd. (IBJA) or by a commodity exchange regulated by the Securities and Exchange Board of India (SEBI) shall be used. For the purpose of valuation, only the intrinsic value of the gold or silver contained in the eligible collateral shall be reckoned and no other cost elements, such as precious stones or gems, shall be added thereto. The gold jewellery accepted as collateral by the NBFC shall be valued by the following method: 1) 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. 2) 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.

Under the Reserve Bank of India (Non-Banking Financial Companies – Branch Authorisation) Directions, 2025, for loans sanctioned prior to April 1, 2026, NBFCs are required to maintain an LTV ratio not exceeding 75% for loans granted against gold jewellery. The NBFC Credit Facilities Directions also prohibit new lending against bullion/primary gold and gold coins.

Further, effective April 1, 2026, for consumption loans against eligible collateral (including jewellery, ornaments or coins made of gold or silver), the NBFC Credit Facilities Directions prescribe a graded LTV framework based on the amount of loan per borrower:

- 85% where the loan amount is up to ₹2.50 lakh;
- 80% where the loan amount is greater than ₹2.50 lakh and up to ₹5.00 lakh; and
- 75% where the loan amount is greater than ₹5.00 lakh.

*Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025 ("**RBI KYC Directions**")*

Under RBI KYC Directions, all NBFCs having customer interface are required to comply with the directions. In terms of the RBI KYC Directions, every entity regulated there under 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. The KYC policy shall, inter alia, incorporate provisions for the following: (i) Periodic updation of KYC; (ii) Any exceptional measures for KYC updation, such as requiring a recent photograph, physical presence, or a more frequent updation schedule than the minimum prescribed; (iii) Obtaining a copy of OVD or deemed OVD, for the purpose of proof of change of address during KYC updation; (iv) Providing facility of updation / periodic updation of KYC at any branch; (v) Change of registered Mobile Number for accounts opened in non-face-to-face mode.

It is advised that all NBFCs 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 including regulatory instructions in this regard and shall provide a bulwark against threats arising from money laundering, terrorist financing, proliferation financing and other related risks. While ensuring compliance with the legal / regulatory requirements as above, the NBFC may also consider adoption of best international practices taking into account the FATF standards and FATF guidance notes, for managing risks better. 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.

Under the RBI KYC Directions, the NBFC shall maintain secrecy regarding the customer information that arises out of the contractual relationship between the NBFC and the customer. The NBFC shall treat information collected from customers for the purpose of opening of account as confidential and shall not divulge details thereof for the purpose of cross-selling, or for any other purpose without the express permission of the customer. The NBFCs must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and common reporting standards. The NBFC shall carry out 'Money Laundering (ML) and Terrorist Financing (TF) Risk Assessment' exercises periodically to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk for clients, countries or geographic areas, products, services, transactions or delivery channels, etc. For undertaking V-CIP, the NBFC shall have complied with the RBI guidelines on minimum baseline cyber security and resilience framework for NBFCs, as updated from time to time as well as other general guidelines on IT risks. The NBFC shall house the technology infrastructure on its own premises and the V-CIP connection and interaction shall necessarily originate from its own secured network domain.

*Accounting Standards & Accounting policies*

Under the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025, an NBFC shall prepare its balance sheet and profit and loss account, as prescribed under the Companies Act, 2013, as on March 31 every year. Whenever an NBFC intends to extend the date of its balance sheet, as per provisions of the Companies Act, 2013, it shall take prior approval of the Reserve Bank before approaching the Registrar of Companies for this purpose. Furthermore, an NBFC covered by Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015, ("**Ind AS**") shall prepare its financial statements in accordance with Ind AS notified by the Government of India and shall comply with the regulatory guidance specified in paragraph 11 and paragraph 12 of Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025. Rule 4 of Ind AS provides that NBFCs whose equity or debt securities are listed or in the process of listing on any stock exchange in India or outside India and having net worth less than ₹ 50,000 lakh shall comply with the Indian Accounting Standards (Ind AS) for accounting periods beginning on or after the 1st April, 2019, with comparatives for the periods ending on 31st March, 2019, or thereafter. Other NBFCs shall comply with the requirements of Accounting Standards notified under the Companies (Accounting Standards) Rules, 2021, as amended from time to time, in so far as they are not inconsistent with any of Directions / Guidelines issued by RBI.

*Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions, 2024 dated February 27, 2024*

In order to ensure adherence to the regulatory framework by non-deposit taking NBFC-MLs, 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. Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within 5 working days from the date of signing of the auditor's report in terms of section 134 of the Companies Act, 2013, but not later than December 31 of same year, in any case, based on audited books of accounts of the applicable entity for the preceding

financial year, together with such other submissions/returns to the RBI as specified in the Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions, 2024, as amended and any other related rules, regulations, directions, circulars.

The said master directions are applicable on supervised entities which includes all NBFCs except for HFCs and asset reconstruction companies. The said master direction prescribes for provisions in relation to responsibilities of the board and senior management, data architecture and IT infrastructure, accuracy and integrity in reporting, applicable returns, a general description of returns, timelines for return submissions, alternate timelines for submission of select returns, mode of submission of returns along with details of online portals for submission of returns by supervised entities.

*Implementation of Green Initiative of the Government*

Under Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025 dated November 28, 2025, NBFCs shall take proactive steps for increasing the use of electronic payment systems, elimination of post-dated cheques and gradual phase-out of cheques in their day-to-day business transactions which would result in more cost-effective transactions and faster and accurate settlements.

*Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023*

The said master direction incorporate, consolidate and update the guidelines, instructions and circulars on IT Governance, Risk, Controls, Assurance Practices and Business Continuity/ Disaster Recovery Management. The said directions apply to regulated entities, including NBFCs in the 'Top Layer,' 'Upper Layer,' and 'Middle Layer.' The said directions require regulated entities to implement specific frameworks and policies, providing guidance on: (a) roles of the board of directors, (b) establishment of an IT strategy committee and senior management and IT steering committee, (c) appointment of a senior, technically competent, and experienced head of IT, (d) management of infrastructure and services, including audit requirements, system logging, and audit trails, (e) regular conduct of risk and vulnerability assessments/penetration testing for critical and non-critical information systems, (f) establishment of processes to improve incident response and recovery activities and capabilities through lessons learnt from past incidents as well as from the conduct of tests and drills, (g) systems for business continuity and disaster recovery management, and (h) a dedicated information systems audit function or professionals within internal audit with the necessary expertise and skills. The said master direction repeals master direction on Information Technology Framework for the NBFC Sector, 2017 dated June 8, 2017 only for NBFC-Top, Upper and Middle Layer.

The master direction on Information Technology Framework for the NBFC Sector, 2017 is divided into two parts – Section A and Section B. Section B is applicable to NBFCs with asset size below ₹ 50,000 lakh Smaller NBFCs may start with developing basic IT systems mainly for maintaining the database. NBFCs having asset size below ₹ 50,000 lakh shall have a board approved Information Technology policy/Information system policy. This policy may be designed considering the basic standards stipulated in the master directions and must be implemented by applicable NBFCs by September 30, 2018.

*Reserve Bank of India (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025 dated November 28, 2025*

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued Reserve Bank of India (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025 ("**Risk Management Directions**"). The Risk Management Directions specify that core management functions including Internal Audit, strategic and compliance functions, and decision-making functions such as determining compliance with KYC norms for opening deposit accounts, giving sanction for loans (including retail loans) and management of investment portfolio shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that the outsourcing of any activity by an NBFC shall not diminish its obligations including to its customers and RBI, and those of its Board and senior management, who have the ultimate responsibility for the outsourced activity.

*Norms for excessive interest rates*

Under the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 dated 28 November 2025, an NBFC shall have the freedom of drafting the Fair Practices Code, enhancing the scope of the guidelines but in no way sacrificing the spirit of the guidelines. The same shall be put up on its website, for the information of various stakeholders. The Board of an NBFC shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories

of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter. The rates of interest and the approach for gradation of risks shall also be made available on the website of the companies or published in the relevant newspapers. The information published on the website or otherwise published shall be updated whenever there is a change in the rates of interest. The rate of interest must be annualised rate so that the borrower is aware of the exact rates that would be charged to the account. The Reserve Bank has been receiving several complaints regarding levying of excessive interest and charges on certain loans and advances by NBFCs. Though interest rates are not regulated by the Reserve Bank, rates of interest beyond a certain level may be seen to be excessive and can neither be sustainable nor be conforming to normal financial practice.

*Supervisory Framework*

*Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023*

The said master direction has been issued by RBI on December 29, 2023 to enhance the internal grievance redressal system within regulated entities and expedite customer complaint resolution. This directive outlines requirements for the appointment of an internal ombudsman, deputy internal ombudsman, and covers their qualifications, tenure, roles and responsibilities, removal procedures, complaint handling processes, and more.

Under the said master direction, applicable NBFCs are required to: (a) depute necessary officers or staff to support the internal ombudsman; (b) determine, through the customer service or consumer protection committee, the ombudsman's compensation, facilities, and benefits in alignment with their seniority; (c) conduct an annual internal audit to assess compliance with these directions; (d) have the customer service/consumer protection committee review cases where an internal ombudsman's decision is rejected, with RBI approval required for rejections; (e) create a standard operating procedure approved by the Committee of the Board handling Customer Service and Protection and establish a fully automated Complaints Management Software wherein all complaints that are partly or wholly rejected by the regulated entity's internal grievance redress mechanism are auto-escalated to the Internal Ombudsman within 20 days of receipt, for a final decision.; (f) ensure the staff is well-informed of the guidelines related to this direction upon appointing an internal ombudsman; and (g) submit quarterly and annual reports to the RBI's Consumer Education and Protection Department, Central Office, using the specified formats under the Annexure.

*Asset Liability Management*

NBFCs, in terms of Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 dated 28 November, 2025 are required to have in place an asset liability management ("**ALM**") system that offers a comprehensive and dynamic framework for measuring, monitoring, and managing liquidity, interest rate, equity, and foreign exchange risks. The system shall involve the identification and assessment of various types of risks and enable dynamic adjustment of balance sheet items (assets and liabilities) to manage these risks effectively.

An NBFC shall implement the ALM system based on following three pillars: (1) ALM Information Systems comprising: (i) Management Information Systems ("**MIS**"); and (ii) Information availability, accuracy, adequacy and expediency. (2) ALM Organisation comprising: (i) Structure and responsibilities; and (ii) Level of top management involvement. (3) ALM Process comprising: (i) Liquidity risk management; and (ii) Interest rate risk management.

It shall also be the duty of the Board to set up an Asset Liability Management Committee ("**ALCO**") headed by the CEO / MD or the Executive Director ("**ED**"). An NBFC shall set up ALCO headed by the CEO / MD or the ED. The ALCO shall include the Heads of Investment, Credit and Strategy, Treasury Risk Management, and Economic Research and other members as deemed suitable. The ALCO shall be responsible for ensuring adherence to the policies and limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. The ALCO shall also decide on the 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 all branches.

The ALM Support Group consisting of the operating staff shall be responsible for analysing, monitoring, and reporting the liquidity risk profile to the ALCO. Such support groups will be constituted depending on the size and complexity of liquidity risk management in an NBFC. An NBFC shall have appropriate internal controls, systems, and procedures to ensure adherence to various liquidity risk management policies and procedures. These internal controls shall be subjected to supervisory review. Management should ensure that an independent party regularly reviews and evaluates the various components of the NBFC's liquidity risk management process. The policy note recorded by the NBFCs on treatment of the investment portfolio for the purpose of ALM and approved by their Board / ALCO shall be forwarded to the Regional Office of the Department of Supervision of the Reserve Bank under whose jurisdiction the registered office of the company is located.

Within each time bucket, an NBFC shall monitor mismatches arising from cash inflows and outflows, including mismatches upto one year, which are early warning signals of impending liquidity problems. The primary focus shall be on short-term mismatches viz. 1-30 / 31 days. The net cumulative negative mismatches in the Structural Liquidity Statement in the maturity buckets shall not exceed 10 per cent in the 1-7 days bucket, 10 per cent in 8-14 days bucket, and 20 per cent in 15-30 days bucket, measured as percentage of cumulative cash outflows in the respective time buckets.

*Anti-Money Laundering*

Under RBI KYC Directions, NBFC's policy framework shall seek to ensure compliance with Prevention of Money Laundering Act, 2002, as amended ("**PMLA**") and Rules thereto, including regulatory instructions in this regard and shall provide a bulwark against threats arising from money laundering, terrorist financing, proliferation financing and other related risks. While ensuring compliance with the legal / regulatory requirements as above, the NBFC may also consider adoption of best international practices taking into account the FATF standards and FATF guidance notes, for managing risks better. The NBFC shall carry out 'Money Laundering (ML) and Terrorist Financing (TF) Risk Assessment' exercises periodically to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk for clients, countries or geographic areas, products, services, transactions or delivery channels, etc. The assessment process shall consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied. While preparing the internal risk assessment, the NBFC shall take cognizance of the overall sector-specific vulnerabilities, if any, that the regulator / supervisor may share with the NBFC from time to time.

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. Under rule 3 of the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, all NBFCs are advised to maintain a system of proper record (i) for all cash transactions of value of more than ₹10 lakh; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹10 lakh where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹10 lakh; (iii) all transactions involving receipts by non-profit organisations of value more than ₹10 lakh; (iv) all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security or a document has taken place facilitating the transaction; (v) all suspicious transactions, whether or not in cash; (vi) all cross border wire transfers of the value of more than ₹5 lakh or its equivalent in foreign currency where either the origin or destination of fund is in India; and (vii) all purchase and sale by any person of immovable property valued at ₹50 lakh or more.

Under the RBI KYC Directions, an NBFC shall take the following steps regarding maintenance, preservation and reporting of customer information, with reference to provisions of PML Act and Rules. The NBFC shall, (1) maintain all necessary records of transactions between the NBFC and the customer, both domestic and international, for at least five years from the date of transaction; (2) preserve the records pertaining to the identification of the customers and their addresses, obtained while opening the account and during the course of business relationship, for at least five years after the business relationship has ended; (3) swiftly make available, the identification records and transaction data to the competent authorities upon request; (4) introduce a system of maintaining proper records of transactions prescribed under Rule 3 of Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (PML Rules, 2005); (5) maintain all necessary information in respect of transactions prescribed under PML Rule 3 to permit the reconstruction of an individual transaction, including the nature of the transactions; the amount of the transaction and the currency in which it was denominated; the date on which the transaction was conducted; and the parties to the transaction; (6) evolve a system for proper maintenance and preservation of account information in a manner that allows the NBFC to retrieve data easily and quickly whenever required or when competent authorities request it; (7) maintain records of the identity and address of its customers, and records in respect of transactions referred to in Rule 3 in hard or soft format.

*The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act")*

The SARFAESI Act, as amended, states that if a borrower defaults on a secured debt (other than pledge) and their account is classified as a non-performing asset, the secured creditor can issue a written notice requiring the borrower to fully discharge their liabilities within 60 days. If the borrower fails to do so, the secured creditor is entitled to exercise one or more of the following rights.

The secured creditor may take possession of the secured assets or assume control of the borrower's business, including the right to lease, assign, or sell the assets to recover the secured debt. Additionally, where a financial asset is financed by multiple secured creditors or through joint financing of financial assets by secured creditors, no individual secured creditor may exercise

any rights unless the action is approved by secured creditors representing at least sixty percent of the outstanding amount as of a record date. This decision will be binding on all the secured creditors.

The SARFAESI Act also establishes the framework for asset reconstruction companies, which are regulated by the RBI. These asset reconstruction companies can acquire financial assets from banks and financial institutions by issuing debentures, bonds, or other securities, as agreed upon with the respective bank or financial institution, or by entering into agreements for the transfer of such financial assets under mutually agreed terms and conditions.

*Insolvency and Bankruptcy Code, 2016*

The Insolvency and Bankruptcy Code, 2016 (the "**Bankruptcy Code**") amends certain provisions of existing legislation, including the Companies Act, 2013, and aims to consolidate existing insolvency laws for companies, corporate entities, and individuals. It establishes the Insolvency and Bankruptcy Board of India (IBBI) to regulate insolvency professionals, agencies, and information utilities while performing various legislative, administrative, and quasi-judicial functions. The Bankruptcy Code classifies creditors as financial creditors, who are owed debts for financial considerations, and operational creditors, who are owed debts for goods, services, or employment-related payments.

The Bankruptcy Code sets a 330-day timeline for resolving insolvency applications, including time spent on related litigations. As part of the resolution process, any insolvency resolution plan developed by insolvency professionals must receive approval from at least 66% of the voting share of financial creditors, who are calculated based on their financial debts, including interest. If the plan is rejected, the adjudicating authority will issue a liquidation order.

Pursuant to the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 and Ministry of Corporate Affairs Notification S.O. 4139(E) dated November 18, 2019, the Bankruptcy Code is applicable to NBFCs with an asset size of at least ₹ 50,000 lakh. However, only RBI can commence a corporate insolvency resolution process against NBFCs.

*Companies Act, 2013*

The Companies Act, 2013 ("**Companies Act**") has been notified by the Government of India on August 30, 2013 (the "**Notification**"). Under the Notification, Section 1 of the Companies Act has come into effect and the remaining provisions of the Companies Act have and shall come into force on such dates as the Central Government has notified and shall notify. Section 1 of the Companies Act deals with the commencement and application of the Companies Act and among others sets out the types of companies to which the Companies Act applies. Further the Ministry of Corporate Affairs has by their notifications dated September 12, 2013 and March 26, 2014 notified certain sections of the Companies Act, which have come into force from September 12, 2013 and April 1, 2014.

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act. As mentioned above, certain provisions of the Companies Act, 2013 have already come into force and the rest shall follow in due course.

Under section 135 of the Companies Act every company having net worth of ₹ 50,000 lakh or more, or turnover of ₹ 1,00,000 lakh or more or a net profit of ₹ 50,000 lakh or more during the immediately preceding financial year shall formulate a corporate social responsibility policy. Further, the board of every such company shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its corporate social responsibility policy.

*Labour Laws*

The various other labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

i. Factories act, 1948*
ii. Employees' Provident Funds and Miscellaneous Provisions Act, 1952*
iii. Employees' State Insurance Act, 1948*

iv. Minimum Wages Act, 1948*
v. Payment of Bonus Act, 1965*
vi. Payment of Gratuity Act, 1972*
vii. Payment of Wages Act, 1936*
viii. Maternity Benefit Act, 1961*
ix. Industrial Disputes Act, 1947*
x. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
xi. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979*
xii. Industrial (Development and Regulation) Act, 1951
xiii. Employee's Compensation Act, 1923*
xiv. The Industrial Employment (Standing Orders) Act, 1946*
xv. The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986
xvi. The Equal Remuneration Act, 1976*
xvii. The Trade Unions Act, 1926*
xviii. Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996. *
xix. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
xx. Contract Labour (Regulation & Abolition) Act, 1970*

**The Government of India implemented the following: Code of Wages, 2019, Code of Social Security, 2020, the Occupational Safety, Health and Working Conditions Code, 2020 and the Industrial Relations Code, 2020, through Gazette notifications dated November 21, 2025. Post implementation of such labour codes, collectively they would replace and subsume these legislations. However, in the absence of finalization and enforcement of Central / state rules, schemes, and notifications, the existing legislations have not yet been subsumed. The codes now clarify the substantive standards employers must meet, the procedural details, including registration process, formats for returns, working hour provisions, process for recognition of trade unions, and inspection mechanisms, among other matters, will be shaped by forthcoming state rules.*

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

a. ***Code on Wages, 2019***, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Certain provisions of this code relating to *inter alia* definitions, wage & bonus entitlements, payment timelines, and enforcement have been brought into force by the Ministry of Labour and Employment through a notification dated November 21, 2025, and other provisions of this code will be brought into effect on a date to be notified by the Government of India.

b. ***Industrial Relations Code, 2020***, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes received the assent of the President of India on September 28, 2020. It received the assent of the President of India on September 28, 2020. All provisions of this code have been brought into effect by the Ministry of Labour and Employment through a notification dated November 21, 2025. It has subsumed the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

c. ***Code on Social Security, 2020***, which received the assent of the President of India on September 28, 2020. Through its notification dated November 21, 2025, the Ministry of Labour and Employment has brought into effect certain provisions of this code and the remaining provisions of this code will be brought into force on a date to be notified by the Government of India. It amends and consolidates laws relating to social security, and subsumes various social security related legislations, *inter alia* including the Employee's Compensation Act, 1923, Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act,1961 and the Payment of Gratuity Act, 1972.

**d.** ***Occupational Safety, Health and Working Conditions Code, 2020***, received the assent of the President of India on September 28, 2020, which amends and subsumes certain existing legislations, including Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. This code provides for, among other things, standard for health, safety and working conditions for employees of establishment and has come into effect on November 21, 2025.

*Shops and Establishments Acts of various states*

Under the provisions of local shops and establishments legislations applicable in the states in which such establishments are set up, establishments are required to be registered under the respective legislations. These legislations regulate the condition of work and employment in shops and commercial establishments and generally prescribe obligations in respect of fixation of working hours, rest intervals, wages of overtime work, holidays, leave policy, health and safety measures, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

*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 Trademarks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

*The Digital Personal Data Protection Act, 2023 ("**DPDP Act**")*

The DPDP Act was passed by Parliament on August 9, 2023, received presidential assent, and was notified on August 11, 2023. This legislation aims to strike a balance between individuals' rights to protect their personal data and the necessity of processing that data for lawful and incidental purposes. Data fiduciaries, responsible for determining the means and purposes of personal data processing, are required to provide a clear and itemized notice to data principals, detailing the personal data to be collected and the reasons for processing it. Personal data can only be processed for lawful purposes with the individual's consent, which must be sought through a notice outlining the data to be collected and its intended use. Individuals can withdraw their consent at any time.

Data principals whose information is being processed have several rights, including the right to (i) obtain information about how their data is processed, (ii) request corrections or erasure of their personal data, and (iii) appoint someone else to exercise these rights in the event of their death or incapacity. The DPDP Act also establishes duties for data principals, such as not filing false or frivolous complaints or impersonating others in certain situations. Additionally, data fiduciaries are obligated to (i) take reasonable steps to ensure data accuracy and consistency, (ii) implement adequate security measures to prevent data breaches, (iii) notify the Data Protection Board of India and affected individuals in case of a breach, and (iv) delete personal data when consent is withdrawn or when it is no longer necessary for the specified purpose, whichever occurs first.

## SECTION VII – ISSUE RELATED INFORMATION

## ISSUE STRUCTURE

At the meeting of the Board of Directors of our Company held on March 18, 2025, approved the public issue of secured, redeemable, non-convertible debenture for an amount amounting up to ₹ 30,000 lakh in one or more tranches and accordingly, the Debenture Committee vide resolution dated January 6, 2026, approved the present public issue of secured, redeemable, non-convertible debentures for an amount aggregating up to ₹ 5,000 lakh, with an option to retain oversubscription up to ₹ 5,000 lakh aggregating up to ₹ 10,000 lakh. Further, the present Issue 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 annual general meeting held on September 20, 2024.

The following are the key terms of the NCDs. This section should be read in conjunction with and is qualified in its entirety by more detailed information in "*Terms of the Issue*" beginning on page 183.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Listing Agreement, SEBI Listing Regulations, and the Companies Act, 2013, the RBI Act, the terms of this Draft Prospectus, the Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the Government of India, and other statutory/regulatory authorities relating to the offer, issue and listing of NCDs and any other documents that may be executed in connection with the NCDs.

The key common terms and conditions of the NCDs / term sheet are as follows:

**Principal Terms and Conditions of the Issue**

**TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs**

| | |
|---|---|
| **Issuer** | Chemmanur Credits and Investments Limited |
| **Security Name (Name of the non-convertible securities which includes (Coupon/ dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.)** | CCILNCDVIII<br><br>For Coupon and Maturity Year, please refer to '*Issue Structure - Specific Terms of NCDs*' on page 181. |
| **Type of instrument (Secured or Unsecured)** | Secured, Redeemable, Non-Convertible Debentures |
| **Nature of the Instrument** | Secured, Redeemable, Non-Convertible Debentures |
| **Mode of the Issue** | Public Issue |
| **Mode of Allotment** | In dematerialised form |
| **Mode of Trading** | NCDs will be traded in dematerialised form |
| **Minimum Subscription** | Minimum subscription is 75% of the Base Issue, i.e., ₹ 3,750 lakh |
| **Option to retain oversubscription (Amount)** | Option to retain over-subscription up to ₹ 5,000 lakh |
| **Lead Manager** | Vivro Financial Services Private Limited |
| **Debenture Trustee** | Mitcon Credentia Trusteeship Services Limited |
| **Issue Size** | Public issue of Secured, Redeemable, Non-convertible Debentures of our Company of face value of ₹ 1,000 each amounting up to ₹ 5,000 lakh, with an option to retain over-subscription up to ₹ 5,000 lakh, aggregating up to ₹ 10,000 lakh, on the terms and in the manner set forth herein |
| **Base Issue** | ₹ 5,000 lakh |
| **Seniority (Senior or Subordinated)** | Senior |
| **Stock Exchange proposed for listing of the NCDs** | BSE Limited |
| **Listing and timeline for Listing** | NCDs shall be listed within 3 Working Days of Issue Closure. |
| **Depositories** | NSDL and CDSL |
| **Description regarding** | The principal amount of the NCDs to be issued in terms of this Draft Prospectus together |

| | |
|---|---|
| **security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this Draft Prospectus** | 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 existing secured creditors, on all movable assets, including book debts and receivables, cash and bank balances, loans and advances both present and future of the Company (excluding (a) reserves created in accordance with law; (b) receivables of the Company, fixed deposits, cash collateral, immovable and movable assets over which exclusive charge is created in favour of State Bank of India, Dhanlaxmi Bank, Federal Bank and Indian Overseas Bank or any other lender), such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.<br><br>The securities so created pursuant to the security documents shall be registered with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI), Depository or any other institution, as applicable, within 30 days of creation of charge.<br><br>The date of creation of the security for the NCDs shall be on or before making final listing application.<br><br>Replacement of security – Our Company shall within such period as may be permitted by the Debenture Trustee, furnish to the Debenture Trustee as additional security, if the Debenture Trustee is of the opinion that during the subsistence of these presents, the security for the NCDs has become inadequate on account of the margin requirement as provided in the financial covenants and conditions and the Debenture Trustee has, accordingly, called upon our Company to furnish such additional security. In such case, our Company shall, at its own costs and expenses, furnish to the Debenture Trustee such additional security, in form and manner satisfactory to the Debenture Trustee, as security for the NCDs and upon creation of such additional security, the same shall vest in the Debenture Trustee subject to all the trusts, provisions and covenants contained in these presents.<br><br>Minimum security cover: Please refer to "- Security Cover" below.<br><br>Interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this Draft Prospectus. |
| **Security Cover** | Our Company shall maintain a minimum 100% security cover or higher on the outstanding balance of the NCDs plus accrued interest thereon. |
| **Eligible Investor (Who can apply)*** | **Category I**<br><br>• 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, and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;<br>• Provident funds of minimum corpus of ₹ 2,500 lakh, pension funds of minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;<br>• Alternative investment funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;<br>• Resident venture capital funds registered with SEBI;<br>• Insurance Companies registered with the IRDAI;<br>• 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);<br>• Insurance funds set up and managed by the Indian army, navy or the air force of the |

<table>
<tr><td></td><td>Union of India or by the Department of Posts, India;<br>• Mutual Funds registered with SEBI; and<br>• Systemically Important NBFC registered with RBI and having a net-worth of more than ₹ 50,000 lakh as per the last audited financial statements<br><br>Category II<br><br>• 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;<br>• 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;<br>• Trust including public/private charitable/religious trusts which are authorised to invest in the NCDs;<br>• Association of persons;<br>• Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;<br>• Partnership firms in the name of the partners;<br>• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and<br>• Resident Indian individuals and Hindu undivided families through the Karta aggregating to a value exceeding ₹ 2 lakh$.<br><br>$ applications through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants) up to a value of ₹ 5 lakh shall only be made under the UPI Mechanism.<br><br>Category III*#<br><br>• Resident Indian individuals; and<br>• Hindu undivided families through the Karta.<br><br>* applications aggregating to a value not more than ₹ 2 lakh.<br># applications through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants) up to a value of ₹ 2 lakh shall only be made under the UPI Mechanism</td></tr>
<tr><td>Rating of Instrument</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 (in ₹ lakh)</th></tr>
<tr><td>India Rating and Research Private Limited</td><td>Non-Convertible Debentures</td><td>IND BBB-/Stable</td><td>February 04, 2026</td><td>₹ 10,000 lakhs</td></tr>
</table>
</td></tr>
<tr><td>Pay-in date</td><td>Application Date. The entire Application Amount is payable on Application</td></tr>
<tr><td>Application money</td><td>The entire Application Amount is payable on submitting the Application</td></tr>
<tr><td>Mode of payment</td><td>Please see “Issue Procedure” on page 199.</td></tr>
<tr><td>Record Date</td><td>The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 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, as the case may be.<br><br>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</td></tr>
<tr><td>All covenants of the Issue (including side letters,</td><td>Please refer chapter titled “Terms of the Issue - Company’s Covenants” on page 186.</td></tr>
</table>

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| **accelerated payment clause, etc.)** | |
| **Issue Schedule** | As specified in the Prospectus** |
| **Objects of the Issue** | Please refer to the chapter titled "*Objects of the Issue*" on page 50. |
| **Put/Call Option** | Not Applicable |
| **Put date** | Not Applicable |
| **Put price** | Not Applicable |
| **Call date** | Not Applicable |
| **Call price** | Not Applicable |
| **Put notification time (Timelines by which the investor need to intimate Issuer before exercising the put)** | Not Applicable |
| **Call notification time (Timelines by which the Issuer need to intimate investor before exercising the call)** | Not Applicable |
| **Minimum Application and in multiples of thereafter** | 10 NCDs (₹ 10,000) (across all series of NCDs) and 1 NCD after the minimum application |
| **Face Value** | ₹ 1,000 (₹/NCD) |
| **Issue Price** | ₹ 1,000 (₹/NCD) |
| **Details of the utilisation of the proceeds of the Issue** | Please refer to the chapter titled "*Objects of the Issue*" on page 50. |
| **Coupon rate and redemption premium** | Please refer to the chapter titled '*Issue Structure - Specific Terms of NCDs*' on page 181. |
| **Step Up/Step Down Coupon Rate** | Not Applicable |
| **Coupon Payment Frequency** | Please refer chapter titled '*Issue Structure - Specific Terms of NCDs*' on page 181 and "*Annexure I - Illustrative Cash Flow*" on page 243. |
| **Coupon Payment Dates** | Please refer chapter titled '*Issue Structure - Specific Terms of NCDs*' on page 181 and "*Annexure I - Illustrative Cash Flow*" on page 243. |
| **Coupon types (fixed, floating or other structure)** | Please refer chapter titled '*Issue Structure - Specific Terms of NCDs*' on page 181 and "*Annexure I - Illustrative Cash Flow*" on page 243. |
| **Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc)** | Not Applicable |
| **In case the issuer is an NBFC and the objects of the issue entail loan to any entity who is a 'group company'** | Not Applicable |
| **Working Days 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** | As specified in the Prospectus |
| **Issue Closing Date** | As specified in the Prospectus |
| **Date of earliest closing of the issue, if any.** | As specified in the Prospectus |
| **Issue Timing** | The 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 the Issue |

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| | may close on such earlier date or extended date (subject to a minimum period of 2 working days and a maximum period of 10 working days from the date of opening of the issue and subject to not exceeding thirty 30 days from filing the Prospectus with ROC) including any extensions), as may be decided by the Board of Directors of our Company ("Board") or the Debenture Committee, subject to relevant approvals, in accordance with SEBI NCS Regulations. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in an English national daily newspaper and a regional daily newspaper in the state of Kerala with wide circulation on or before such earlier date or extended date of 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 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. |
| **Default Interest Rate** | In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for the NCDs, additional interest of at least @ 2% p.a. over the coupon rate shall be payable by the Company for the defaulting period.<br><br>Without prejudice to the above, in the event our Company fails to execute the Debenture Trust Deed within a period specified under the SEBI Master Circular, 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. |
| **Depository** | NSDL and CDSL |
| **Deemed Date of Allotment** | The date on which the Board or Debenture Committee approves the Allotment of NCDs. All benefits relating 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 |
| **Day count basis** | Actual |
| **Interest on Application Money** | Not Applicable |
| **Tenor** | Please refer chapter titled '*Issue Structure - Specific Terms of NCDs*' on page 181. |
| **Premium/Discount at which security is redeemed and the effective yield as a result of such premium/discount.** | Not Applicable |
| **Discount at which security is issued and the effective yield as a result of such discount.** | Not Applicable |
| **Redemption Amount** | The principal amount of the NCDs along with interest accrued on them, if any, as on the Redemption Date |
| **Redemption Date** | Please refer chapter titled '*Issue Structure - Specific Terms of NCDs*' on page 181. |
| **Redemption premium/ discount** | Not Applicable |
| **Transaction documents** | This Draft Prospectus and the Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trustee 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 Public Issue Account and Sponsor Bank Agreement, the Agreement with the Registrar and the Agreement with the Lead Manager. Refer to section titled "*Material Contracts and Documents for Inspection*" on page 240. |
| **Affirmative and Negative covenants precedent and subsequent to the Issue** | Please refer chapter titled "*Terms of the Issue- Company's Covenants*" on page 186. |
| **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 precedents to disbursement. |

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| **Events of default (including manner of voting/ conditions of joining inter-creditor agreement)** | Please refer to the chapter titled "*Terms of the Issue – Events of Default and Consequences of Events of Default*" on page 186. |
| **Creation of recovery expense fund** | The creation of 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, SEBI Debenture Trustee Master Circular and other applicable laws. |
| **Conditions for breach of covenants (as specified in the Debenture Trust Deed)** | Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in this Draft Prospectus, the Prospectus and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy within the cure period, as set out in the Debenture Trust Deed (in which case no notice shall be required), it shall constitute an event of default.<br><br>The Debenture Trustee may, with the written consent of NCD Holders having Majority Interest, at any time, waive, on such terms and conditions as to it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee or the NCD Holders in respect of any subsequent breach thereof.<br><br>Please refer to the chapter titled "*Terms of the Issue – Events of Default and Consequences of Events of Default*" on page 186. |
| **Provisions related to Cross Default Clause** | Please refer to the chapter titled "*Terms of the Issue – Events of Default and Consequences of Events of Default*" on page 186. |
| **Roles and responsibilities of the Debenture Trustee** | Please refer to the chapter titled "*Terms of the Issue – Debenture Trustees for the NCD Holders*" on page 185. |
| **Risk Factors pertaining to the Issue** | Please refer to the chapter titled "*Risk Factors*" on page 17. |
| **Settlement Mode of Instrument** | Please refer to the chapter titled "*Terms of the Issue - Payment on Redemption*" on page 195. |
| **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 Thrissur, Kerala. |

*Note:*

*(a) ** The 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 the Issue may close on such earlier date or extended date (subject to a minimum period of 2 Working Days and a maximum period of 10 Working Days from the date of the issue and subject to not exceeding 30 days from the date of filing of the Prospectus with ROC including any extensions) as may be decided by the Board of Directors of our Company ("**Board**") or the Debenture Committee, subject to approvals, in accordance with the SEBI NCS Regulations. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in an English national daily newspaper and a regional daily newspaper in the state of Kerala with wide circulation on or before such earlier date or extended date of 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 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.*

*(b) In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this Issue of NCDs in dematerialized 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 dematerialized form.*

**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.*

*(c) While the NCDs are secured to the extent of hundred per cent of the amount of principal and interest or as per the terms of this Draft Prospectus, in favour of debenture trustee, it is the duty of the debenture trustee to monitor that the security is maintained.*

In case of Application Form being submitted in joint names, the Applicants should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Application Form.

**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 the Issue.**

For further details, please refer to "*Issue Procedure*" on page 199.

**Specific terms of NCDs**

As specified in the Prospectus.

**Day count convention / Illustrative Cash Flow/**

Please refer to Annexure I (*Illustrative Cash Flow*) for details pertaining to the cash flows of the Company in accordance with the SEBI Master Circular.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft 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 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 The Issue – Manner of Payment of Interest / Redemption Amounts*" on page 193.

**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.**

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Draft Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

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 199.**

## TERMS OF THE ISSUE

### Authority for the Issue

At the meeting of the Board of Directors of our Company held on March 18, 2025, approved the public issue of secured, redeemable, non-convertible debenture for an amount amounting up to ₹ 30,000 lakh in one or more tranches and accordingly, the Debenture Committee vide resolution dated January 6, 2026 approved the present public issue of secured, redeemable, non-convertible debentures for an amount aggregating up to ₹ 5,000 lakh, with an option to retain oversubscription up to ₹ 5,000 lakh aggregating up to ₹ 10,000 lakh. Further, the present Issue 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 annual general meeting held on September 20, 2024.

### Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Prospectus, the Prospectus, the Application Forms, the terms and conditions of the Debenture Trustee 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*

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 first ranking pari passu charge with existing secured creditors, on all movable assets, including book debts and receivables, cash and bank balances, loans and advances both present and future of the Company (excluding (a) reserves created in accordance with law; (b) receivables of the Company, fixed deposits, cash collateral, immovable and movable assets over which exclusive charge is created in favour of State Bank of India, Dhanlaxmi Bank, Federal Bank and Indian Overseas Bank or any other lender), such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.

### 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 this Draft 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 existing secured creditors, on all movable assets, including book debts and receivables, cash and bank balances, loans and advances both present and future of the Company (excluding (a) reserves created in accordance with law; (b) receivables of the Company, fixed deposits, cash collateral, immovable and movable assets over which exclusive charge is created in favour of State Bank of India, Dhanlaxmi Bank, Federal Bank and Indian Overseas Bank or any other lender), such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.

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 of the amount outstanding including interest in respect of the NCDs at any time.

Our Company has entered into the Debenture Trustee Agreement and in furtherance thereof intends to enter into a deed of agreement with the Debenture Trustee, ("**Debenture Trust Deed**"), the terms of which shall govern the appointment of the Debenture Trustee and the issue of the NCDs.

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 this Draft Prospectus and in the agreed form of 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 period as specified under Regulation 18 of SEBI NCS Regulations, our Company shall pay interest of at least 2% p.a. to each Secured NCD Holder, over and above the agreed coupon rate, till the execution of the Debenture Trust Deed.

**Debenture Redemption Reserve**

Pursuant to Regulation 16 of the SEBI NCS Regulations and Section 71(4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, As amended by Companies (Share Capital and Debentures) Amendment Rules, 2019, a NBFC is not required to create a DRR in case of public issue of debentures. The rules further mandate that the company which is coming with a Public Issue shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures issued through public issue, maturing during the year ending on the 31st day of March of the next year in any one or more prescribed methods.

Accordingly, our Company is not required to create a DRR for the NCDs proposed to be issued through this Issue. Further, our Company shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures issued through public issue, maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (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 clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year, in terms of the applicable laws.

**Recovery Expense Fund**

Pursuant to the SEBI Debenture Trustee Master Circular, the creation of the recovery expense fund shall be in accordance with the aforementioned circular, as may be amended from time to time. 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.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective option(s)/series of NCDs issued.

**Settlement Guarantee Fund**

Our Company will deposit amounts in the settlement guarantee fund, as applicable, in the manner as specified in the SEBI Master Circular. This fund has been created under the SEBI Master Circular to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.

**Face Value**

The face value of each NCD to be issued under this Issue shall be ₹ 1,000.

**Debenture Holder not a Shareholder**

The Debenture 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 NCD Holders**

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided under the Companies Act, 2013, our Memorandum of Association and Articles of Association and/or the Debenture Trust Deed, confer upon the NCD Holders thereof any rights or privileges available to our members including the right to receive notices or annual reports of, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. The opinion of the Debenture Trustee as to whether such resolution is affecting the right attached to the NCDs is final and binding on NCD Holders. In terms of Section 136 of the Companies Act, 2013, the NCD Holders shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to us.

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 the Debenture Trust Deed, the registered NCD Holder 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 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 them.

4. The NCDs are subject to the provisions of the SEBI NCS Regulations, the applicable provisions of Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Prospectus, the Prospectus, the Abridged Prospectus, the Application Form, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. For the NCDs issued in dematerialized form, the Depositories shall also maintain updated records of holders of the NCDs in dematerialized Form. 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 Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs 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 NCD 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.

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 of all the NCD Holders, 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 this Draft Prospectus and the Debenture Trust Deed.

**Debenture Trustees for the NCD Holders**

We have appointed Mitcon Credentia Trusteeship Services 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 with respect to the NCDs as per the extant SEBI regulations applicable for the proposed Issue. 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 Debenture 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.

**Company's Covenants**

As specified in the Prospectus**.**

**Events of Default and Consequences of Events of Default**

If one or more of the events specified herein below (hereinafter called the "Events of Default") occurs, the Debenture Trustee may, in its discretion, and in accordance with the applicable SEBI guidelines or in accordance with the provisions set out in the Debenture Trust Deed by a notice in writing to the Company declare the redemption amount and all interest on the NCDs to be due and payable forthwith and the Security created hereunder shall become enforceable, and the Debenture Trustee shall have the following rights, namely:

(a) to take possession of the Hypothecated Properties or any part thereof, by directing the Company in writing to deliver the same to the Debenture Trustee at any place or places designated by the Debenture Trustee, in which event the Company shall, at its own expense:

   i. forthwith cause the same to be moved and delivered to the place or places so designated by the Debenture Trustee;
   ii. keep any hypothecated property to be delivered to the Debenture Trustee (to the extent not physically delivered to the Debenture Trustee) at such place or places pending further action by the Debenture Trustee as provided in these presents; and
   iii. while such Hypothecated Properties shall be so kept, provide such guards and maintenance services as shall be necessary to protect the same;

(b) to retain all cash proceeds received or receivable by the Company in respect of the Hypothecated Properties and to use such funds, in whole or part, towards repayment of the Company's obligations to the NCD Holders and/or the Debenture Trustee.

The occurrence of any one of the following events shall constitute an event of default by the Company:

(a) Default is committed in payment of the Redemption Amount/Principal Amount of the NCDs on the Redemption Date;

(b) Default is committed in payment of any Interest Amount on the NCDs on the Interest Payment Date;

(c) Default is committed in payment of any other monies including costs, charges and expenses incurred by the Debenture Trustee;

(d) Default is committed in the performance or observance of any covenant, condition or provision contained in these presents and/or the Financial Covenants and Conditions and the Issue Document (other than the obligation to pay Redemption Amount and Interest) and, except where the Debenture Trustee certify that such default is in their opinion incapable of

remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Debenture Trustee to the Company requiring the same to be remedied;

(e) Default by the Company in maintaining the Security Cover for a continuous period of 7 (seven) Business Days;

(f) Any indebtedness of the Company for borrowed monies i.e. indebtedness for and in respect of monies borrowed or raised (whether or not for cash consideration) by whatever means (including acceptances, credits, deposits and leasing) becomes due prior to its stated maturity by reason of default of the terms thereof or any such indebtedness is not paid at its stated maturity or there is a default in making payments due under any guarantee or indemnity given by the Company in respect of the indebtedness of borrowed monies of any person and such default has not been cured or waived;

(g) Any information given by the Company in the reports and other information furnished by the Company and the warranties given/deemed to have been given by it to the Debenture Trustee is found to be misleading or incorrect in any material respect;

(h) If there is reasonable apprehension that the Company is unable to pay its debts or proceedings for taking it into liquidation, either voluntarily or compulsorily, may be or have been admitted by the court;

(i) If the Hypothecated Properties have not been kept insured or depreciate in value to such an extent that, in the opinion of the Debenture Trustee, further security should be given and on advising the Company to that effect such security has not been given to the Debenture Trustee to their satisfaction;

(j) If without the prior written approval of the Debenture Trustee, the Hypothecated Properties or any part thereof is sold, disposed of, charged, encumbered or alienated;

(k) The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law and such proceeding is admitted by the court or the Company is voluntarily or involuntarily dissolved; and a court having jurisdiction shall enter a decree or order for relief in respect of the Company and such decree or order shall remain unstayed and in effect for a period of 30 (thirty) consecutive days or the Company has consented to the entry of an order for relief in an involuntary case under any such laws, or shall consent to the appointment of or taking possession by a receiver, liquidator, trustee, custodian, sequestrator or similar official of the Company or for any substantial part of its property or has made any general assignment for the benefit of the creditors, or has failed generally to pay its debts as they become due or shall take any corporate action in furtherance of any of the above;

(l) If a petition for winding up of the Company shall have been admitted or if an order of a court of competent jurisdiction is made or a notice shall have been given of a proposed resolution for the winding up of the Company or an effective resolution is passed for the winding up of the Company otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect;

(m) The Company is unable to or has admitted in writing its inability to pay its debts as they mature;

(n) If in the opinion of the Debenture Trustee further security should be created to secure the NCDs and on advising the Company to the effect such security has not been given to the Debenture Trustee to its reasonable satisfaction;

(o) The Company has taken or suffered any action to be taken for its reorganisation, liquidation or dissolution;

(p) A receiver or a liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Company;

(q) If any extra-ordinary circumstances have occurred which make it improbable for the Company to fulfil its obligation under these presents and/or the NCDs;

(r) The Company ceases or threatens to cease to carry on its business or gives notice of its intention to do so;

(s) When any breach of the terms of the prospectus inviting the subscriptions of debentures or of the covenants of the Debenture Trust Deed is committed;

(t) If the Company is unable to pay its debts or if the Company is carrying on business at a loss and it appears to the Debenture Trustee that continuation of its business will endanger the security hereby created;

(u) If in the opinion of the Debenture Trustee, the Security of the NCD Holders is in jeopardy;

(v) If it is certified by an accountant or firm accountants appointed by the Trustee that the liabilities of the Company exceed its respective assets;

(w) If the Company proposes or enters into amalgamation, reorganisation or reconstruction without the prior written consent of the Debenture Trustee;

(x) If the Company shall, without the prior consent of the Debenture Trustee in writing, make or attempt to make any alteration to its Memorandum and Articles of Association, which, affects adversely the interest of the NCD Holders;

(y) If any litigation, arbitration, investigative or administrative proceedings is instituted against the Company that restrains the Company's entry into or restricts the exercise of any of the Company's rights under or compliance by the Company of any of its obligations under the Deed and is not discharged or resolved within a period of 60 days of such institution, the Company shall request the Debenture Trustee in writing to extend the period for such resolution by such additional time as may seem reasonable. The Debenture Trustee shall, within 30 days of receipt of such a request, call a meeting of the NCD Holders within to decide upon granting extension to the Company to resolve or discharge such litigation, arbitration, investigative or administrative proceedings. The decision of NCD Holders holding Majority Interest shall be communicated to the Company with regard to whether failure to resolve or discharge such litigation, arbitration, investigative or administrative proceedings shall constitute a material adverse effect;

(z) If the following documents are not executed and/or perfected as the case maybe within the timeframe specified for each of such documents:

    i. The Debenture Trust Deed is not executed/perfected before transfer of funds from the Public Issue Account.

Upon the occurrence of an Event of Default, the Debenture Trustee or the NCD Holders as the case maybe, shall enforce the Security and exercise the power of sale as set out under the Debenture Trust Deed or any other right over the hypothecated properties conferred on the Debenture Trustee under the Debenture Trust Deed, in accordance with SEBI Debenture Trustee Master Circular and other applicable law.

All expenses incurred by the Debenture Trustee after an Event of Default has occurred in connection with:

i. preservation of the Company's assets (whether then or thereafter existing); and
ii. collection of amounts due in respect of the NCDs;

shall be payable by the Company.

**Additional obligations of the Debenture Trustee**

i. In respect of the SEBI Debenture Trustee Circular, the entering into, and the performance of any obligations under any inter-creditor agreement (pursuant to the Stressed Assets Framework) or any resolution plan shall be subject to the terms of the SEBI Debenture Trustee Circular (including without limitation, the resolution plan being finalised within the time period prescribed in the SEBI Debenture Trustee Circular, and exiting of the inter-creditor agreement on the occurrence of the matters prescribed under the SEBI Debenture Trustee Circular).

ii. In the event the Recovery Expense Fund is proposed to be utilised for the purposes of enforcement of the Security, the Debenture Trustee shall follow the procedure set out in the SEBI Debenture Trustee Circular.

**Remedies**

If one or more of the Events of Default specified above occurs, the Debenture Trustee may subject to the provisions of and SEBI Debenture Trustee Master Circular by a notice in writing to the Company, declare the principal of and all accrued interest on the Debentures to be due and payable forthwith and the Debentures shall without any further action become due for redemption along with the interest accrued thereon.

**Market Lot and Trading Lot**

Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

Allotment in the Issue will be in Demat form in multiples of one NCD. For details of allotment, see "*Issue Procedure"* on page 199.

**Nomination facility to Debenture 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 Debenture Holder, or first Debenture Holder, along with other joint Debenture 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.

Debenture 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 Debenture 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 dematerialized form, 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 dematerialized form.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the Debenture Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

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 Thrissur, 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 rematerialize 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 one (1) NCD ("**Market Lot**"). Allotment in this Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD.

For details of allotment please see "*Issue Procedure*" on page 199.

**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 Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 read with SEBI Press release (no. 49/ 2018) dated December 3, 2018, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from April 1, 2019. 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 NCDs held in physical form, pursuant to any rematerialisation, the person for the time being appearing in the Register of Debenture Holders as Debenture 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 NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the Debenture Holder.

No transfer of title of NCD will be valid unless and until entered on the Register of Debenture Holders or the register and index of Debenture 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 Debenture 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/ the relevant provisions of the Companies Act applicable as on the date of this Draft Prospectus shall apply, mutatis mutandis (to the extent applicable) to the NCD(s) 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 Debenture Holder(s). It will be sufficient for our Company to delete the name of the deceased Debenture 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 Debenture 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 Debenture 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 Debenture 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 Debenture Holder. He shall approach the respective Depository Participant of the Debenture 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 Debenture 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**

Subject to SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022 dated January 25, 2022, Debenture 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. However, NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

**Period of Subscription**

The subscription list shall remain open for a period as indicated below, with an option for early closure or extension by such period, as may be decided by the Board or a duly authorised committee of Directors of our Company, subject to necessary approvals. In the event of such early closure of the Issue, our Company shall ensure that notice of such early closure is given one day prior to such early date of closure through advertisement/s in an English national daily newspaper and a regional daily newspaper in the state of Kerala, with wide circulation.

**Issue Programme**

| | |
|---|---|
| **ISSUE OPENING DATE** | As specified in the Prospectus |
| **ISSUE CLOSING DATE** | As specified in the Prospectus |
| **PAY IN DATE** | Application Date. The entire Application Amount is payable on Application |

[#] *The 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 the Issue may close on such earlier date or extended date (subject to a minimum period of 2 Working Days and a maximum period of 10 Working Days from the date of the issue and subject to not exceeding 30 days from the date of filing of the Prospectus with ROC including any extensions) as may be decided by the Board of Directors of our Company ("**Board**") or the Debenture Committee, subject to approvals, in accordance with the SEBI NCS Regulations. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in an English national daily newspaper and a regional daily newspaper in the state of Kerala, with wide circulation on or before such earlier date or extended date of 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 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.*

*Application (including Application under the UPI Mechanism) and any further changes to the Applications shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "**IST**") during the Issue Period as mentioned above by the Designated Intermediaries at the bidding centre and by the SCSBs directly at the Designated Branches of SCSBs, except that on the Issue Closing Date when the Applications and any further changes in details in Applications, if any, shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchange. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange platform would be rejected.*

*Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.*

*Such Applications that cannot be uploaded will not be considered for Allocation under the Issue. Applications will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Manager, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or Designated Branches of SCSBs are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of Investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.*

**Basis of payment of Interest**

NCDs once Allotted under any particular category of NCDs shall continue to bear the applicable tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of Debenture Holder on any Record Date, and such Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

Payment of Interest/Maturity Amount will be made to those Debenture 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 Debenture Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Please see, *"Terms of The Issue- Manner of Payment of Interest / Redemption Amounts"* on page 193.

**Taxation**

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (seven) working 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 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 this Draft 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 Master 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 Master Circular shall be disclosed in the Prospectus.

**Maturity and Redemption**

As specified in the Prospectus.

**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 [•] to [•]) 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 Draft Prospectus.

**Manner of Payment of Interest / Redemption Amounts**

The manner of payment of interest / 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 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 "*Terms of The Issue-Procedure for Re-materialization of NCDs*" on page 191.

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 lakh, 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 Registrar 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 amount 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, 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 Debenture 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.

**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 7 (seven) working 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 Debenture 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 Debenture 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 Debenture Holder at the time of redemption and the redemption proceeds would be paid to those Debenture Holders whose names stand in the register of Debenture 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 Debenture 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. Debenture 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 Debenture Holders whose names stand in the register of Debenture 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 "*Terms of The Issue- Payment on Redemption*" on page 195.

***NCDs held in electronic form:***

No action is required on the part of Debenture 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 Debenture Holders whose names stand in the Register of Debenture 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) working days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 (seven) working 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 Debenture 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 Debenture 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 Debenture Holders.

Our liability to Debenture 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 Debenture 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 Debenture Holders available with us, 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 Debenture 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, provided stipulated security cover is maintained on the NCDs and after obtaining the consent of the Debenture Trustee, regarding the creation of a charge over such security.

**Impersonation**

As a matter of abundant caution, 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.

**Pre-closure**

Our Company, in consultation with the Lead Manager reserves the right to close this Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription (75% of the Base Issue, i.e. ₹ 3,750 lakh). Our Company shall allot NCDs with respect to the Application Forms received at 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 this 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 for this Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given.

**Minimum Subscription**

If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹ 3,750 lakh, prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight 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 eight Working Days from the Issue 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.

**Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, 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 the Regulation 30 of SEBI NCS Regulations. Material updates, if any, between the date of filing of the Prospectus with RoC and the date of release of the statutory advertisement, will be included in the statutory advertisement.

**Listing**

The NCDs offered through this Draft 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 bearing reference number [•] dated [•]. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the Stock Exchange is taken within three Working Days of 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 of NCDs shall not be listed.

**Delay in listing**

There has been no delay in the listing of any non-convertible securities issued by our Company. Pursuant to terms of regulation 37(2) of SEBI NCS Regulations, in the event of failure to list securities issued pursuant to this Issue within such days from the date of closure of issue as may be specified by SEBI (scheduled listing date), all application moneys received or blocked in the public issue shall be refunded or unblocked forthwith within 2 (two) working days from the scheduled listing date to the Applicants through the permissible modes of making refunds and unblocking of funds. For delay in refund/unblocking of funds beyond the timeline as specified above, the Issuer shall be liable to pay interest at the rate of 15% (fifteen percent) per annum to the investors from the scheduled listing date till the date of actual payment.

**Default in payment**

In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued on private placement or public issue, additional interest of at least 2% p.a. over the coupon rate shall be payable by the Issuer for the defaulting period.

**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. Our Board shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in the Company's financial statements for the relevant financial year commencing from financial year 2024-25, the utilisation of the 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

**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 Debenture Holder against pledge of such NCDs as part of the funding.

## ISSUE PROCEDURE

*This chapter applies to all Applicants. Pursuant to the SEBI Master Circular, 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, pursuant to the SEBI Master Circular, SEBI has introduced the UPI Mechanism as a payment mechanism 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 of ₹ 5 lakh or less. The UPI Mechanism is applicable for public issue of debt securities which open for subscription on or after January 1, 2021. Accordingly, payment through the UPI Mechanism shall be available for the Issue. SEBI, vide the SEBI Master Circular has also introduced 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. Further, pursuant to SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/128 dated September 24, 2024 all individual investors applying in public issue through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants), where the application amount is up to ₹ 5,00,000 shall only use UPI for the purpose of blocking of funds and provide his/ her bank account linked UPI ID in the bid-cum-application form submitted with intermediaries.*

*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 and/or web based interface/platform of the Stock Exchange, as applicable. For further information, please see "Issue Procedure - Submission of Completed Application Forms" on page 217.*

*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 this Draft Prospectus.*

*Please note that this section has been prepared based on the requirements notified by the SEBI Master Circular and the notifications issued by BSE, in relation to the UPI Mechanism.*

*Further, our Company, the Lead Manager and the Members of the Syndicate do not accept any responsibility for any adverse occurrence consequent to the implementation of the UPI Mechanism for application in the Issue.*

**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, 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 Saturday, 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 this Draft Prospectus.

### PROCEDURE FOR APPLICATION

#### Availability of the Abridged Prospectus and Application Forms

The Abridged Prospectus containing the salient features of this Draft Prospectus together with Application Form may be obtained from:

(a) Our Company's Registered Office;
(b) Offices of the Lead Manager/Syndicate Member;
(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 this Draft Prospectus and 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 website 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 website of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such website 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 website 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 up to ₹ 5 lakh, 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 liable 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**

- 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, and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds of minimum corpus of ₹ 2,500 lakh, pension funds of minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative investment funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident venture capital funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- 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
- Systemically Important NBFC registered with RBI and having a net-worth of more than ₹ 50,000 lakh as per the last audited financial statements.

**Category II**

- 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); and
- Resident Indian individuals and Hindu undivided families through the Karta applying for an amount aggregating to a value exceeding ₹ 2 lakh[$].

*$ applications through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants) up to a value of ₹ 5 lakh shall only be made under the UPI Mechanism.*

**Category III*#**

- Resident Indian individuals; and
- Hindu undivided families through the Karta.

** applications aggregating to a value not more than ₹ 2 lakh.*
*# applications through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants) up to a value of ₹ 2 lakh shall only 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, 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 219 for information on rejection of Applications.

**Method of Application**

In terms of the SEBI Master Circular, an eligible Investor desirous of applying in this Issue can make Applications through the ASBA mechanism only. Applicants are requested to note that in terms of the SEBI Master Circular, SEBI has mandated issuers to provide, through a recognised stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the SEBI Master Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism. Further, SEBI vide the SEBI Master Circular has directed the stock exchanges in India to formulate and disclose the operational procedure for making an application through the app/web based interface developed by them in order for investors to apply in public issue on their websites.

All Applicants shall mandatorily apply in the Issue either through:

1. the ASBA process (including UPI Investors). Applicants intending to subscribe in the Issue shall submit a duly filled Application Form to any of the Designated Intermediaries; or

2. UPI Investors having a valid UPI ID, through the app/web based interface platform of the Stock Exchange (BSE Direct) wherein the application would automatically be uploaded onto the Stock Exchange's bidding platform and the amount will be blocked using the UPI Mechanism.

Additionally, certain SEBI registered UPI handles which can be accessed at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40may also be used for making an Application through the UPI Mechanism.

**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.

**APPLICATION PROCESS THROUGH APP/WEB BASED INTERFACE OF THE STOCK EXCHANGE – *BSE DIRECT***

SEBI, *vide* the SEBI Master Circular, has introduced an additional mode for application in the Issue through online (app / web) interface/platform of the Stock Exchange. In furtherance to the same, the Stock Exchange has extended the facility of '**BSE Direct**', which is a web based and a mobile app based platform for making an Application in the Issue where the funds can be blocked through the UPI Mechanism. BSE Direct platform can be accessed at **https://www.bsedirect.com** and can be accessed through the mobile app available (for android phone users only) on the Google Playstore.

**Please note that Applications in the Issue, through the 'BSE Direct' platform, can only be made by UPI Investors, i.e., Applicants who make an Application in the Issue for an amount up to ₹ 5 lakh only.**

BSE Limited, the Designated Stock Exchange, has vide notifications dated December 28, 2020, notified the detailed operational procedure for making an Application, under the UPI Mechanism, using BSE Direct. The detailed operational instructions and guidelines issued by the Stock Exchange can be accessed on the Stock Exchange's website at www.bseindia.com.

***Operational Instructions and Guidelines***

Certain relevant operational instructions and guidelines, for using BSE Direct to make an Application in the Issue, are listed below:

a. **General Instructions –**

i. Applicants are required to preregister themselves with BSE Direct. For the detailed process of registration and Applications under the BSE Direct Platform, see "*Issue Procedure- Process of Registration and Application on BSE Direct Platform/Mobile App*" on page 205.

ii. Applicants can access BSE Direct platform via internet at https://www.bsedirect.com or through the mobile app (on android phones only) called BSE Direct which can be downloaded from the Google Playstore.

iii. The BSE Direct platform, offers a facility of making a direct application through the web based platform or the mobile app with a facility to block funds up to ₹ 5 lakh through the UPI Mechanism.

iv. The mode of allotment for Applications made through the BSE Direct platform, shall mandatorily be in dematerialised form only.

b. **Order Entry Parameters –**

Pursuant to the SEBI Master Circular and other relevant SEBI circulars, the following operating parameters shall be made available for making an Application in the Debt IPO Segment. Applicants are requested to note the following general instructions:

i. The Issue symbol will remain same across all series/options;

ii. Applicants can enter order for a single Application having different series within one order entry screen;

iii. Before submission of the Application, the Applicant should have created an UPI ID with a maximum length of 45 characters including the handle (example: investorId@bankname)

Applicants can only submit an Application with the UPI Mechanism as the payment mode. The Applications which are successfully accepted will be allotted a bid id or order no.

**Modification and cancellation of orders**

i. An Applicant shall not be allowed to add or modify the Application except for modification of either DP ID/Client ID, or PAN but not both.

ii. The Applicant can withdraw the bid(s) submitted under a single Application and reapply.
iii. The part cancellation of bid in a single Application will not be permitted.

For details of the process post the Application details being entered into the bidding platform of the Stock Exchange, see "*Issue Procedure- Submission of Applications – for Applications under the UPI Mechanism*" on page 210.

c. **Re-initiation of Bids**

i. If the Applicant has not received the UPI Mandate vide an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation.

ii. The facility of re-initiation/ resending the UPI Mandate shall be available only till 5 pm on the day of bidding.

iii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

d. **Acceptance of the UPI Mandate**

i. An Applicant will be required to accept the UPI Mandate by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchange platform except for the last day of the Issue Period or any other modified closure date of the Issue Period in which case, they shall be required to accept the UPI Mandate by 5:00 pm of the on the Issue Closing Date ("**Cut-Off Time**") and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification/cancellation of Bids (if any) shall be allowed in parallel during the Issue Period until the Cut-Off Time. As the Company reserves the right to close the issue prior to the Issue Closing Date, hence is advisable that the Applicants should accept the UPI mandate by 5:00 pm on the Working Day subsequent to date of submission of the Application on BSE Direct.

ii. The transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.

iii. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.

iv. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.

v. Please note that the display of status of acceptance of the UPI Mandate/fund blocking shall be solely based on the data received from the Sponsor Bank.

e. **Order book and T+1 Modification**

i. The order book will be available in the Debt module of the Stock Exchange in real time basis.

ii. An Applicant shall be allowed to modify selected fields such as their DP ID/Client ID or PAN (Either DP ID/Client ID or PAN can be modified but not both) on T+1 day for a validated bid.

f. **Applicant's responsibilities**

i. Applicants shall check the Issue details before making an Application.

ii. Applicants shall only be able to make an Application for an amount up to ₹ 5 lakh.

iii. Applicants shall have only UPI as the payment mechanism with ASBA.

iv. Applicants must check and understand the UPI Mandate acceptance and the fund blocking process before making an Application.

v. The receipt of SMS for UPI Mandate acceptance depends upon the system response/ integration of UPI on the Debt

Public Issue System.

vi. Applicants must check their respective mobiles for an SMS or the mobile app, associated with the UPI ID linked bank account, for receipt of the UPI Mandate.
vii. Applicants must accept the UPI Mandate request within stipulated timelines.

viii. Applicants must note that the transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.

vi. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.

vii. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.

**Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager, the Registrar to the Issue or the Stock Exchange shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons.**

***Process of Registration and Application on BSE Direct Platform/Mobile App***

a. **Process of Registration for Investor**

i. To make an Application on the BSE Direct platform/ mobile app an Applicant is required to register themselves with the platform/mobile app.
ii. At the time of registration, the Applicant shall be required to select the option of "New Registration Without Broker" and enter their respective PAN along with details of their demat account (i.e., DP ID and Client ID) and UPI ID.
iii. The Stock Exchange shall verify the PAN and demat account details entered by the Applicant with the Depository, within one Working Day.
iv. The Applicant shall be required to accept the terms and conditions and also enter the correct 'One Time Password' ("**OTP**") sent on their respective mobile phones and email IDs to complete the registration process.
v. Upon the successful OTP confirmation, the Applicant's registration request shall be accepted, and a reference number shall be provided to them for checking their registration status.
vi. At the time of demat account verification, the Stock Exchange shall also validate Applicant's client type (investor category) present in demat account.
vii. An Applicant's registration shall be rejected if an incorrect investor category and/or demat account details have been entered.
viii. Post the verification of the demat account, the Stock Exchange shall activate the Applicant's profile for making an Application and also provide a user ID (which is PAN) and password for login onto the BSE Direct platform.
ix. An Applicant shall be able to view their respective details including their demat account, by accessing the tab 'My Profile'.
x. To modify their details, an Applicant must login to the BSE Direct portal and click on 'My profile'.
xi. The Stock Exchange shall revalidate the modified details with Depository.
xii. No modification request shall be accepted during the Issue Period if the Applicant has made an Application in the Issue.
xiii. To re-generate a new password, the Applicant can use the 'Forget Password' option.
xiv. Existing investors who are already registered for "GSEC AND T-Bills investment", can also use the facility for applying in the Issue by using the UPI Mechanism for blocking of funds for Applications with a value up to ₹ 5 lakh.

b. **Process to place Bid via BSE Direct platform/ mobile app**

i. The Issue, during the Issue Period, shall be opened for subscription and will be available for making an Application through the BSE Direct platform/ mobile app.
ii. Upon successful login, an Applicant can select the Issue to make an Application.
iii. The details of PAN and DP ID and Client ID will be populated based on the registration done by the Applicant.

iv. Before submission of the Application, an Applicant would be required to create a UPI ID with a maximum length of 45 characters including the handle (Example: investorId@bankname)
v. An Applicant shall be required to enter a valid UPI ID, in the UPI ID field.
vi. An Applicant must select the series/option along with number of NCDs being applied for in the Issue.
vii. Applicants must check the Issue details before making an Application.
viii. Applicant will only be able to make an Application for an amount of up to ₹ 5 lakh.
ix. Applicants shall only have UPI as a payment mechanism with ASBA.
x. Applicants must check and understand the UPI Mandate acceptance and blocking of fund process before making an Application.

For details of the blocking process post the Application details being entered into the bidding platform of the Stock Exchange, see "*Issue Procedure- Submission of Applications - for Applications under the UPI Mechanism*" on page 210.

c. **SMS from the Exchange**

i. Post completion of the blocking process, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application at the end of day, during the Issue Period and for the last day of the Issue Period, the SMS shall be sent the next Working Day.

d. **Modification and Cancellation of Orders**

i. An Applicant shall not be allowed to add or modify the bid(s) of the Application except for modification of either DP ID/Client ID, or PAN but not both.
ii. An Applicant can withdraw the bid(s) submitted under a single Application and reapply. However, part cancellation of bid in a single Application is not permitted.

e. **Re-initiation of Bid**

i. If the Applicant has not received the UPI Mandate vide an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation, after the lapse of reasonable time.
ii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

For details of the process of the UPI Mandate acceptance, see "*Issue Procedure- Operational Instructions and Guidelines – Acceptance of the UPI Mandate*" on page 204.

**Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager, the Registrar to the Issue or the Stock Exchange shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons. Since the process of making an Application through BSE Direct is based on notifications issued by the Stock Exchange, Applicants are requested to check the website of the Stock Exchange for any further notifications by the Stock Exchange amending, supplementing, updating or revising the process of Applications through BSE Direct.**

**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 Master Circular for Mutual Funds bearing reference number SEBI/HO/IMD/IMDPoD1/P/CIR/2024/90 dated June 27, 2024 ("**SEBI Mutual Funds Master Circular**"), mutual funds are required to ensure that the total exposure of debt schemes 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 20% of the net assets of the scheme.

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. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. 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 Systemically Important Non-Banking Financial Companies**

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred 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 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 is 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 Master Circular, 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 IRDAI 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 IRDA (Investment) Regulations, 2000.

**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 this Draft 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 Centres, 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 website 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.

***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).

(c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is up to ₹ 5 lakh, 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) A 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:

(i) ***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.

(ii) ***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 Centres; 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 this Draft 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 ear 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.**

**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 this Draft 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 and PAN, clearly and without error. On the basis of such Applicant's active DP ID, Client ID and 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 option or across different option;
- 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 8$^{th}$ 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 Draft Prospectus and applicable law, rules, regulations, guidelines and approvals;
- Every Applicant should hold valid Permanent Account Number and mention the same in the Application Form;
- 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 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 option, 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, 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 this Draft 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 parameters, namely, DP ID, Client ID, PAN and UPI ID (wherever applicable) then such Application are liable to be rejected.

**C. Permanent Account Number**

The Applicant should mention his or her Permanent Account Number allotted under the IT Act. For minor Applicants, applying

through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a RTA Master Circular and Applicants residing in the state of Sikkim who in terms of a SEBI Master Circular on Know Your Client (KYC) Norms for the Securities Market bearing reference number SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023 ("**SEBI KYC Circular**") may be exempt from specifying their PAN for transacting in the securities market. In accordance with RTA Master Circular, 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.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN Field i.e., either Sikkim category or exempt category.

**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 option of NCDs, subject to a minimum Application size as specified in this Draft Prospectus and in multiples of thereafter as specified in this Draft 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 ₹ 5 lakh 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 this Draft 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 and 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 (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:** Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI KYC Circular) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

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 option of NCDs in the Application Form that you wish to apply for.

In terms of SEBI Master Circular, 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 Centres.

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 certified 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.

Please also see "*Issue Procedure- Operational Instructions and Guidelines – Applicant's Responsibilities*" on page 204.

**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).**

Please see "*Issue Procedure- Rejection of Applications*" on page 219 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 Centres, 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., up to ₹ 5 lakh, 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 lakh) 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.**

**A 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 Issue Closing Date), 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 or the Sponsor Bank (in case of Applications under the UPI Mechanism) on the basis of the instructions issued in this regard by the Registrar to the respective SCSB or the Sponsor Bank, within three 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<br><br>(ii) If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available. |
| Applications under the UPI Mechanism | (i) Through the Designated Intermediary, physically or electronically, as applicable; or<br><br>(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 or the Lead Manager is 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, (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 option, 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 below 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 this Draft 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 the Debenture Committee thereof, reserves its 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, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian when PAN of the Applicant is not mentioned;

(k) DP ID, Client ID or 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 stock invest/ 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 or the UPI-linked Account to be blocked;

(y) In case no corresponding record is available with the Depositories that matches the 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, this Draft Prospectus and as per the instructions in the Application Form and this Draft 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 Centres 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 lakh.

For information on certain procedures to be carried out by the Registrar to the Issue 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 (where 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, **("*Retail Individual Portion*")**.

For removal of doubt, "***Institutional Portion***", "***Non-Institutional 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 ₹ 5,000 lakh. 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 40% 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 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) Individual Portion

(ii) Non-Institutional Portion and Resident Indian individuals and Hindu undivided families through the Karta applying who apply for NCDs aggregating to a value exceeding ₹ 5 lakh;

(iii) Institutional Portion

(iv) 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 into 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 10 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.

(c) 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; and

(iv) The total Allotment under Series [•] to Series [•] of the NCDs shall not exceed a value more than ₹ 10,000 lakh.

(d) Applicant applying for more than one Series of NCDs:

If an Applicant has applied for more than one Series 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 Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Series, 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., Series [•], [•], [•] and [•];

(ii) followed by payment on cumulative options in decreasing order of tenor i.e., Series [•], [•] and [•].

Hence using the above procedure, the order of Allotment for the residual NCD(s) will be: [•], [•], [•], [•], [•], [•] and [•].

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 Draft Prospectus.

Our Company would allot Series [•] NCDs to all valid applications, wherein the Applicants have not indicated their choice of the relevant Series 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.

**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 Applications 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 three 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 by speed post/registered post to their addresses as per the Demographic Details received from the Depositories.

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 three Working Days from the Issue Closing Date.

Application Amount shall be unblocked within three 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 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 finalisation of the Basis of Allotment.

**Revision of Applications**

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, 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 as per the procedures and requirements prescribed by the 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. Please also see, "*Issue Procedure - Operational Instructions and Guidelines – Modification and cancellation of orders*" on page 203.

**Depository Arrangements**

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between 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 November 23, 2022 among our Company, the Registrar and CDSL and tripartite agreement dated November 11, 2022 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 Debenture 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**

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 SEBI nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of investors is invited to the statement of '*Risk factors*' on page 17.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Prospectus contains all information with regard to the issuer and the issue, that the information contained in this Draft 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 except the one(s) disclosed in the offer document/offer document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed."

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 Deed within a period specified under the said Regulation, 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;

(f) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Draft Prospectus and the Prospectus, on receipt of the minimum subscription of 75% of the Base Issue i.e., ₹ 3,750 lakh 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; and

(h) Application money shall be unblocked within three 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.

***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 three 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 on a half-yearly basis;

(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 Draft Prospectus;

(g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report;

(h) 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; and

(i) The allotment of NCDs will be done on a first come, first serve basis. On the successful allotment of the NCDs, the issue proceeds will be released to the issuer to use in pursuance of the objects specified in this Draft Prospectus.

(j) The Company confirms that the assets on which the charge or security is proposed to be created to meet the hundred percent security cover or higher security cover is free from any encumbrances (other than the charges created in favour of the Existing Secured Creditors) and the permissions or consent to create any further charge on the assets has been obtained from the Existing Secured Creditors to whom the assets are charged on pari-passu basis, prior to creation of the charge.

## SECTION VIII - SUMMARY OF MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

1. In these regulations-

a) "the Act" means the Companies Act, 2013

b) "the seal" means the common seal of the Company

2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

SHARE CAPITAL AND VARIATION OF RIGHTS

3. The authorized share capital of the company shall be as stated in clause V of the Memorandum of Association with power to increase or reduce, reconvert or subdivide the capital in accordance with the provisions of the Companies Act, 2013. Subject to the provisions of the Act and these Articles the shares in the capital of the company shall be under the control of the Directors 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 premium or at par and at such time as they may from time to time thinkfit.

4. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the Memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of the issue shall be provided;-

(a) One certificate for all his shares without payment of any charges, or

(b) Several certificate each for one or more of his hares, upon payment of 20 Rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.

(iii) In respect of any 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 for a share to one of several joint holders shall be sufficient delivery to all such holders.

5.(i). 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 company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii). The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.

6. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize(even when notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or(except only as by these regulations or by law otherwise provided)any other rights in respect of any share except an absolute right to the entirety thereof in he registered holder.

7. (i) The company may exercise the powers of paying commissions conferred by subsection 6 of section 40, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.

(ii) The rate or the amount of the commission shall not exceed the rate or amount prescribed in rules made under Subsection 6 of section 40.

(iii) 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.

8. (i) 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 the issue of shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of 3/4th of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least 2 persons holding at least 1/3rd of the issued shares of the class in question.

9. 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 or issue of further shares ranking *pari passu* therewith.

10. Subject to the provisions of section55, any preference shares may, with the sanction of an ordinary resolution be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

LIEN

11.(i) 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 the 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 the clause.

(ii) The company's lien, if any, on a share shall extent to all dividends payable and bonuses declared from time to time in respect of such shares.

12. 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.

13. (i) To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) 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 in reference to the sale.

14. (i) 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.

(ii) 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.

CALLS ON SHARES

15. (i) 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 their nominal value of the shares or by way of premium ) and not by the conditions of allotment thereof made payable at fixed times:
Provided that no calls shall exceed one fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, paid to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

16. A call shall be deemed to have been made at the time when the resolution of the Board approving such call was passed and may be required to be paid by installments.

17. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

18. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at 10% per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

19. (i) 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 regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations 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.

20. 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 not exceeding, unless the company in general meeting shall otherwise direct, 12% p.a., as may be agreed upon between the board and the member paying the sum in advance.

TRANSFER OF SHARES

21. (i) The instrument of transfer of any shares in the company shall be executed by or on behalf of both the transferor and the transferee.

(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.

22. The Board may, subject to the right of appeal conferred by section 58 decline to register-

(a) The transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) Any transfer of shares on which the company has a lien.

23. The Board may decline to recognize any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1)of section 56;

(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.

24. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

TRANSMISSION OF SHARES

25.(i) 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.

(ii) Nothing in clause (i) 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.

26. (i) 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.

(ii)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.

27. (i) 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 selects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) 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.

28. 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.

FORFEITURE OF SHARES

29. If a member fails to pay any call, or instalment of a call, 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, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

30. 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.

31. 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.

32. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

33. (i) 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 to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) 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.

34. (i) A duly verified declaration in writing that the declarant is a director, the manager or the 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.

(ii) The company may receive the consideration, if any, given for the share on any sale 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.

(iii) The transferee shall thereupon be registered as the holder of the share.

(iv) 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 or disposal of the share.

35. The provisions of these regulations 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.

ALTERATION OF CAPITAL

36. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

37. Subject to the provisions of section 61, the company may, by ordinary resolution,—

(a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed buy the memorandum;

(d) 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.

38. 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 regulations 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.

(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.

(c) Such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

39. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
(a) Its share capital;

(b) Any capital redemption reserve account; or

(c) Any share premium account.

CAPITALISATION OF PROFIT

40. (i) 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, 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 (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) the sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause

(iii), 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 of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(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 may, for the purposes of this regulation, 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 in pursuance of this regulation.

41. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) Make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) Generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

a) To make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

b) To authorise 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 to which they may be entitled upon such capitalisation, 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 capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

BUY BACK OF SHARES

42. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

GENERAL MEETINGS

43. All general meetings other than annual general meeting shall be called extraordinary general meeting.

44. (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.

PROCEEDINGS AT GENERAL MEETINGS

45. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

46. The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

47. 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 of their members to be Chairperson of the meeting.

48. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

ADJOURNMENT OF MEETING

49.(i) 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.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) 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.

(iv) Save as aforesaid, and 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.

VOTING RIGHTS

50. 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.

51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

52. (i) 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.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

53. 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.

54. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

55. 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.

56. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

57. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised 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.

58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

59. 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.

BOARD OF DIRECTORS

60. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them

61. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) 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.

(iii) The Directors may also be paid sitting fees as decided by the Board from time to time within the limit prescribed by the Act as per rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

62. The Board may pay all expenses incurred in getting up and registering the company.

63. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

64. All cheques, promissory notes, drafts, hundies, 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 resolution determine.

65. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

66.(i) Subject to the provisions of section 149, 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.

(ii) 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.

PROCEEDINGS OF THE BOARD OF DIRECTORS

67. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

68. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

69. 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.

70. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.

71. (i) 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.

(ii) 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.

72. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

73. (i) a committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

74. 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, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

75. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

75A. Appointment of Nominee Director by Debenture Trustee

(i) Notwithstanding anything to the contrary contained in these Articles so long as any moneys remain owing by the company towards the debenture holders, the debenture trustee(s) shall have right to appoint a nominee director ("Nominee Director")to the Board of the company who shall be a person not disqualified from being appointed as a director under the provisions of the Companies Act, 2013, and the SEBI (Debenture Trustee) Regulations, 1993 and other applicable law and whose office is not capable of being vacated by retirement or by rotation.

(ii) The Nominee Director shall be appointed only under the circumstances as may be set out in the relevant debenture trust deed(s), as may be amended from time to time, executed inter alia between the company and the debenture trustee(s) or in case of occurrence of any of the following events:

a) Two consecutive defaults in payment of interest to the debenture holders; or
b) Default on redemption of the debentures; or
c) Default in creation of security for debentures, if any.

(iii) Such Nominee Director shall –

a) not be liable to retire by rotation nor required to hold any qualification shares;
b) be entitled to all the rights and privileges of other directors including the sitting fees and expenses as payable to other directors;
c) be appointed a member of all the key committees of the Board, if so desired by the debenture trustee(s); and
d) be entitled to receive all notices, agenda, etc. and to attend all general meetings and meeting of the Board of Directors and meetings of any committees of the Board of which he is a member.
e) Any expenditure incurred by debenture trustee(s), debenture holders or the Nominee Director in connection with his appointment of directorship shall be borne and payable by the Company.
f) If, at any time, the Nominee Director is not able to attend a meeting of the Board of Directors or any of its committees of which he is a member, Trustee may depute an observer to attend the meeting. The expenses incurred by Trustee in this connection shall be borne and payable by the Company.
g) The Nominee Director/the observer shall furnish to the Trustee a report of the proceedings of all such meetings.
h) The appointment/removal of the Nominee Director shall be by a notice in writing by the Trustee addressed to the Company and shall (unless otherwise indicated by the Trustee) take effect forthwith upon such a notice being delivered to the Company.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER.

76. Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

77. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief

executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

78. (i) The Board shall provide for the safe custody of the seal.

(ii) 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 at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDENDS AND RESERVE

79. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

80. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company:

81. (i) 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 applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising 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.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

82. (i) 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.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) 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.

83. 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.

84.(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid 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.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

85. 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.

86. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

87. No dividend shall bear interest against the company.

ACCOUNTS

88. (i) The Board shall from time to time determine whether and to what extend and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by Law or authorized by the Board or by the Company in General Meeting.

WINDING UP

89. Subject to the provisions of Chapter XX of the Act and rules made there under—

(i) 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-space 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.

(ii) 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.

(iii) 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.

INDEMNITY

90. Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil, criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the Court or the Tribunal.

SECRECY

**91.** Every Director, Manager, Treasurer, Trustee, Member of Committee, Officer, Servant, Agent, Accountant, or other persons employed in the business of the company shall if so required by the Directors, before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the company with the customers and the state of Accounts with individuals and Pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by law or the person to whom such matters relate, except so far as may be necessary in order to comply with any of the provisions of these presents contained.

## SECTION IX – OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and documents (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material have been entered into by our Company. These contracts which are or may be deemed material shall be attached to the copy of the Prospectus to be delivered to the Registrar of Companies, Kerala and Lakshadweep for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 10.00 am to 4.00 pm on Working Days from the date of the filing of the Prospectus with the RoC until the Issue Closing Date.

***Material Contracts***

1. Issue Agreement dated February 06, 2026 between the Company and the Lead Manager;

2. Registrar Agreement dated February 04, 2026 between the Company and the Registrar to the Issue;

3. Debenture Trustee Agreement dated February 04, 2026 between the Company and the Debenture Trustee;

4. Tripartite Agreement dated November 23, 2022 between CDSL, the Company and the Registrar to the Issue; and

5. Tripartite Agreement dated November 11, 2022 between NSDL, the Company and the Registrar to the Issue.

***Material Documents***

1. Certificate of Incorporation of Company dated December 16, 2008, issued by Registrar of Companies, Kerala and Lakshadweep;

2. Memorandum and Articles of Association of the Company, as amended to date;

3. Certificate of commencement of business dated November 10, 2010, issued by the RoC;

4. Certificate of registration (no. N16-00185) June 10, 2010, issued by RBI under Section 45IA of the Reserve Bank of India Act, 1934;

5. Credit rating letter dated February 04, 2026 from India Rating and Research Private Limited, granting credit ratings to the NCDs;

6. At the meeting of the Board of Directors of our Company held on March 18, 2025, the Board approved the public issue of Secured, Redeemable, Non-Convertible Debenture, amounting up to ₹ 30,000 lakh in one or more tranches;

7. Copy of the resolution passed by the Shareholders of the Company at the Annual General Meeting held on September 20, 2024, approving the overall borrowing limit of Company;

8. Copy of the resolution of the Debenture Committee dated January 1, 2026 approving the present issue of secured, redeemable, non-convertible debentures for an amount aggregating up to ₹ 5,000 lakh, with an option to retain oversubscription up to ₹ 5,000 lakh aggregating up to ₹ 10,000 lakh;

9. Copy of the resolution of the Debenture Committee dated February 06, 2026 approving this Draft Prospectus;

10. Copy of the resolution of the Debenture Committee dated [•] approving the Prospectus;

11. Consents in writing of Directors of our Company, Chief Executive Officer, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, legal advisor to the Issue, Lead Manager, the Registrar to the Issue, Credit Rating Agency, the Lenders/Bankers to our Company, Public Issue Account Bank*, Refund Bank*, Sponsor Bank*, Syndicate Member*, the Debenture Trustee, Industry Report Provider (ICRA), to act in their respective capacities, have been obtained and filed along with a copy of the Prospectus with the RoC as required under Section 26 of the Companies Act 2013;

**Consents to be obtained at the Prospectus Stage*

12. Our Company has received written consent from the Statutory Auditor, namely C.M. Joseph & Associates, Chartered Accountants, to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as a statutory auditor, in respect of the: (a) Limited Review Unaudited Financial Results for the nine months period ended December 31, 2025; (b) Audited Financial Statements for the financial year ended March 31, 2025; (c) Audited Financial Statements for the financial year ended March 31, 2024; and (d) Special Purpose Audited Financial Statements for the financial years ended March 31, 2023, included in this Draft Prospectus. The consent of the Statutory Auditors has not been withdrawn as on the date of this Draft Prospectus;

13. Copy of independent auditor's certificate on statement of possible tax benefits dated February 06, 2026;

14. Industry report titled "*Organised gold loan AUM projected to reach Rs. 15 trillion in FY2026; banks continue to increase share*" dated October 08, 2025, "*GDP growth jumped to 8.2% in Q2 FY2026, led by higher-than-expected growth in services; FY2026 forecast now pegged at 7.4%"* dated November 28, 2025 and "*Reduction in GST rates to boost domestic demand and offset global uncertainties*" dated October 31, 2025 prepared and issued by ICRA;

15. Limited Review Unaudited Financial Results for the nine months period ended December 31, 2025, by the Statutory Auditor included herein;

16. Audited Financial Statements for the year ended March 31, 2025, Audited Financial Statements for the year ended March 31, 2024 and the Special Purpose Audited Financial Statements for the years ended March 31, 2023, by the Statutory Auditor included herein;

17. Annual Reports of the Company for financial years 2025, 2024 and 2023;

18. Due diligence certificate dated [•] filed with SEBI by the Lead Manager;

19. In-principle listing approval letter bearing reference number [•] dated [•] issued by BSE, for the Issue; and

20. Due diligence certificate dated February 06, 2026 filed with BSE by the Debenture Trustee.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Applicants subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including all the relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and 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, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be have been complied with and no statement made in this Draft 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 hereby 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 made in this Draft Prospectus and in the attachments thereto are true and correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, 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 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 Draft Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Draft Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Draft Prospectus and in the attachments thereto is true, correct and complete and is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association.

We further certify that the contents of this Draft Prospectus have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein shall also lie with the Board of Directors.

**Signed by the Directors of our Company**

Chemmanur Devassykutty Boby
*Chairman & Managing Director*
**DIN**: 00046095

Antony Sebastian Choorakkal
*Independent Director*
**DIN:** 10083087

Lijo Moothedan
*Non- Executive Director*
**DIN**: 00877403

Anil Kumar Prahladan
*Independent Director*
**DIN:** 07893500

Smitha Boby
*Non- Executive Director*
**DIN**: 00046059

Sibin Philipose
*Non- Executive Director*
**DIN:** 09777666

**Date:** February 06, 2026
**Place:** Thrissur

## ANNEXURE I - ILLUSTRATIVE CASH FLOW

As specified in the Prospectus.

**ANNEXURE II- CREDIT RATING LETTER AND RATIONALE**

APPENDED OVERLEAF

India Ratings & Research
A Fitch Group Company

Fitch Group

Mrs Jasmine M P
CFO
Door No.D1 to D4,
3rd Floor,
Avenue Tower,
East Fort ,
Thrissur - 680 005

February 04, 2026

***Dear Sir/Madam,***

***Re: Rating Letter for Chemmanur Credits and Investments Limited***

India Ratings and Research (Ind-Ra) has taken the following rating actions on Chemmanur Credits and Investments Limited's (CCIL) debt instruments:

| Instrument Type | ISIN | Date of Issuance | Coupon Rate (%) | Maturity Date | Size of Issue (million) | Rating assigned along with Outlook/Watch | Rating Action |
|---|---|---|---|---|---|---|---|
| Non-convertible debentures* | - | - | - | - | INR1,000 | IND BBB-/Stable | Assigned |
| Non-convertible debentures# | - | - | - | - | INR3,607.66 (reduced from INR3,722.60) | IND BBB-/Stable | Affirmed |
| Bank loan facilities | - | - | - | - | INR1,000 | IND BBB-/Stable | Affirmed |

* Yet to be issued
#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

K Gupta

**Karan Gupta**
**Director**

## Annexure: Facilities Breakup

| Instrument Description | Banks Name | Ratings | Outstanding/Rated Amount(INR million) |
|---|---|---|---|
| Bank Loan | State Bank of India | IND BBB-/Stable | 250.00 |
| Bank loan | Federal Bank | IND BBB-/Stable | 300.00 |
| Bank Loan | Dhanlaxmi Bank | IND BBB-/Stable | 50.00 |
| Bank loan | State Bank of India | IND BBB-/Stable | 250.00 |
| Bank loan | Dhanlaxmi Bank | IND BBB-/Stable | 50.00 |
| Bank loan | Indian Overseas Bank | IND BBB-/Stable | 100.00 |

## Annexure: ISIN

| Instrument | ISIN | Date of Issuance | Coupon Rate | Maturity Date | Ratings | Outstanding/Rated Amount(INR million) |
|---|---|---|---|---|---|---|
| Non-convertible debentures | INE051307AV6 | 11/03/2024 | 10.75 | 10/03/2026 | IND BBB-/Stable | 40.18 |
| Non-convertible debentures | INE051307AU8 | 11/03/2024 | 11 | 10/03/2027 | IND BBB-/Stable | 47.54 |
| Non-convertible debentures | INE051307AT0 | 11/03/2024 | 11.5 | 10/03/2029 | IND BBB-/Stable | 87.86 |
| Non-convertible debentures | INE051307AR4 | 11/03/2024 | 0 | 10/03/2026 | IND BBB-/Stable | 43.09 |
| Non-convertible debentures | INE051307AQ6 | 11/03/2024 | 0 | 11/03/2030 | IND BBB-/Stable | 70.13 |
| Non-convertible debentures | INE051307AY0 | 14/08/2024 | 0 | 13/06/2030 | IND BBB-/Stable | 74.66 |
| Non-convertible debentures | INE051307AZ7 | 14/08/2024 | 10.75 | 13/02/2026 | IND BBB-/Stable | 175.47 |
| Non-convertible debentures | INE051307BA8 | 14/08/2024 | 11 | 13/08/2026 | IND BBB-/Stable | 82.97 |
| Non-convertible debentures | INE051307BB6 | 14/08/2024 | 11.25 | 13/08/2027 | IND BBB-/Stable | 25.26 |
| Non-convertible debentures | INE051307BD2 | 14/08/2024 | 12 | 13/08/2029 | IND BBB-/Stable | 100.38 |
| Non-convertible debentures | INE051307BE0 | 14/08/2024 | 0 | 13/08/2026 | IND BBB-/Stable | 54.70 |
| Non-convertible debentures | INE051307BF7 | 14/08/2024 | 0 | 13/08/2029 | IND BBB-/Stable | 1.76 |
| Non-convertible debentures | INE051307BK7 | 17/01/2025 | 12 | 16/01/2030 | IND BBB-/Stable | 121.92 |
| Non-convertible debentures | INE051307BM3 | 17/01/2025 | 12.1 | 16/01/2030 | IND BBB-/Stable | 2.40 |
| Non-convertible debentures | INE051307BL5 | 17/01/2025 | 11.15 | 17/01/2028 | IND BBB-/Stable | 5.34 |
| Non-convertible debentures | INE051307BJ9 | 17/01/2025 | 11 | 16/01/2027 | IND BBB-/Stable | 149.11 |
| Non-convertible debentures | INE051307BI1 | 17/01/2025 | 10.75 | 16/07/2026 | IND BBB-/Stable | 101.45 |
| Non-convertible debentures | INE051307BH3 | 17/01/2025 | 9.5 | 19/01/2026 | WD | 40.23 |
| Non-convertible debentures | INE051307BO9 | 17/01/2025 | 0 | 16/11/2030 | IND BBB-/Stable | 79.89 |
| Non-convertible debentures | INE051307BP6 | 17/01/2025 | 0 | 16/01/2027 | IND BBB-/Stable | 61.63 |
| Non-convertible debentures | INE051307BN1 | 17/01/2025 | 0 | 19/01/2026 | WD | 74.71 |
| Non-convertible debentures | INE051307BV4 | 20/06/2025 | 0 | 19/04/2031 | IND BBB-/Stable | 109.70 |
| Non-convertible debentures | INE051307BT8 | 20/06/2025 | 12 | 19/06/2030 | IND BBB-/Stable | 198.74 |
| Non-convertible debentures | INE051307BU6 | 20/06/2025 | 11.3 | 20/06/2028 | IND BBB-/Stable | 75.37 |
| Non-convertible debentures | INE051307BR2 | 20/06/2025 | 10.9 | 19/06/2027 | IND BBB-/Stable | 63.59 |
| Non-convertible debentures | INE051307BS0 | 20/06/2025 | 0 | 19/06/2027 | IND BBB-/Stable | 82.33 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Non-convertible debentures | INE051307BQ4 | 20/06/2025 | 10.5 | 19/12/2026 | IND BBB-/Stable | 182.87 |
| Non-convertible debentures | INE051307BW2 | 20/06/2025 | 0 | 21/06/2026 | IND BBB-/Stable | 120.77 |
| Non-convertible debentures | INE051307CA6 | 10/11/2025 | 12 | 09/11/2030 | IND BBB-/Stable | 209.40 |
| Non-convertible debentures | INE051307CD0 | 10/11/2025 | 11.3 | 10/11/2028 | IND BBB-/Stable | 94.20 |
| Non-convertible debentures | INE051307BY8 | 10/11/2025 | 10.9 | 10/11/2027 | IND BBB-/Stable | 98.63 |
| Non-convertible debentures | INE051307BZ5 | 10/11/2025 | 10.5 | 11/05/2027 | IND BBB-/Stable | 143.74 |
| Non-convertible debentures | INE051307CC2 | 10/11/2025 | 0 | 10/09/2031 | IND BBB-/Stable | 159.45 |
| Non-convertible debentures | INE051307BX0 | 10/11/2025 | 0 | 10/11/2027 | IND BBB-/Stable | 103.53 |
| Non-convertible debentures | INE051307CB4 | 10/11/2025 | 0 | 11/11/2026 | IND BBB-/Stable | 126.39 |
| Non-convertible debentures | Unutilized | | | | IND BBB-/Stable | 1513.21 |



# India Ratings Rates Chemmanur Credits and Investments Additional NCDs 'IND BBB-'/Stable; Affirms Existing Ratings

Feb 04, 2026 | Non Banking Financial Company (NBFC)

India Ratings and Research (Ind-Ra) has taken the following rating actions on Chemmanur Credits and Investments Limited's (CCIL) debt instruments:

## Details of Instruments

| Instrument Type | ISIN | Date of Issuance | Coupon Rate (%) | Maturity Date | Size of Issue (million) | Rating assigned along with Outlook/Watch | Rating Action |
|---|---|---|---|---|---|---|---|
| Non-convertible debentures* | - | - | - | - | INR1,000 | IND BBB-/Stable | Assigned |
| Non-convertible debentures# | - | - | - | - | INR3,607.66 (reduced from INR3,722.60) | IND BBB-/Stable | Affirmed |
| Bank loan facilities | - | - | - | - | INR1,000 | IND BBB-/Stable | Affirmed |

* Yet to be issued

#Details in annexure

## Analytical Approach

Ind-Ra continues to take a standalone view of CCIL for the ratings.

## Detailed Rationale of the Rating Action

The ratings reflect CCIL's established presence in gold financing, supported by the extensive experience of the promoter in the gold loan business and being a part of Chemmanur International Group. The ratings are, however, constrained by the moderate scale of the franchisee, with CCIL's assets under management (AUM) of INR6,328 million in 2QFY26 and Kerala and Tamil Nadu accounting for 65% of the loan book.

## List of Key Rating Drivers

**Strengths**

- Established presence in gold financing and part of Chemmanur group
- Stable asset quality

**Weaknesses**

- Evolving profitability with reduction in expansion-related operating expenses
- Moderate capitalisation
- Medium scale of operations; high regional concentration
- Concentrated funding profile

## Detailed Description of Key Rating Drivers

**Established Presence in Gold Financing and Part of Chemmanur Group**: CCIL is promoted by its chairman, Chemmanur Devassykutty Boby, and is a part of the Chemmanur International Group. The group is engaged in the business of gold jewellery, hospitality and financial services. The group has been operating the financial services business through CCIL for the past 12 years. CCIL began operations as a gold loan non-bank finance company (NBFC). The company, which had operations only in Kerala and Tamil Nadu until 2021, has expanded its presence to Maharashtra, Karnataka and Andhra Pradesh.

The company had 302 branches as on 30 September 2025. The management has implemented in-house surveillance systems for the security of its vaults, internal/surprise audit processes, and has taken insurance on gold against theft and frauds. The company also extends microfinance loans in Kerala, which contribute 5% to its AUM. Given the long historical presence of the group in Kerala, CCIL has visibility in the local market, which helps it in sourcing NCDs from retail and high-net-worth individual investors.

**Stable Asset Quality:** CCIL extends loans with a six-month bullet principal repayment, wherein interest accrues monthly. The gross non-performing assets (NPA) and net NPA were 1.4% and 0.82%, respectively, at 2QFY26 (FY25: 1.65% and 1.18%). The gross NPA increased because of a higher delinquency in the microfinance portfolio. Although the borrower class is vulnerable, the ultimate credit loss is limited due to the loan-to-value (LTV) being capped at 75%, as per regulatory requirements, at the time of disbursements, and the liquid nature of the collateral.

Being in the gold loan business, CCIL's credit cost has always been modest and largely stable through the loan cycle, leading to better operating profit buffers. The agency believes maintaining adequate LTV buffers and timely auctions and recoveries will be critical for CCIL to sustain stable asset quality.

**Evolving is Profitability with Reduction in Expansion-related Operating Expenses**: CCIL had 302 branches as at 2QFYE26 (FYE21: 132 branches), leading to an increase in its operating expenses to average asset to 9.6% (FY25: 10.4%, FY24: 9.4%). The company does not plan to open new branches this year and plans to focus on increasing AUM per branch. The company's operating costs have been elevated as it is yet to reach the optimum level of AUM per branch (2QFY26: INR20.8 million; 1QFY26: INR20.6 million; FY25: INR18.7 million; FY24: INR18.6 million). CCIL's AUM per branch is lower than that of other gold financiers, indicating the available headroom to benefit from the economies of scale as it grows its loan book. The healthy net interest margins and low credit cost, although moderated by heavy operating cost, translated into a moderate return on average assets of 1.75 % in 2QFY26 (FY25: 0.36%; FY24: 0.30%). Ind-Ra opines the company's profitability will be dependent on its ability to grow its AUM while controlling operating costs.

**Moderate Capitalisation:** The company's tier-1 capital adequacy stood at 16% in 2QFY26 (FY25: 15.89%; FY24: 14.43%) and the overall capital adequacy stood at 24.1% (25.26%; 21.84%), supported by its ability to raise subordinated debt from retail investors. The promoters had infused capital of INR200 million in 2HFY25. Ind-Ra believes CCIL's capitalisation levels will need to be further increased to support the management's growth strategy while maintaining the leverage at moderate levels (2QFYE26: 4.6x; FYE25: 4.6x; FYE24: 5.7x).

**Medium Scale of Operations; High Regional Concentration:** CCIL mainly operates in Kerala and Tamil Nadu, which jointly accounted for 65% of the loan book in 2QFY26 (FY25: 70%; FY24: 80%). Furthermore, increased competition in the southern markets since FY21 has limited the company's growth potential. However, since 2021, CCIL has been diversifying into other geographies, enabling it to grow its loan book to INR6328 million at 2QFYE26 (FYE25: INR5,548 million, FYE24: INR4,905 million). CCIL extends small-tenor loans; therefore, the disbursement momentum is critical for growth in the loan book. CCIL's continued growth will depend on its ability to expand its presence in other states while maintaining its share in the southern market. Growth in CCIL's loan book has been slower than that of its peers with a similar vintage. Hence, Ind-Ra believes a strengthened franchise and significant/sustainable growth in the portfolio, while maintaining its asset quality, capitalisation and liquidity, would be a key rating monitorable.

**Concentrated Funding Profile:** CCIL's funding mix comprised NCDs (57%), subordinated debts (33%) and term loans from banks (10%) as on 30 September 2025. The company had a leverage of 4.6x at end-September 2025. The NCD and subordinated debt investors mostly consist of individuals from Kerala and Tamil Nadu. The funding profile remains skewed towards subordinated debt and NCDs, and Ind-Ra opines diversification across bank borrowings would remain a key driver.

## Liquidity

**Adequate:** As 90% of the loan book comprises short-term gold loans, there were no negative cumulative mismatches in any of the time buckets in CCIL's asset-liability statement at end-September 2025. As per Ind Ra's stress-case scenario, the company's asset-liability profile reflects a positive surplus up to one year.

## Rating Sensitivities

**Positive**: A significant increase in the scale of operations while maintaining the asset quality, and an improvement in the geographical diversification, profitability and funding diversification, all on a sustained basis, could lead to a positive rating action.

**Negative**: A negative rating action could result from:

- the leverage exceeding 6.0x, on a sustained basis, and the inability to scale up operations;
- deterioration in the funding and liquidity buffers, and a decline in the profitability and asset quality on a sustained basis.

## Any Other Information

Not applicable

## 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 CCIL, 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.

## About the Company

Kerala-based CCIL is a non-deposit taking NBFC that lends money against high-yielding gold jewellery. It had around 302 branches at end-September 2025, mainly in the southern region of India. The company is promoted by Chemmanur Devassykutty Boby, who holds an 88% stake. The AUM of the company was around INR328 million as of September 2025.

## Key Financial Indicators

| Particulars (INR million) | FY25 | FY24 |
|---|---|---|
| Total assets | 6,931 | 6,350 |
| Total equity | 1,124 | 890 |
| Net profit | 24.6 | 17.4 |
| Return on average assets (%) | 0.36 | 0.30 |
| Tier 1 capital (%) | 15.89 | 14.4 |
| Source: Company, Ind-Ra | | |

## Correction in Previous Rating Action Commentary

Ind-Ra updates the rating action commentary published on 24 September 2025 to withdraw the ISIN INE051307BC4 which was matured on 15 Aug 2025 under the Annexure.

## Status of Non-Cooperation with previous rating agency

Not applicable

## Rating History

| Instrument Type | Rating Type | Rated Limits (million) | Current Rating/Outlook | Historical Rating/Outlook | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | 24 September 2025 | 30 April 2025 | 3 April 2025 | 25 June 2024 | 25 January 2024 |
| Bank loan facilities | Long-term | INR1,000 | IND BBB-/Stable | IND BBB-/Stable | IND BBB-/Stable | IND BBB-/Stable | IND BBB-/Stable | IND BBB-/Stable |
| Non-convertible debentures | Long-term | INR4,607.66 | IND BBB-/Stable | IND BBB-/Stable | IND BBB-/Stable | IND BBB-/Stable | IND BBB-/Stable | IND BBB-/Stable |

## Bank wise Facilities Details

The details are as reported by the issuer as on (04 Feb 2026)

| # | Bank Name | Instrument Description | Rated Amount (INR million) | Rating |
|---|---|---|---|---|
| 1 | State Bank of India | Bank Loan | 250 | IND BBB-/Stable |
| 2 | Federal Bank | Bank loan | 300 | IND BBB-/Stable |
| 3 | Dhanlaxmi Bank | Bank Loan | 50 | IND BBB-/Stable |
| 4 | State Bank of India | Bank loan | 250 | IND BBB-/Stable |
| 5 | Dhanlaxmi Bank | Bank loan | 50 | IND BBB-/Stable |
| 6 | Indian Overseas Bank | Bank loan | 100 | IND BBB-/Stable |

## Complexity Level of the Instruments

| Instrument Type | Complexity Indicator |
|---|---|
| Bank loan facilities | Low |
| Non-convertible debentures | Low |

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

## Annexure

| Instrument Type | ISIN | Date of Issuance | Coupon Rate (%) | Maturity Date | Outstanding/Rated Amount (million) | Rating/Outlook |
|---|---|---|---|---|---|---|
| Non-convertible debentures | INE051307AV6 | 11 March 2024 | 10.75 | 10 March 2026 | INR40.175 | IND BBB-/Stable |
| Non-convertible debentures | INE051307AU8 | 11 March 2024 | 11 | 10 March 2027 | INR47.542 | IND BBB-/Stable |
| Non-convertible debentures | INE051307AT0 | 11 March 2024 | 11.5 | 10 March 2029 | INR87.857 | IND BBB-/Stable |
| Non-convertible debentures | INE051307AR4 | 11 March 2024 | 0.00 | 10 March 2026 | INR43.087 | IND BBB-/Stable |
| Non-convertible debentures | INE051307AQ6 | 11 March 2024 | 0.00 | 11 March 2030 | INR70.131 | IND BBB-/Stable |
| Non-convertible debentures | INE051307AY0 | 14 August 2024 | 0.00 | 13 June 2030 | INR74.664 | IND BBB-/Stable |

| | | | | | | |
|---|---|---|---|---|---|---|
| Non-convertible debentures | INE051307AZ7 | 14 August 2024 | 10.75 | 13 February2026 | INR175.466 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BA8 | 14 August 2024 | 11 | 13 August2026 | INR82.973 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BB6 | 14 August 2024 | 11.25 | 13 August2027 | INR25.261 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BD2 | 14 August 2024 | 12 | 13 August 2029 | INR100.384 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BE0 | 14 August 2024 | 0.00 | 13 August 2026 | INR54.702 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BF7 | 14 August 2024 | 0.00 | 13 August 2029 | INR1.763 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BK7 | 17 January 2025 | 12 | 16 January 2030 | INR121.92 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BM3 | 17 January 2025 | 12.1 | 16 January 2030 | INR2.40 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BL5 | 17 January 2025 | 11.15 | 17 January 2028 | INR5.34 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BJ9 | 17 January 2025 | 11 | 16 January 2027 | INR149.11 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BI1 | 17 January 2025 | 10.75 | 16 July 2026 | INR101.45 | IND BBB-/Stable |
| Non-convertible debentures* | INE051307BH3 | 17 January 2025 | 9.5 | 19 January 2026 | INR40.23 | WD |
| Non-convertible debentures | INE051307BO9 | 17 January 2025 | 0 | 16 November 2030 | INR79.89 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BP6 | 17 January 2025 | 0 | 16 January 2027 | INR61.63 | IND BBB-/Stable |
| Non-convertible debentures* | INE051307BN1 | 17 January 2025 | 0 | 19 January 2026 | INR74.71 | WD |
| Non-convertible debentures | INE051307BV4 | 20 June 2025 | 0 | 19 April 2031 | INR109.70 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BT8 | 20 June 2025 | 12 | 19 June 2030 | INR198.74 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BU6 | 20 June 2025 | 11.3 | 20 June 2028 | INR75.37 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BR2 | 20 June 2025 | 10.9 | 19 June 2027 | INR63.59 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BS0 | 20 June 2025 | 0 | 19 June 2027 | INR82.33 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BQ4 | 20 June 2025 | 10.5 | 19 December 2026 | INR182.87 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BW2 | 20 June 2025 | 0 | 21 June 2026 | INR120.77 | IND BBB-/Stable |
| Non-convertible debentures | INE051307CA6 | 10 November 2025 | 12 | 9 November 2030 | INR209.40 | IND BBB-/Stable |
| Non-convertible debentures | INE051307CD0 | 10 November 2025 | 11.3 | 10 November 2028 | INR94.20 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BY8 | 10 November 2025 | 10.9 | 10 November 2027 | INR98.63 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BZ5 | 10 November 2025 | 10.5 | 11 May 2027 | INR143.74 | IND BBB-/Stable |
| Non-convertible debentures | INE051307CC2 | 10 November 2025 | 0 | 10 September 2031 | INR159.45 | IND BBB-/Stable |
| Non-convertible debentures | INE051307BX0 | 10 November 2025 | 0 | 10 November 2027 | INR 103.53 | IND BBB-/Stable |
| Non-convertible debentures | INE051307CB4 | 10 November 2025 | 0 | 11 November 2026 | INR126.39 | IND BBB-/Stable |

| | | | | | | |
|---|---|---|---|---|---|---|
| Non-convertible debentures (Unutilized) | - | - | - | - | INR1,513.21 | IND BBB-/Stable |
| Non-convertible debentures (Utilised) | - | - | - | - | INR3,094.45 | IND BBB-/Stable |
| Total# | - | - | - | - | INR4,607.66 | IND BBB-/Stable |
| Source: NSDL, Company<br>*Paid in full<br># Does not include withdrawn NCDs | | | | | | |

## Contact

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## About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

## Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by 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.

## APPLICABLE CRITERIA AND POLICIES

**Evaluating Corporate Governance**

**Financial Institutions Rating Criteria**

**Non-Bank Finance Companies Criteria**

**The Rating Process**


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**ANNEXURE III- CONSENT OF THE DEBENTURE TRUSTEE**

APPENDED OVERLEAF

Ref: 231/MCTSL/DT/2025-26 February 6, 2026

**To,**
**Chemmanur Credits and Investments Limited**
Door No. D1 to D4, 3rd Floor,
Avenue Tower, East Fort,
Thrissur East, Thrissur,
Kerala, India – 680005

Dear Ma'am/Sir

***Sub: Proposed public offering of Secured Redeemable Non-Convertible Debenture of face value of ₹ 1,000 each ("NCDs") amounting up to ₹ 5000 Lakhs ("Base Issue"), with an option to retain over-subscription up to ₹ 5000 Lakhs, aggregating up to ₹ 10000 Lakhs ("Issue") by Chemmanur Credits and Investments Limited ("Company" or "Issuer")***

We, the undersigned, hereby consent to be named as the debenture trustee to the Issue ("Debenture Trustee") and to our name being inserted as the Debenture Trustee to the Issue in the draft prospectus ("Draft Prospectus") to be filed with the BSE Limited ("Stock Exchange") and to be forwarded to Securities and Exchange Board of India ("SEBI") and the Prospectus ("Prospectus") to be filed with the Registrar of Companies, Kerala and Lakshadweep ("RoC"), Stock Exchange and to be forwarded to SEBI in respect of the Issue and also in all related advertisements and communications sent pursuant to the Issue. The following details with respect to us may be disclosed:

| | |
|---|---|
| Name | : MITCON Credentia Trusteeship Services Limited |
| Address | : 1402/1403, B wing, Dalamal Tower, 14th Floor, Free Press Journal Marg, 211 Nariman Point, Mumbai 400 021, Maharashtra, India |
| Tel | : (91) (22) 22828200 |
| Fax | : (91) (22) 22024553 |
| Email | : contact@mitconcredentia.in |
| Investor Grievance Mail | : investorgrievances@mitconcredentia.in |
| Website | : www.mitconcredentia.in |
| Contact Person | : Ms. Vaishali Urkude |
| SEBI Registration No | : IND000000596 |
| Logo | : MITCON CREDENTIA PARTNER WITH TRUSTED CREDENTIALS |
| CIN | : U93000PN2018PLC180330 |

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues. We confirm that we have not been prohibited to act as a debenture trustee by the SEBI.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

We confirm that we will immediately in writing inform the Company and the Lead Manager of any change to the above information until the date when the proposed public issue of NCDs commence trading on the Stock Exchange. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This letter may be relied upon by you, the Lead Manager and the legal advisor to the Issue in respect of the Issue.

**Sincerely,**
**For MITCON Credentia Trusteeship Services Limited**



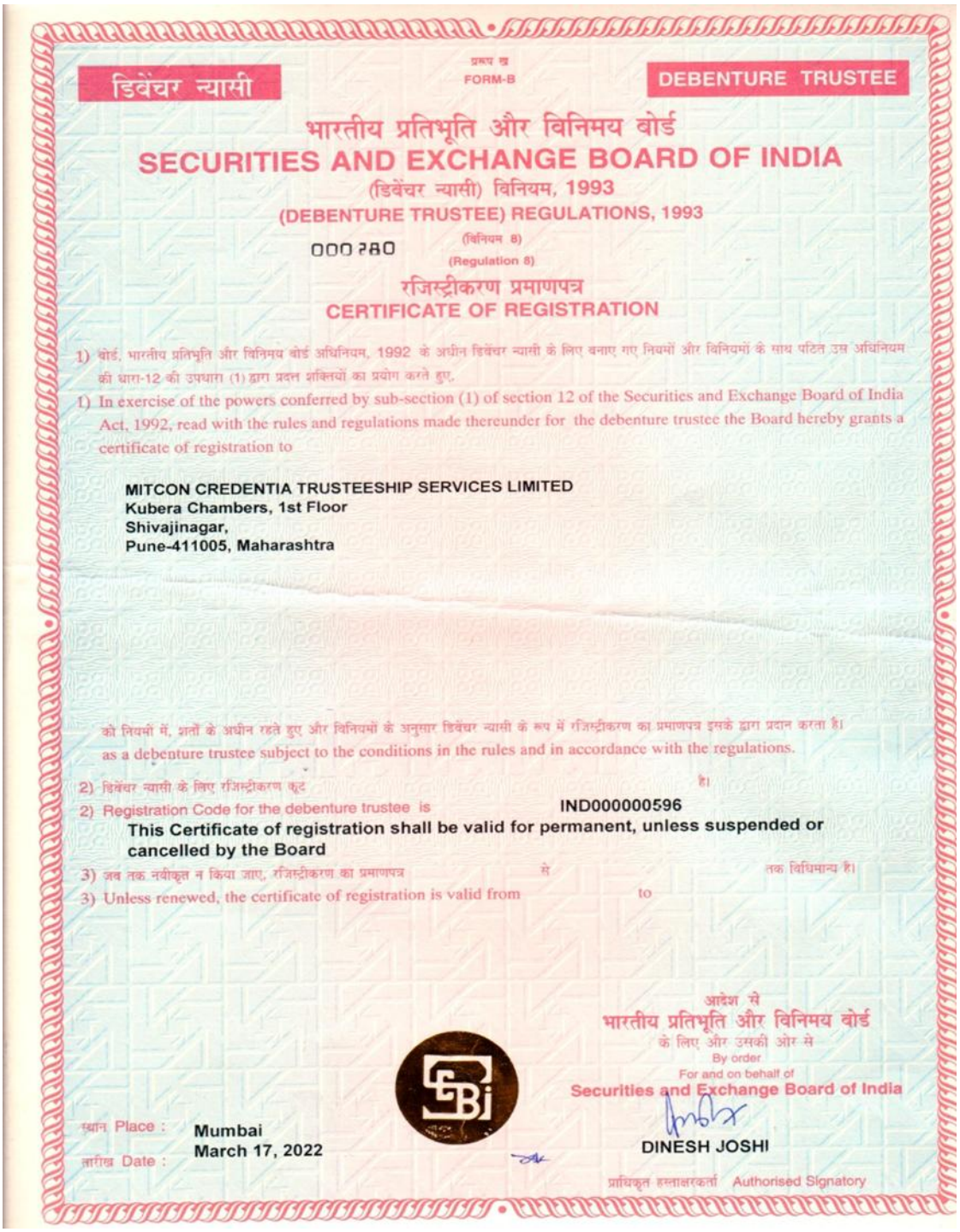

**Name: Priyanka Shrungare**
**Designation: Compliance Officer**

**CC:**

**Vivro Financial Services Private Limited**
Vivro House
11, Shashi Colony,
Opposite Suvidha Shopping Center,
Paldi, Ahmedabad - 380007
Gujarat, India

**Khaitan & Co**
One World Centre
10th , 13th & 14th Floor, Tower 1C,
Senapati Bapat Marg,
Mumbai 400 013
Maharashtra, India

**Annexure A**



डिबेंचर न्यासी

प्रपत्र ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA
(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000280

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED
Kubera Chambers, 1st Floor
Shivajinagar,
Pune-411005, Maharashtra

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is IND000000596

This Certificate of registration shall be valid for permanent, unless suspended or cancelled by the Board

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

DINESH JOSHI
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

स्थान Place : Mumbai
तारीख Date : March 17, 2022

**Annexure B**

September 26, 2025

**Chemmanur Credits and Investments Limited**
Door No. D1 to D4, 3rd Floor,
Avenue Tower, East Fort,
Thrissur East, Thrissur,
Kerala, India – 680005

Dear Ma'am/Sir

***Sub: Proposed public offering of Secured Redeemable Non-Convertible Debenture of face value of ₹ 1,000 each ("NCDs") amounting up to ₹ 50 crore ("Base Issue"), with an option to retain over-subscription up to ₹ 50 crore, aggregating up to ₹ 100 crore ("Issue") by Chemmanur Credits and Investments Limited ("Company" or "Issuer")***

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India ("**SEBI**") as a Debenture Trustee is true and correct:

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>1.</td><td>Registration Number</td><td>IND000000596</td></tr>
<tr><td>2.</td><td>Date of registration/ Renewal of registration</td><td>March 17, 2022</td></tr>
<tr><td>3.</td><td>Date of expiry of registration</td><td>Permanent registration</td></tr>
<tr><td>4.</td><td>If applied for renewal, date of application</td><td>Not Applicable</td></tr>
<tr><td>5.</td><td>Any communication from SEBI prohibiting the entity from acting as an intermediary</td><td>None</td></tr>
<tr><td>6.</td><td>Any enquiry/ investigation being conducted by SEBI</td><td>Nil at present</td></tr>
<tr><td>7.</td><td>Details of any penalty imposed by SEBI</td><td>
<table>
<tr><th>Sr. No.</th><th>Adjudication Order Date</th><th>Penalty Provision</th><th>Penalty (Rs.)</th><th>Remarks</th></tr>
<tr><td>1</td><td>March 18, 2024</td><td>15HB OF SEBI Act, 1992</td><td>Rs. 2,00,000/- (Rs. Two Lakhs Only)</td><td>In the matter of Pride Properties Private Limited</td></tr>
</table>
</td></tr>
</table>

We hereby enclose a copy of our SEBI registration certificate.

We shall immediately in writing intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the relevant Stock Exchange. In the absence of any such communication the listing and trading of the non-convertible debentures on the relevant Stock Exchange.

**For MITCON Credentia Trusteeship Services Limited**




**Name: Priyanka Shrungare**
**Designation: Compliance Officer**

**ANNEXURE IV- FINANCIAL STATEMENTS**

APPENDED OVERLEAF

C M JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
MRA 5A, SAN Clinic Building, Pallath Lane,
Mount Carmel Church Road, Mamangalam,
Palarivattom P.O., Ernakulam, Kerala-682025.

0484-4047884/2338303/2989303
+91 90748 17559
cmjfca@gmail.com
www.cmjassociates.in

**Independent Auditors' Limited Review Report of Unaudited quarterly and year to date Financial Results of Chemmanur Credits and Investments Limited pursuant to Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended.**

To,

The Board of Directors
Chemmanur Credits and Investment Limited
Third Floor, Avenue Tower,
East Fort, Thrissur- 680005,
Kerala, India

Dear Sir/Madam,

1. This review report is issued in accordance with the terms of our engagement letter dated 24th January 2026.

2. We have reviewed the accompanying Statement of Unaudited Financial Results of Chemmanur Credits and Investments Limited (the "**Company**"), for the quarter ended December, 2025, and year to date results for the period from April 01, 2025 to December 31, 2025 together with the related notes thereon (hereinafter referred to as the "**Statement of Unaudited Financial Results**") prepared by the management of the Company pursuant to the requirements of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

**Management's Responsibility**

3. The preparation of the Statement of Unaudited Financial Results in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) – "Interim Financial Reporting", 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 and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**"), is the responsibility of the Management of the Company, including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and

presentation of the Statement of Unaudited Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error and also applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

4. We conducted our review of the Statement of Unaudited Financial Results 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 from material misstatement.

5. A review interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

**Conclusion**

6. Based on our review conducted as above, nothing have come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results, has not been prepared in all material aspect, in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the SEBI Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For C.M. Joseph & Associates**

Chartered Accountants
Firm's Registration Number: **006408S**

C.M. Joseph, FCA, DISA (ICAI)
Partner
M. No.: 202800
UDIN: 26202800EEGGER8695
Place: Ernakulam
Date: 02.02.2026

**CHEMMANUR CREDITS AND INVESTMENTS LIMITED**
**CIN: U65923KL2008PLC023560**
**DOOR NO. D1 TO D4, 3RD FLOOR, AVENUE TOWER, EAST FORT, THRISSUR-680005.**
**STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2025**

₹ in Lakhs except Face Value of Shares and EPS

| Particulars | 3 Months ended December 31, 2025 | Preceding 3 months ended September 30, 2025 | Corresponding 3 months ended December 31, 2024 | Year ended March 31, 2025 | Year to date figures for period ended December 31, 2025 | Year to date figures for period ended December 31, 2024 |
|---|---|---|---|---|---|---|
| | Unaudited | Unaudited | Unaudited | Audited | Unaudited | Unaudited |
| **Revenue from operations** | | | | | | |
| Interest income | 4,443.79 | 4,118.36 | 3,303.69 | 12,323.88 | 12,286.04 | 8,870.40 |
| Dividend income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rental income | 25.42 | 25.43 | 25.42 | 99.15 | 76.27 | 73.73 |
| Fees and commission income | 181.85 | 241.95 | 165.03 | 758.08 | 617.10 | 424.49 |
| **Total revenue from operations** | **4,651.06** | **4,385.74** | **3,494.14** | **13,181.11** | **12,979.41** | **9,368.62** |
| Other income | 47.31 | 0.81 | 86.66 | 992.86 | 48.68 | 1,018.62 |
| **Total income** | **4,698.37** | **4,386.55** | **3,580.80** | **14,173.97** | **13,028.09** | **10,387.24** |
| **Expenses** | | | | | | |
| Finance costs | 1,969.92 | 1,894.36 | 1,636.79 | 6,659.74 | 5,688.23 | 4,795.53 |
| Impairment of financial instruments | 25.84 | 146.49 | 21.55 | 99.50 | 171.46 | 78.89 |
| Employee benefit expenses | 1,148.17 | 1,177.28 | 1,130.86 | 4,455.67 | 3,422.47 | 3,377.96 |
| Depreciation, amortisation and impairment | 117.47 | 112.34 | 125.46 | 818.01 | 382.31 | 540.05 |
| Other expenses | 492.66 | 571.37 | 585.39 | 1,665.15 | 1,600.62 | 1,306.19 |
| **Total expenses** | **3,754.06** | **3,901.84** | **3,500.05** | **13,698.07** | **11,265.09** | **10,098.62** |
| | | | | | | |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

| | | | | | | |
|---|---|---|---|---|---|---|
| **Profit/ (loss) before tax** | **944.31** | **484.71** | **80.75** | **475.90** | **1,763.00** | **288.62** |
| Tax expenses | | | | | | |
| (i) Current tax | | | | | | |
| - Related to current year | 238.01 | 168.85 | 0.00 | 0.00 | 483.66 | 0.00 |
| - Related to prior years | 0.00 | 0.00 | 0.00 | 2.63 | 0.00 | 0.00 |
| (ii) Deferred tax | 5.94 | -9.26 | 38.59 | 225.28 | 17.81 | 186.30 |
| **Profit/ (loss) for the period** | **700.36** | **325.12** | **42.16** | **247.99** | **1,261.53** | **102.32** |
| **Other comprehensive income/(loss)** | | | | | | |
| ***(i) Items that will not be reclassified to profit or loss*** | | | | | | |
| Remeasurement gain/ (loss) on defined benefit plan | 0.00 | 0.00 | 0.00 | -11.88 | 0.00 | 0.00 |
| ***(ii) Income tax relating to items above*** | 0.00 | 0.00 | 0.00 | 2.99 | 0.00 | 0.00 |
| **Total other comprehensive income/(loss)** | **0.00** | **0.00** | **0.00** | **-8.89** | **0.00** | **0.00** |
| **Total comprehensive income(loss) for the period** | **700.36** | **325.12** | **42.16** | **239.10** | **1,261.53** | **102.32** |
| **Earnings per share** | | | | | | |
| Basic (₹) | 0.93 | 0.44 | 0.07 | 0.38 | 1.68 | 0.16 |
| Diluted (₹) | 0.93 | 0.44 | 0.07 | 0.38 | 1.68 | 0.16 |
| Face value per share (₹) | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |

See accompanying notes to financial results

For Chemmanur Credits and Investments Limited

Boby C D
Chairman and Managing Director
DIN: 00046095

Place : Thrissur
Date : February 02, 2026

CHEMMANUR CREDITS AND INVESTMENTS LTD
CORPORATE OFFICE
THRISSUR

**Notes :**

1. The above unaudited financial statements were reviewed by the Audit Committee in their meeting held on February 2, 2026 and recommended to the Board for approval. The unaudited Financial Statements for the period ended December 31, 2025 has been approved by Board of Directors at their meeting held on February 2, 2026.

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, 2022. 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 as per Notification No. C S.R. 1022(E) dated 11.10.2018 issued by Ministry of Corporate Affairs, Government of India.

3. The working results have been arrived at after considering impairment as per Indian Accounting Standards, provisions, depreciation on fixed assets and other usual and necessary provision.

4. In compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 a 'Limited review' of standalone financial results for the period ended on December 31, 2025 have been carried out by the Statutory Auditor of the company.

5. Previous year figures have been regrouped/reclassified wherever necessary to confirm to current year provision.

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. Earnings per share are reported for the quarter, period or year ended as applicable.

8. Disclosure pursuant to Regulation 54 of Securities and Exchange Board of India(Listing Obligation and Disclosure Requirements)Regulation ,2015

   a) Nature of security created and maintained with respect to secured listed non-convertible debt securities is:

      Non-Convertible Debentures allotted under Public issue I, II ,III,IV,V,VI and VII are secured by way of first ranking pari-passu charge with existing secured creditors, on all movable assets including book debts and receivables, cash and bank balances, loans and advances both present and future of the Company (excluding (a) reserves created in accordance with law; (b)receivables of the Company ,fixed deposits, cash collateral, immovable and movable assets over which exclusive charge is created in favour of State Bank of India, Dhanalaxmi Bank, Federal bank or any other lender), such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.

   b) The Company has maintained requisite full asset cover by way of first ranking pari passu charge with existing secured creditors, on all movable assets, including book debts and receivables, cash and bank balances, loans and advances both present and future of the Company (excluding (a) reserves created in accordance with law; (b) receivables of the Company, fixed deposits, cash collateral, immovable and movable assets over which exclusive charge is created in favour of State Bank of India, Dhanlaxmi Bank, Federal bank or any other lender), such that a security cover to

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.

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. Reserves and Surplus includes statutory reserve as per section 45 IC of Reserve Bank of India Act 1934, General Reserve and Retained Earnings.

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 period ended December 31, 2025.
    b. The company has not transferred or acquired any stressed loans during the period ended December 31, 2025.
12. Disclosure under regulation 52(7) and 52(7A) has been made in Annexure II.

13. The security cover certificate for the period ended December 31, 2025, as per Regulation 54(3) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 is attached as Annexure III.

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

**Annexure I**

Information required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) regulations, 2015

| Sl No. | Particulars | Period ended Dec 31, 2025 |
|---|---|---|
| 1 | Debenture Redemption Reserve (note 10) | Nil |
| 2 | Net Worth (note 1) | 12190.9 Lakhs |
| 3 | Net Profit/(Loss) After Tax | 1261.53 Lakhs |
| 4 | Earning Per Share(Face Value Rs. 10) | ₹ 1.68 |
| 5 | Debt Equity Ratio (note 2) | 4.96 times |
| 6 | Debt Service Coverage Ratio* | Not Applicable |
| 7 | Interest Service Coverage Ratio* | Not Applicable |
| 8 | Outstanding Redeemable Preference Shares | Nil |
| 9 | Capital Redemption Reserve/Debenture Redemption Reserve | Nil |
| 10 | Current Ratio (note 3)* | 2.83 times^ |
| 11 | Long Term Debt to Working Capital (note 4)* | 0.9 times^ |
| 12 | Bad Debts to Account Receivable Ratio (note 5)* | 0 times |
| 13 | Current Liability Ratio (note 6)* | 0.32 times^ |
| 14 | Total Debts to Total Assets (note 7)* | 77.49% |
| 15 | Debtors Turnover* | Not Applicable |
| 16 | Inventory Turnover* | Not Applicable |
| 17 | Operating Margin* | Not Applicable |
| 18 | Net Profit Margin (note 8) | 9.68% |
| 19 | Sector Specific Equivalent Ratios (note 9) | |
| | a. Gross NPA | 1.46% |
| | b. Net NPA | 0.82% |
| | c. CRAR | 24.63% |

*The Company is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company. Hence these ratios are generally not applicable.

^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 as per Notification No. C.S.R. 1022(E) dated 11.10.2018, issued by Ministry of Corporate Affairs, Government of India, the Company has worked out these ratios by considering the maturity of assets and liabilities.

**Notes:**

1 Net Worth = Equity Share Capital + Other Equity - Deferred Tax Asset(Net)-Deferred Revenue Expenditure-Unamortised expenses of Public issues
2 Debt Equity Ratio = Total Debt (Borrowings) / Total Equity
3 Current Ratio = Current Assets / Current Liabilities. (Based on the maturity of assets/liabilities)
4 'Long Term Debt to Working Capital = (Non-current portion of Non-Convertible Debentures, Subordinated Liabilities, Term Loan Bank + Lease Liabilities)/(Current Assets-Current Liabilities)
5 Bad Debts to Account Receivables Ratio = Bad Debts / Gross AUM
6 Current Liability Ratio = Current Liability / Total Liabilities
7 Total Debts to Total Assets = Total Debt (Borrowings)/ Total Assets
9 Gross and Net NPA are as per RBI Prudential Norms
10 Creation of Debenture Redemption Reserve is not applicable to NBFCs pursuant to notification issued by Ministry of Corporate Affairs on August 16, 2019 in exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013). The Company has deposited the sum of 15% of the amount of its debentures maturing during the Year ending on 31st March, 2025.

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

**Annexure II**

Disclosure under regulation 52(7) and 52(7A)

**A.** Statement of utilization of issue proceeds

| **Statement of Utilization of issue proceeds: (In Lakhs)** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Name of the Issuer (1)** | **ISIN (2)** | **Mode of Fund Raising (Public Issues/Private Placement) (3)** | **Type of instrument (4)** | **Date of raising funds (5)** | **Amount raised (in ₹ lakhs) (6)** | **Fund Utilized (in ₹ lakhs) (7)** | **Any deviation (Yes/No) (8)** | **If (8) is Yes, then specify the purpose for which the funds were utilized (9)** | **Remarks, if any (10)** |
| Chemmanur Credits and Investments Limited | INE051307986<br>INE051307978<br>INE051307994<br>INE051307AA0<br>INE051307AB8<br>INE051307AC6<br>INE051307AD4<br>INE051307AE2 | Public Issue-I | Secured Redeemable Non Convertible Debentures | 12/01/2023 | 9,222.69 | 9,222.69 | No | NA | Nil |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Chemmanur Credits and Investments Limited | INE051307AP8<br>INE051307AO1<br>INE051307AN3<br>INE051307AJ1<br>INE051307AM5<br>INE051307AL7<br>INE051307AI3<br>INE051307AK9 | Public Issue-II | Secured Redeemable Non Convertible Debentures | 03/11/2023 | 6,021.11 | 6,021.11 | No | NA | Nil |
| Chemmanur Credits and Investments Limited | INE051307AX2<br>INE051307AW4<br>INE051307AV6<br>INE051307AU8<br>INE051307AT0<br>INE051307AS2<br>INE051307AR4<br>INE051307AQ6 | Public Issue-III | Secured Redeemable Non Convertible Debentures | 11/03/2024 | 4814.02 | 4814.02 | No | NA | Nil |



| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Chemmanur Credits and Investments Limited | INE051307BC4<br>INE051307AZ7<br>INE051307BA8<br>INE051307BB6<br>INE051307BD2<br>INE051307BG5<br>INE051307BE0<br>INE051307BF7<br>INE051307AY0 | Public Issue - IV | Secured Redeemable, Non-Convertible Debentures | 14.08.2024 | 6,000.00 | 6,000.00 | No | NA | Nil |
| Chemmanur Credits and Investments Limited | INE051307BH3<br>INE051307BI1<br>INE051307BJ9<br>INE051307BK7<br>INE051307BL5<br>INE051307BM3<br>INE051307BNI<br>INE051307BP6<br>INE051307BO9 | Public Issue-V | Secured Redeemable, Non-Convertible Debentures | 17.01.2025 | 6,367.14 | 6,367.14 | No | NA | Nil |
| Chemmanur Credits and Investments Limited | INE051307BQ4<br>INE051307BR2<br>INE051307BU6<br>INE051307BT8<br>INE051307BW2<br>INE051307BS0<br>INE051307BV4 | Public Issue-VI | Secured Redeemable, Non-Convertible Debentures | 20.06.2025 | 8,334.00 | 8,334.00 | No | NA | Nil |

CHEMMANUR CREDITS AND INVESTMENTS LTD
CORPORATE OFFICE
THRISSUR

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Chemmanur Credits and Investments Limited | INE051307BZ5<br>INE051307BY8<br>INE051307CD0<br>INE051307CA6<br>INE051307CB4<br>INE051307BX0<br>INE051307CC2 | Public Issue-VII | Secured Redeemable, Non-Convertible Debentures | 10.11.2025 | 9,353.77 | 9,353.77 | No | NA | Nil |



**B. Statement of Deviation/ Variation in use of proceeds:**

| Particulars | NCD-I | NCD-II | NCD-III | NCD-IV | NCD-V | NCD-VI | NCD-VII |
|---|---|---|---|---|---|---|---|
| Name of listed entity | Chemmanur Credits and Investments Limited | Chemmanur Credits and Investments Limited | Chemmanur Credits and Investments Limited | Chemmanur Credits and Investments Limited | Chemmanur Credits and Investments Limited | Chemmanur Credits and Investments Limited | Chemmanur Credits and Investments Limited |
| Mode of fund raising | Public issue | Public issue | Public issue | Public issue | Public issue | Public issue | Public issue |
| Type of instrument | Non-convertible Securities | Non-convertible Securities | Non-convertible Securities | Non-convertible Securities | Non-convertible Securities | Non-convertible Securities | Non-convertible Securities |
| Date of raising funds | 12/01/2023 | 03/11/2023 | 11/03/2024 | 14/08/2024 | 17/01/2025 | 20/06/2025 | 10/11/2025 |
| Amount raised | Rs. 92.23 Crore | Rs. 60.21 Crore | Rs.48.14 Crore | Rs.60.00 Crore | Rs.63.67 Crore | Rs.83.34 Crore | Rs.93.54 Crore |
| Report filed for quarter ended | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Is there a deviation/ variation in use of funds raised? | No | No | No | No | No | No | No |
| Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document? | No | No | No | No | No | No | No |
| If yes, details of the approval so required? | NA | NA | NA | NA | NA | NA | NA |
| Date of approval | NA | NA | NA | NA | NA | NA | NA |
| Explanation for the deviation/ variation | NA | NA | NA | NA | NA | NA | NA |
| Comments of the audit committee after review | NA | NA | NA | NA | NA | NA | NA |
| Comments of the auditors, if any | NA | NA | NA | NA | NA | NA | NA |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

## Annexure III

## Security Cover

(₹ In Lakhs)

*Does not include adjustments relating to Effective Interest Rate (EIR) as per Ind AS

| Column A | Column B | Column C [i] | Column D [ii] | Column E [iii] | Column F [iv] | Column G [v] | Column H [vi] | Column I [vii] | Column J | Column K | Column L | Column M | Column N | Column O |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Particulars | Description of asset for which this certificate relate | Exclusive Charge<br>Debt for which this certificate being issued | Exclusive Charge<br>Other Secured Debt | Pari-Passu Charge<br>Debt for which this certificate being issued | Pari-Passu Charge<br>Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge) | Pari-Passu Charge<br>Other assets on which there is pari-Passu charge (excluding items Covered in column F) | Assets not offered as Security | Elimination (amount in negative)<br>debt amount considered more than once (due to exclusive plus pari passu charge) | (Total C to H) | Related to only those items covered by this certificate | | | | |
| | | | | | | | | | | 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[viii] | 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 | | 0 | 0 | No | 0 | 0 | 3,098.49 | 0 | 3,098.49 | 0 | 0 | 0 | 0 | 0 |
| Capital Work-in-Progress | | 0 | 0 | No | 0 | 0 | - | 0 | - | 0 | 0 | 0 | 0 | 0 |

CHEMMANUR CREDITS AND INVESTMENTS LTD CORPORATE OFFICE THRISSUR

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Right of Use Assets | | 0 | 0 | | 0 | 0 | 792.78 | 0 | 792.78 | 0 | 0 | 0 | 0 | 0 |
| Goodwill | | 0 | 0 | | 0 | 0 | | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| Intangible Assets | | 0 | 0 | No | 0 | 0 | 2.07 | 0 | 2.07 | 0 | 0 | 0 | 0 | 0 |
| Intangible Assets under Development | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investments | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans | Gold Loan and other loan | 0 | 15,005.69 | Yes | 57,211.99 | 0 | - | 0 | 72,217.68 | | 15,005.69 | 0 | 57,211.99 | 72,217.68 |
| Inventories | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Trade Receivables | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash and Cash Equivalents | Cash and Cash Equivalents | 0 | 0 | Yes | 1,150.97 | 0 | 0 | 0 | 1,150.97 | 0 | 0 | 0 | 1,150.97 | 1,150.97 |
| Bank Balances other than Cash and Cash Equivalents | Term Deposits with Bank | 0 | 1,449.39 | No | - | 0 | 810.73 | 0 | 2,260.12 | 0 | 1,449.39 | 0 | - | 1,449.39 |
| Others | Other Current and non current asset | 0 | 0 | Yes | 3,046.81 | 0 | 151.81 | 0 | 3,198.62 | 0 | 0 | 0 | 3,046.81 | 3,046.81 |
| **Total** | | **0.00** | **16,455.08** | | **61,409.77** | **0.00** | **4,855.88** | **0.00** | **82,720.73** | **0.00** | **16,455.08** | **0.00** | **61,409.77** | **77,864.85** |
| | | **0** | | | | | | | | | | | | |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **LIABILITIES** | | | | | | | | | - | | | | | |
| | | | | | | | | | | | | | | |
| Other debt sharing pari-passu charge with above debt | | 0.00 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Debt: | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subordinated debt | | 0 | 0 | | 0 | 0 | 19,214.60 | 0 | **19,214.60** | 0 | 0 | 0 | 0 | 0 |
| Borrowings: | | | | | | | | | - | 0 | 0 | 0 | 0 | 0 |
| Bank | | 0 | 5,598.96 | | 0 | 0.00 | 0 | 0.00 | **5,598.96** | 0 | 0 | 0 | 0 | 0 |
| Debt Securities | NCD issued under private & Public placement | 0 | 0 | | 38,876.14 | 0 | 0 | 0 | **38,876.14** | 0 | 0 | 0 | 0 | 0 |
| Others | | 0 | 0 | | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | 0 |
| Trade payables | | 0 | 0 | | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | 0 |
| Lease Liabilities | | 0 | 0 | | 0 | 0 | 1,090.79 | 0 | **1,090.79** | 0 | 0 | 0 | 0 | 0 |
| Provisions | | 0 | 0 | | - | 0 | 268.77 | 0 | **268.77** | 0 | 0 | 0 | 0 | 0 |
| Others | | 0 | 0 | | 1,977.30 | 0 | 3,152.44 | 0 | **5,129.74** | 0 | 0 | 0 | 0 | 0 |
| **Total** | | **0** | **5,598.96** | | **40,853.44** | **0** | **23,726.60** | **0** | **70,179.00** | 0 | 0 | 0 | 0 | 0 |
| **Cover on Book Value** | | | 2.94 | | 1.50 | | | | | | | | | |
| **Cover on Market Value[ix]** | | | 2.94 | | 1.50 | | | | | | | | | |
| | | **Exclusive Security Cover Ratio** | 2.94 | | **Pari-Passu Security Cover Ratio** | 1.50 | | | | | | | | |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

## Related Party Transactions for the F.Y 2025-26

| SL NO | Details of the party(listed entity/subsidiary)entering into the transaction | | Details of the counterparty | | | | Value of transaction during the period from 01.04.2025 to 31.12.2025(In lakhs) | 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 | | | | Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SL NO | Name | PAN | Name | PAN | Relationship of the counter party with the listed entity or its subsidiary | Nature of transaction | amount | Opening Balance(In lakhs) | Closing Balance( In lakhs) | Nature of indebtedness(loan/issueance of debt/any) | Cost | Tenure | Nature(loans/advances/intercorporate deposits/investments) | Interest Rate(%) | Tenure | Secured/ unsecured | |
| 1 | Chemmanur Credits and Investments Limited | AADCC5470E | CD Boby | ACFPB6597C | Managing Director | Royalty | 9.00 | | | | | | | | | | |
| 2 | Chemmanur Credits and Investments Limited | AADCC5470E | T.K Thomas | AGEPT0419Q | Chief Executive Officer | Interest on NCD(Listed) | 0.75 | - | - | - | - | - | - | - | - | - | - |
| 3 | Chemmanur Credits and Investments Limited | AADCC5470E | T.K Thomas | AGEPT0419Q | Chief Executive Officer | NCD Subscription | 12.00 | - | - | - | - | - | - | - | - | - | - |
| 4 | Chemmanur Credits and Investments Limited | AADCC5470E | T.K Thomas | AGEPT0419Q | Chief Executive Officer | NCD Redemption | 5.00 | | | | | | | | | | |
| 5 | Chemmanur Credits and Investments Limited | AADCC5470E | CHEMMANNUR DEVASSYKUTTY BOSE | ACFPB6596D | Relative of Key Managerial Personnel | NCD Subscription | 100.00 | | | | | | | | | | |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6 | Chemmanur Credits and Investments Limited | AADCC5470E | DIVYA MARY MATHEW | CPWPM9927D | Relative of Key Managerial Personnel | Interest on NCD(Listed) | 0.54 | - | - | - | - | - | - | - | - | - | - |
| 7 | Chemmanur Credits and Investments Limited | AADCC5470E | Bimy Joseph | AILPJ7811K | Relative of Key Managerial Personnel | Interest on SD | 0.38 | - | - | - | - | - | - | - | - | - | - |
| 8 | Chemmanur Credits and Investments Limited | AADCC5470E | CD Boby | ACFPB6597C | Managing Director | Remuneration | 72.00 | - | - | - | - | - | - | - | - | - | - |
| 9 | Chemmanur Credits and Investments Limited | AADCC5470E | T.K Thomas | AGEPT0419Q | Chief Executive Officer | Remuneration | 27.00 | - | - | - | - | - | - | - | - | - | - |
| 10 | Chemmanur Credits and Investments Limited | AADCC5470E | Jasmine M P | ALJPJ2211L | Chief Financial Officer | Remuneration | 12.80 | - | - | - | - | - | - | - | - | - | - |
| 11 | Chemmanur Credits and Investments Limited | AADCC5470E | Anju Thomas | AZNPT4889J | Company Secretary | Remuneration | 8.85 | - | - | - | - | - | - | - | - | - | - |
| 12 | Chemmanur Credits and Investments Limited | AADCC5470E | CD Boby | ACFPB6597C | Managing Director | Rent Paid | 0.81 | - | - | - | - | - | - | - | - | - | - |
| 13 | Chemmanur Credits and Investments Limited | AADCC5470E | Chemmanur Gold Palace International Limited | AADCC4861D | Entities in which KMP of the Company has significant influence | Rental Income | 76.27 | - | - | - | - | - | - | - | - | - | - |
| 14 | Chemmanur Credits and Investments Limited | AADCC5470E | Boche Tours and Travels Pvt Ltd | AALCB0372Q | | Staff Meeting (Tour Related) | 18.13 | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | **343.52** | - | - | - | - | - | - | - | - | - | - |

CHEMMANUR CREDITS AND INVESTMENTS LTD
CORPORATE OFFICE
THRISSUR

**C M JOSEPH & ASSOCIATES**
**CHARTERED ACCOUNTANTS**
MRA 5A, SAN Clinic Building, Pallath Lane,
Mount Carmel Church Road, Mamangalam,
Palarivattom P.O., Ernakulam, Kerala - 682025.

0484-4047884/2338303/2989303
+91 90748 17559
cmjfca@gmail.com
www.cmjassociates.in

To,

The Board of Directors
Chemmanur Credits and Investment Limited
Third Floor, Avenue Tower,
East Fort, Thrissur- 680005,
Kerala, India

This certificate is issued in accordance with the SEBI (Listing Obligation and Disclosure Requirements) regulations to certify the utilisation of issue proceeds under regulation 52(7) and 52(7A) and the terms of our engagement letter dated 24.01.2026.

**Management Responsibility**

The management of the Company **Chemmanur Credits and Investments Limited** is responsible for the 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 the circumstances. They are also responsible for providing full and relevant information to us, for issuing this certificate.

**Auditor's Responsibility**

1. For the purpose of this certification, we have examined the Books of Accounts and the relevant records maintained by the Company.
2. We have conducted our examination of the information in accordance with the **"Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India"**. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
3. We have compiled 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 to the extent applicable to the assignment.

**Opinion**

We hereby certify that, according to the records examined by us and the explanation provided to us, Chemmanur Credits and Investments Limited bearing CIN U65923KL2008PLC023560 having its registered office at Third Floor, Avenue Tower, East Fort, Thrissur – 680005, has complied with regulation 52(7) and 52(7A). As required by Regulation 52(7) and Regulation 52(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit as follows:



## A. Statement of Utilisation of issue proceeds

| Statement of Utilisation of issue proceeds: | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Name of the Issuer<br><br>(1) | ISIN<br><br>(2) | Mode of Fund Raising (Public Issues/ Private Placement)<br><br>(3) | Type of instrument<br><br>(4) | Date of raising funds<br><br>(5) | Amount raised (in Rs)<br><br>(6) | Fund Utilized (in Rs)<br><br>(7) | Any deviation (Yes/No)<br><br>(8) | If (8) is Yes, then specify the purpose for which the funds were utilized<br><br>(9) | Remarks, if any<br><br>(10) |
| Chemmanur Credits and Investments Limited | INE051307986<br>INE051307978<br>INE051307994<br>INE051307AA0<br>INE051307AB8<br>INE051307AC6<br>INE051307AD4<br>INE051307AE2 | Public Issue | Secured Redeemable ,Non-Convertible Debentures | 12/01 / 2023 | 92,22,69,000/- | 92,22,69,000/- | No | NA | Nil |
| Chemmanur Credits and Investments Limited | INE051307AI3<br>INE051307AJ1<br>INE051307AK9<br>INE051307AL7<br>INE051307AM5<br>INE051307AN3<br>INE051307AO1<br>INE051307AP8 | Public Issue | Secured Redeemable ,Non-Convertible Debentures | 03/11 /2023 | 60,21,11,000/- | 60,21,11,000/- | No | NA | Nil |
| Chemmanur Credits and Investments Limited | INE051307AX2<br>INE051307AW4<br>INE051307AV6<br>INE051307AU8<br>INE051307AT0<br>INE051307AS2<br>INE051307AR4<br>INE051307AQ6 | Public Issue | Secured Redeemable ,Non-Convertible Debentures | 11/03 /2024 | 48,14,02,000/- | 48,14,02,000/- | No | NA | Nil |
| Chemmanur Credits and Investments Limited | INE051307BC4<br>INE051307AZ7<br>INE051307BA8<br>INE051307BB6<br>INE051307BD2<br>INE051307BG5<br>INE051307BE0<br>INE051307BF7<br>INE051307AY0 | Public Issue | Secured Redeemable ,Non-Convertible Debentures | 14/08 /2024 | 60,00,00,000/- | 60,00,00,000/- | No | NA | Nil |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Chemmanur Credits and Investments Limited | INE051307BH3<br>INE051307BI1<br>INE051307BJ9<br>INE051307BK7<br>INE051307BL5<br>INE051307BM3<br>INE051307BN1<br>INE051307BP6<br>INE051307BO9 | Public Issue | Secured Redeemable ,Non-Convertible Debentures | 17/01/2025 | 63,67,14,000/- | 63,67,14,000/- | No | NA | Nil |
| Chemmanur Credits and Investments Limited | INE051307BQ4<br>INE051307BR2<br>INE051307BU6<br>INE051307BT8<br>INE051307BW2<br>INE051307BS0<br>INE051307BV4 | Public Issue | Secured Redeemable ,Non-Convertible Debentures | 20/06/2025 | 83,34,00,000/- | 83,34,00,000/- | No | NA | Nil |
| Chemmanur Credits and Investments Limited | INE051307BZ5<br>INE051307BY8<br>INE051307CD0<br>INE051307CA6<br>INE051307CB4<br>INE051307BX0<br>INE051307CC2 | Public Issue | Secured Redeemable ,Non-Convertible Debentures | 10/11/2025 | 93,53,77,000/- | 93,53,77,000/- | No | NA | Nil |

No Deviation/ variation was noted in the use of issue proceeds

**Restriction on Use**

This certificate is addressed to and provided to the management of the Company, solely for the purpose of submitting the same before the Bombay Stock Exchange and should not be used for any other purpose. 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 in to whose hands it may come without our prior consent in writing.

For C.M. JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm's Registration No. 006408S

C.M. JOSEPH, FCA, DISA (ICAI)
Partner
Membership No. 202800

Place: Ernakulam
Date: 02.02.2026

UDIN: 26202800UIXTPS6542

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

C M JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
MRA 5A, SAN Clinic Building, Pallath Lane,
Mount Carmel Church Road, Mamangalam,
Palarivattom P.O., Ernakulam, Kerala - 682025.

0484-4047884/2338303/2989303
+91 90748 17559
cmjfca@gmail.com
www.cmjassociates.in

To,

The Board of Directors
Chemmanur Credits and Investment Limited
Third Floor, Avenue Tower,
East Fort, Thrissur- 680005,
Kerala, India

This certificate is issued in accordance with the terms of our engagement letter dated 24.01.2026.

The accompanying 'Statement of Security cover as at December 31, 2025' contains the details required pursuant to compliance with terms and conditions by Chemmanur Credits and Investments Limited (the Company) contained in the Debenture Trust Deed ('Deed') entered into by the company and the Debenture Trustees (hereinafter referred to as "Trustee")

**Management's Responsibility**

The management of the Company **Chemmanur Credits and Investments Limited,** is responsible for the 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 the circumstances. They are also responsible for providing full and relevant information to us, for issuing this certificate.

**Auditor's Responsibility**

1. For the purpose of this certification, we have examined the Books of Accounts and the relevant records maintained by the Company.

2. We have conducted our examination of the information in accordance with the **"Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India"**. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

3. 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 to the extent applicable to the assignment.



**Opinion**

The following outstanding secured listed Non- Convertible Debenture as on December 31, 2025 has been considered for this Certificate.

| ISIN | Facility | Type of Charge | Allotted amount in ₹ | Outstanding as on 31st December 2025 in ₹ | Cover Required | Assets required in ₹ |
|---|---|---|---|---|---|---|
| INE051307986 | Public Issue NCD | Pari-passu | 7,99,19,000 | - | - | - |
| INE051307978 | Public Issue NCD | Pari-passu | 22,26,22,000 | - | - | - |
| INE051307994 | Public Issue NCD | Pari-passu | 13,27,74,000 | - | - | - |
| INE051307AA0 | Public Issue NCD | Pari-passu | 10,61,79,000 | 10,61,79,000 | 100% | 10,61,79,000 |
| INE051307AB8 | Public Issue NCD | Pari-passu | 16,94,69,000 | 16,94,69,000 | 100% | 16,94,69,000 |
| INE051307AC6 | Public Issue NCD | Pari-passu | 6,29,98,000 | - | - | - |
| INE051307AD4 | Public Issue NCD | Pari-passu | 3,19,59,000 | 3,19,59,000 | 100% | 3,19,59,000 |
| INE051307AE2 | Public Issue NCD | Pari-passu | 11,63,49,000 | 11,63,49,000 | 100% | 11,63,49,000 |
| INE051307AI3 | Public Issue NCD | Pari-passu | 6,32,03,000 | 6,32,03,000 | - | - |
| INE051307AJ1 | Public Issue NCD | Pari-passu | 8,34,42,000 | 8,34,42,000 | 100% | 8,34,42,000 |
| INE051307AK9 | Public Issue NCD | Pari-passu | 6,09,02,000 | 6,09,02,000 | 100% | 6,09,02,000 |
| INE051307AL7 | Public Issue NCD | Pari-passu | 5,34,61,000 | - | - | - |
| INE051307AM5 | Public Issue NCD | Pari-passu | 10,63,12,000 | 10,63,12,000 | 100% | 10,63,12,000 |
| INE051307AN3 | Public Issue NCD | Pari-passu | 5,04,09,000 | 5,04,09,000 | - | - |
| INE051307AO1 | Public Issue NCD | Pari-passu | 13,59,71,000 | - | - | - |
| INE051307AP8 | Public Issue NCD | Pari-passu | 4,84,11,000 | - | - | - |
| INE051307AX2 | Public Issue NCD | Pari-passu | 4,02,98,000 | - | - | - |
| INE051307AW4 | Public Issue NCD | Pari-passu | 10,25,22,000 | - | - | - |
| INE051307AV6 | Public Issue NCD | Pari-passu | 4,01,75,000 | 4,01,75,000 | 100% | 4,01,75,000 |
| INE051307AU8 | Public Issue NCD | Pari-passu | 4,75,42,000 | 4,75,42,000 | 100% | 4,75,42,000 |
| INE051307AT0 | Public Issue NCD | Pari-passu | 8,78,57,000 | 8,78,57,000 | 100% | 8,78,57,000 |
| INE051307AS2 | Public Issue NCD | Pari-passu | 4,97,90,000 | - | - | - |
| INE051307AR4 | Public Issue NCD | Pari-passu | 4,30,87,000 | 4,30,87,000 | 100% | 4,30,87,000 |
| INE051307AQ6 | Public Issue NCD | Pari-passu | 7,01,31,000 | 7,01,31,000 | 100% | 7,01,31,000 |
| INE051307BC4 | Public Issue NCD | Pari-passu | 3,42,29,000 | - | - | - |
| INE051307AZ7 | Public Issue NCD | Pari-passu | 17,54,66,000 | 17,54,66,000 | 100% | 17,54,66,000 |
| INE051307BA8 | Public Issue NCD | Pari-passu | 8,29,73,000 | 8,29,73,000 | 100% | 8,29,73,000 |
| INE051307BB6 | Public Issue NCD | Pari-passu | 2,52,61,000 | 2,52,61,000 | 100% | 2,52,61,000 |
| INE051307BD2 | Public Issue NCD | Pari-passu | 10,03,84,000 | 10,03,84,000 | 100% | 10,03,84,000 |
| INE051307BG5 | Public Issue NCD | Pari-passu | 5,05,58,000 | - | - | - |
| INE051307BE0 | Public Issue NCD | Pari-passu | 5,47,02,000 | 5,47,02,000 | 100% | 5,47,02,000 |
| INE051307BF7 | Public Issue NCD | Pari-passu | 17,63,000 | 17,63,000 | 100% | 17,63,000 |
| INE051307AY0 | Public Issue NCD | Pari-passu | 7,46,64,000 | 7,46,64,000 | 100% | 7,46,64,000 |
| INE051307BH3 | Public Issue NCD | Pari-passu | 4,02,37,000 | 4,02,37,000 | 100% | 4,02,37,000 |
| INE051307BI1 | Public Issue NCD | Pari-passu | 10,14,56,000 | 10,14,56,000 | 100% | 10,14,56,000 |
| INE051307BJ9 | Public Issue NCD | Pari-passu | 14,91,14,000 | 14,91,14,000 | 100% | 14,91,14,000 |
| INE051307BK7 | Public Issue NCD | Pari-passu | 12,19,22,000 | 12,19,22,000 | 100% | 12,19,22,000 |
| INE051307BL5 | Public Issue NCD | Pari-passu | 53,42,000 | 53,42,000 | 100% | 53,42,000 |
| INE051307BM3 | Public Issue NCD | Pari-passu | 24,00,000 | 24,00,000 | 100% | 24,00,000 |
| INE051307BN1 | Public Issue NCD | Pari-passu | 7,47,18,000 | 7,47,18,000 | 100% | 7,47,18,000 |

| | | | | | | |
|---|---|---|---|---|---|---|
| INE051307BP6 | Public Issue NCD | Pari-passu | 6,16,35,000 | 6,16,35,000 | 100% | 6,16,35,000 |
| INE051307BO9 | Public Issue NCD | Pari-passu | 7,98,90,000 | 7,98,90,000 | 100% | 7,98,90,000 |
| INE051307BQ4 | Public Issue NCD | Pari-passu | 18,28,70,000 | 18,28,70,000 | 100% | 18,28,70,000 |
| INE051307BR2 | Public Issue NCD | Pari-passu | 6,35,95,000 | 6,35,95,000 | 100% | 6,35,95,000 |
| INE051307BU6 | Public Issue NCD | Pari-passu | 7,53,79,000 | 7,53,79,000 | 100% | 7,53,79,000 |
| INE051307BT8 | Public Issue NCD | Pari-passu | 19,87,44,000 | 19,87,44,000 | 100% | 19,87,44,000 |
| INE051307BW2 | Public Issue NCD | Pari-passu | 12,07,72,000 | 12,07,72,000 | 100% | 12,07,72,000 |
| INE051307BS0 | Public Issue NCD | Pari-passu | 8,23,31,000 | 8,23,31,000 | 100% | 8,23,31,000 |
| INE051307BV4 | Public Issue NCD | Pari-passu | 10,97,09,000 | 10,97,09,000 | 100% | 10,97,09,000 |
| INE051307BZ5 | Public Issue NCD | Pari-passu | 14,37,48,000 | 14,37,48,000 | 100% | 14,37,48,000 |
| INE051307BY8 | Public Issue NCD | Pari-passu | 9,86,35,000 | 9,86,35,000 | 100% | 9,86,35,000 |
| INE051307CD0 | Public Issue NCD | Pari-passu | 9,42,01,000 | 9,42,01,000 | 100% | 9,42,01,000 |
| INE051307CA6 | Public Issue NCD | Pari-passu | 20,94,04,000 | 20,94,04,000 | 100% | 20,94,04,000 |
| INE051307CB4 | Public Issue NCD | Pari-passu | 12,63,99,000 | 12,63,99,000 | 100% | 12,63,99,000 |
| INE051307BX0 | Public Issue NCD | Pari-passu | 10,35,39,000 | 10,35,39,000 | 100% | 10,35,39,000 |
| INE051307CC2 | Public Issue NCD | Pari-passu | 15,94,51,000 | 15,94,51,000 | 100% | 15,94,51,000 |
| **Grand Total** | | | | | | **3,88,41,08,000** |

Based on the examination of the Deed and the relevant documents and the information provided to us, we certify that:

1. The amounts given in Annexure 1 have been extracted from the unaudited books of accounts for the period ended 31 December, 2025 and other related records of the company and the computation of security cover is arithmetically correct.
2. The financial covenants of the listed debt securities mentioned in Annexure 1 of this certificate have been complied with as mentioned in the respective Debenture Trust Deeds as per the review and verification of relevant records and documents and the declaration and certification given by the management.
3. The assets of the entity provide 100% security coverage as per the terms of the offer document.

**Restriction on Use**

This certificate is addressed to and provided to the management of the company, solely for the purpose of submitting the same to the Debenture Trustees to comply with the requirements of the Deed and should not be used for any other purpose. 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 in to whose hands it may come without our prior consent in writing.

For C.M. JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm's Registration No. 006408S

C.M. JOSEPH, FCA, DISA (ICAI)
Partner
Membership No. 202800

Place: Ernakulam
Date: 02.02.2026

UDIN: 26202800BDHQCC5788

C.M. JOSEPH & ASSOCIATES * KOCHI-25 * CHARTERED ACCOUNTANTS

## Annexure 1

(₹ 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 | Description of asset for which this certificate relate | Exclusive Charge<br>Debt for which this certificate being issued | Exclusive Charge<br>Other Secured Debt | Pari-Passu Charge<br>Debt for which this certificate being issued | Pari- Passu Charge<br>Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge) | Pari-Passu Charge<br>Other assets on which there is pari-passu charge (excluding items covered in column F) | Assets not offered as Security | Elimination (amount in negative)<br>debt amount considered more than once (due to exclusive plus pari passu charge) | (Total C to H) | Related to only those items covered by this certificate | | | | |
| | | | | | | | | | | 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 | | 0 | 0 | No | 0 | 0 | 3,098.49 | 0 | 3,098.49 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Capital Work-in- Progress | | 0 | 0 | No | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Right of Use Assets | | 0 | 0 | | 0 | 0 | 792.78 | 0 | 792.78 | 0 | 0 | 0 | 0 | 0 |
| Goodwill | | 0 | 0 | | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| Intangible Assets | | 0 | 0 | No | 0 | 0 | 2.07 | 0 | 2.07 | 0 | 0 | 0 | 0 | 0 |
| Intangible Assets under Development | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investments | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans | Gold Loan and other loan | 0 | 15,005.69 | Yes | 57,211.99 | 0 | 0 | 0 | 72,217.68 | 0 | 15,005.69 | 0 | 57,211.99 | 72,217.68 |
| Inventories | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Trade Receivables | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash and Cash Equivalents | Cash and Cash Equivalents | 0 | 0 | Yes | 1,150.97 | 0 | 0 | 0 | 1,150.97 | 0 | 0 | 0 | 1,150.97 | 1,150.97 |
| Bank Balances other than Cash and Cash Equivalents | Term Deposits with Bank | 0 | 1,449.39 | No | 0 | 0 | 810.73 | 0 | 2,260.12 | 0 | 1,449.39 | 0 | 0 | 1,449.39 |
| Others | Other Current and non-current asset | 0 | 0 | Yes | 3,046.81 | 0 | 151.81 | 0 | 3,198.62 | 0 | 0 | 0 | 3,046.81 | 3,046.81 |
| **Total** | | **0.00** | **16,455.08** | | **61,409.77** | **0.00** | **4,855.88** | **0.00** | **82,720.73** | **0.00** | **16,455.08** | **0.00** | **61,409.77** | **77,864.85** |
| | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **LIABILITIES** | | | | | | | | | - | | | | | |
| Other debt sharing pari-passu charge with above debt | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Debt: | | | | | | | | | | | | | | |
| Subordinated debt | | 0 | 0 | | 0 | 0 | 19,214.60 | 0 | 19,214.60 | 0 | 0 | 0 | 0 | 0 |
| Borrowings: | | | | | | | | | | | | | | |
| Bank | Borrowing from bank | 0 | 5,598.96 | | 0 | 0 | 0 | 0 | 5,598.96 | 0 | 0 | 0 | 0 | 0 |
| Debt Securities | NCD issued under private placement & public issue | 0 | 0 | | 38,876.14 | 0 | 0 | 0 | 38,876.14 | 0 | 0 | 0 | 0 | 0 |
| Others | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Trade payables | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lease Liabilities | | 0 | 0 | | 0 | 0 | 1,090.79 | 0 | 1,090.79 | 0 | 0 | 0 | 0 | 0 |
| Provisions | | 0 | 0 | | 0 | 0 | 268.77 | 0 | 268.77 | 0 | 0 | 0 | 0 | 0 |
| Others | | 0 | 0 | | 1,977.30 | 0 | 3,152.44 | 0 | 5,129.74 | 0 | 0 | 0 | 0 | 0 |
| **Total** | | **0** | **5,598.96** | | **40,853.44** | **0** | **23,276.60** | **0** | **70,179.00** | 0 | 0 | 0 | 0 | 0 |
| **Cover on Book Value** | | | 2.94 | | 1.50 | | | | | | | | | |
| **Cover on Market Value** | | | 2.94 | | 1.50 | | | | | | | | | |

C.M. JOSEPH & ASSOCIATES CHARTERED ACCOUNTANTS KOCHI-25

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Exclusive Security Cover Ratio** | 2.94 | | **Pari-Passu Security Cover Ratio** | 1.50 | | | | | | | | |

Note: The amount disclosed in Annexure 1 as NCD issued under private placement & public issue outstanding as on December 31, 2025 and Borrowing from bank as on December 31, 2025 are the actual obligation of the Company and it does not include adjustments relating to Effective Interest Rate (EIR) as per Ind AS.

C M JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
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# INDEPENDENT AUDITORS' REPORT

To the Members of
**CHEMMANUR CREDITS AND INVESTMENTS LIMITED**

## Opinion

We have audited the accompanying financial statements of Chemmanur Credits and Investments Limited, which comprise the Balance Sheet as at March 31, 2025, and the statement of Profit and Loss, and Cash Flow statement for the year then ended, and 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 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 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 31st March, 2025, and its profit, total 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 Companies Act, 2013. 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 Companies Act, 2013 and the Rules 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.

## Emphasis of Matter

We draw attention to Note No. 3.7 of the financial statements, which details the impact arising from the inclusion of addendum agreements to the lease agreements during the financial year. Our opinion is not modified in respect of this matter.

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**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

| Key Audit Matters | How the Key Audit Matters were addressed in our audit |
|---|---|
| Completeness in identification, accounting and disclosure of related party transactions in accordance with the applicable laws and financial reporting framework. | We have assessed the systems and processes laid down by the company to appropriately identify, account and disclose all material related party transactions in accordance with applicable laws and financial reporting framework. We have designed and performed audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations. |
| Compliance and disclosure requirements under the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework. | We have assessed the systems and processes laid down by the company to appropriately ensure compliance and disclosures as per the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework. We have designed and performed audit procedures to assess the completeness and correctness of the details disclosed having regard to the assumptions made by the management in relation to the applicability and extent of disclosure requirements; and have relied on internal records of the company and external confirmations wherever necessary. |
| Interest on Gold Loan is based on the various gold loan schemes launched by the Company. The calculation of the interest on gold loan as per the applicable scheme involves complexities, including concessions | We assessed the Company's process on interest income computation. Our audit approach consisted evaluating the design and implementation; testing of operating effectiveness of the internal controls and substantive testing as follows: |

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| in the nature of reduced prospective interest rates for prompt payment and additional interest for delayed payment. Due to such variety of schemes and involvement of complexity in calculating the interest income on gold loan we have considered this as Key Audit Matter | i. Evaluated the design and implementation of internal controls relating to interest income computation.<br>ii. 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.<br>iii. Tested the relevant information technology systems' access and change management controls relating to interest income computation and related information used in interest computation<br>iv. Obtained the list of modifications made in the interest scheme master during the year and tested the same on sample basis<br>v. Performed analytical procedures and test of detailed procedures for testing the accuracy of the revenue recorded. |

| | |
|---|---|
| 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 are:<br><br>Timely identification and classification of the impaired loans, and<br><br>Determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors<br><br>The estimation of Expected Credit Loss (ECL) on financial instruments involve significant judgements and estimates. Following are points with increased level of audit focus:<br><br>Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109; | We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company.<br><br>We evaluated the design and operating effectiveness of controls across the processes relevant to ECL.<br><br>These controls, among others, included controls over the allocation of assets into stages including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments, model validation, credit monitoring, individual/collective provisions and production of journal entries and disclosures.<br><br>We tested the completeness of loans included in the Expected Credit Loss calculations as of 31 March 2025.<br><br>We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. |

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|---|---|
| Accounting interpretations, modelling assumptions and data used to build and run the models;<br><br>Inputs and Judgements used in determination of management overlay at various asset stages;<br><br>The disclosures made in the financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. | For samples of exposure, we tested the appropriateness of determining Exposure at Default (EAD), PD and LGD.<br><br>We performed an overall assessment of the ECL provision levels at each stage to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.<br><br>We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision. |

**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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance, Changes in equity and cash flows of the company in accordance with Ind AS and the accounting principles generally accepted in India as specified 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 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, 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 of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditors' Responsibility 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

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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 users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional
skepticism 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 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 controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 statements represent 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 Requirement**

1. 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 Companies Act, 2013, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016, we give in Annexure – III, a statement on the matters specified in the paragraph 3 and 4 of the said directions

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 purposes 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, Change in Equity, and Cash flow statement dealt with by this Report are in agreement with the books of account.
d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
e) On the basis of written representations received from the directors as on March 31, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, 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 II';

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 explanation given to us, the remuneration paid by the Company to its directors during the year has complied with the provision of 197 of the Act.

h) With respect to the other matters to be included in the Auditors' Report in accordance with 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 the explanations given to us:

I. The company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer **Note No. 39** 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

IV. With respect to matters under Rule 11(e);

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;

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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. The Company has not paid interim dividend or final dividend during the year.

i) Based on our examination, which included test checks, the company has used accounting software for maintaining its books of account for the financial year ended March 31,2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For C.M. JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm's Registration No. 006408S

C.M. JOSEPH, FCA, DISA (ICAI)
Partner
Membership No. 202800

Place: Ernakulam
Date: 21.06.2025

UDIN: 25202800BMKVHO3425

C.M. JOSEPH & ASSOCIATES * KOCHI-25 * CHARTERED ACCOUNTANTS

## Annexure I to the Auditors' Report

The Annexure I referred to in our report to the members of **Chemmanur Credits and Investments Limited** ("the Company") for the period ended on March 31, 2025.

We report that:

i. In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets;

   a. [A]The company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment;

      (B) The company is maintaining proper records showing full particulars of intangible assets;

   b. The company has a program of physical verification of property, plant and equipment and right of- use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   c. In our opinion and according to the information and explanations given to us, the Company does not hold any immovable property and thus paragraph 3 (i) (e) of the Order is not applicable.

   d. The company has not revalued its property, plant and equipment (Including right of use of assets) or intangible assets during the year and thus para 3(i) (d) of the order is not applicable.

   e. In our opinion and according to the information and explanations given to us, no proceedings have been initiated or no proceedings have been pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company is a Non-Banking Financial Company, primarily rendering Financial Services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and financial institutions on the basis of pledge of land owned by associate companies and hypothecation of loan receivables. As far as the information and documents provided by the company and on examination of necessary records, the quarterly returns or statements filed by the Company with regard to loan receivables are matching to books of accounts.

iii. (a) The Company is an NBFC regulated by the Reserve Bank of India (RBI) and is involved in the business of giving loans, hence the requirements under para 3 (iii)(a) of the Order are not applicable to the Company.

(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 terms and conditions in relation to securities given and grant of all loans and advances in the nature of loans and guarantees are not prejudicial to the interest of the Company.

(c) In respect of the aforesaid loans/ advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. The borrower-wise details of the amount, due date for payment and extent of delay have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards and the guidelines issued by RBI for Income Recognition and Asset Classification.

(d) In respect of the aforesaid loans and advances, loans amounting to ₹ 1025.39 lakhs (PY ₹ 478.42 Lakhs) is overdue for a period exceeding 90 days. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon.

(e) The Company is involved in the business of giving loans. Accordingly, provision stated in paragraph 3(iii) (e) of the Order are not applicable to the Company.

(f) According to the information explanation provided to us, the Company has not granted any loans and/ or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.

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 provisions of section 185 and 186 of the Companies Act, 2013 are applicable.

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits and accordingly paragraph 3 (v) of the Order is not applicable.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii. (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date 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, Goods and Service Tax, Provident Fund, Employees' State Insurance, which have not been deposited on account of any dispute.

viii. In our opinion and according to the explanations and information given to us, the company does not have any transactions not recorded in the books of account that has been surrendered or disclosed as income during the year. Hence Paragraph 3 (viii) of the order is not applicable to the company.

ix. (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the year.

(b) In our opinion and according to the explanations and information given to us, the company is not declared as a wilful defaulter by any bank or Financial Institution or other lenders.

(c) In our opinion and according to the explanations and information given to us, the term loans were applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the explanations and information given to us, and on an overall examination of the financial statements of the company, fund raised on short term basis has not been utilized for long term purposes by the company.

(e) In our opinion and according to the explanations and information given to us, the company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, associates or joint ventures.

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

(f) In our opinion and according to the explanations and information given to us, the company has not raised any loans during the year on the pledge of securities held in its associate companies. Hence Paragraph 3 (ix)(f) of the order is not applicable to the company.

x. (a) The company has not raised any moneys by way of initial public offer or further public offer of shares during the year. To the best of our knowledge and belief and according to the information and explanations given to us, money raised by the public issue of non-convertible debentures were, prima facie, applied by the Company for the purposes for which the moneys were raised.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made preferential allotment of shares during the year and has complied with the requirements of Section 62 of the Companies Act, 2013. The funds raised by way of such preferential allotment have been utilised for the purposes for which they were raised.

xi. (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company. The instances of fraud noticed by the company are reported in Note 49 to the financial statements.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2025, accordingly the provisions stated in paragraph 3(xi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the explanations and information given to us, there are no whistle-blower complaints received during the year by the company.

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) (a) to (c) of the Order is not applicable.

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 sections 177 and 188 of the Companies Act, 2013, where applicable and the details of such transactions have been disclosed in the financial statements of the Company as required by the applicable accounting standards.

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xiv. (a) In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.

(b)The Report of the Internal Auditors for the period under Audit were considered.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company.
Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. (a) 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.

(b) In our opinion and according to the information and explanations given to us, the company has 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 and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, the reporting under paragraph clause 3(xvi)(c) of the Order are not applicable to the Company.

(d)The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 (xvi) (d) of the order are not applicable to the company.

xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of statutory auditors during the year and accordingly, reporting under the paragraph 3(xviii) of the Order in respect of whether we have considered the issues, objections or concerns raised by the outgoing auditor(s) does not arise.

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, we are of the opinion that the company is capable of meeting its liability existing at the date of Balance Sheet as and when they fall due within a period of one year from 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) In our opinion and according to the information and explanations given to us, the company has no unspent amount during the period, and the company is not required to transfer such amount to a Fund specified in schedule VII to the Companies Act.

(b) In our opinion and according to the information and explanations given to us, the company has no amount remaining unspent under subsection (5) of section 135, hence para 3 (xx)(a) is not applicable

xxi. In our opinion the consolidated financial statements is not applicable to the company, hence paragraph 3(xxi) is not applicable.

For C.M. JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm's Registration No. 006408S

C.M. JOSEPH, FCA, DISA (ICAI)
Partner
Membership No. 202800

Place: Ernakulam
Date: 21.06.2025

UDIN: 25202800BMKVHO3425

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

## Annexure II to the Auditors' Report

The Annexure II referred to in our report to the members of **Chemmanur Credits and Investments Limited** (the Company') for the year ended on March 31, 2025

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**Opinion**

We have audited the internal financial controls over financial reporting of **Chemmanur Credits and Investments Limited** ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, 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, 2025, based on the internal control with reference to financial statements 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 (ICAI) (the "Guidance Note").

**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 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 ('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.

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We 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 the Guidance Note require that we comply with 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 a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 reasonable assurance regarding the reliability of financial reporting and the preparation of 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 the 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 the degree of compliance with the policies or procedures may deteriorate.

For C.M. JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm's Registration No. 006408S

C.M. JOSEPH, FCA, DISA (ICAI)
Partner
Membership No. 202800

Place: Ernakulam
Date: 21.06.2025

UDIN: 25202800BMKVHO3425

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

## Annexure III to the Auditors' Report

To

The Board of Directors

**Chemmanur Credits and Investments Limited**

We have audited the Balance Sheet of **Chemmanur Credits and Investments Limited** as on 31st March, 2025 and also the Statement of Profit and Loss and Cash Flow Statement for the period ended on that date annexed thereto. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions 2016, and according to the information and explanations given to us, we given below, a statement on matters specified in paragraphs 3 and 4 of the said directions:

1. 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.
2. The Company is entitled to hold Certificate of Registration in terms of Asset/Income Pattern as on 31st March, 2025.
3. The Company has complied with the Net Owned Fund requirement as laid down in "Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023".
4. The Board of Directors of the Company has passed a resolution for non-acceptance of Public Deposits.
5. The Company has not accepted any public deposits during the year under review.
6. According to the information and explanation given to us, the Company has complied with the prudential norms on Income Recognition, Accounting Standards, Asset Classification, Provisioning for bad and doubtful debts as specified in the directions issued by the Reserve Bank of India in terms of the "Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023".
7. The Company has not been classified as NBFC-MFI during the year ended March 31, 2025.

The report has been issued pursuant to the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 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 purposes.

For C.M. JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm's Registration No. 006408S

C.M. JOSEPH, FCA, DISA (ICAI)
Partner
Membership No. 202800

UDIN: 25202800BMKVHO3425

Place: Ernakulam
Date: 21.06.2025

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

## CHEMMANUR CREDITS AND INVESTMENTS LIMITED
## BALANCE SHEET AS AT MARCH 31, 2025

(₹ in lakhs)

| | Note | As at March 31, 2025 Audited | As at March 31, 2024 Audited |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Financial assets** | | | |
| (a) Cash and cash equivalents | 4 | 732.89 | 1,517.80 |
| (b) Bank balances other than cash and cash equivalents | 5 | 1,760.52 | 1,350.00 |
| (c) Receivables | | | |
| (i) Trade receivables | 6 (i) | 0.00 | 0.00 |
| (ii) Other receivables | 6 (ii) | 1,740.85 | 1,404.26 |
| (d) Loans | 7 | 59,238.27 | 49,058.38 |
| (e) Other financial assets | 8 | 889.83 | 601.16 |
| **(2) Non-financial assets** | | | |
| (a) Current tax assets (net) | 9 | 605.48 | 643.18 |
| (b) Deferred tax assets (net) | 10 | 0.00 | 214.97 |
| (c) Property, plant and equipment | 11(i) | 3,240.95 | 2,558.69 |
| (d) Right-of-use assets | 11(ii) | 905.96 | 5,700.25 |
| (e) Intangible assets | 11(iii) | 4.86 | 6.26 |
| (f) Capital work-in-progress | 12 | 24.82 | 288.63 |
| (g) Other non-financial assets | 13 | 174.01 | 160.90 |
| **TOTAL ASSETS** | | **69,318.44** | **63,504.48** |
| **LIABILITIES AND EQUITY** | | | |
| **LIABILITIES** | | | |
| **(1) Financial liabilities** | | | |
| (a) Debt securities | 14 | 25,013.74 | 19,072.35 |
| (b) Borrowings (other than debt securities) | 15 | 7,833.63 | 12,856.65 |
| (c) Subordinated liabilities | 16 | 19,560.35 | 18,371.30 |
| (d) Other financial liabilities | 17 | 5,345.80 | 3,996.29 |
| **(2) Non-financial liabilities** | | | |
| (a) Current tax liabilities (net) | 9 | 0.00 | 0.00 |
| (b) Deferred tax Liabilities (net) | 10 | 7.33 | 0.00 |
| (c) Provisions | 18 | 237.88 | 205.42 |
| (d) Other non-financial liabilities | 19 | 77.82 | 99.68 |
| **EQUITY** | | | |
| (a) Equity share capital | 20 | 7,400.00 | 6,000.00 |
| (b) Other equity | 21 | 3,841.89 | 2,902.79 |
| **TOTAL LIABILITIES AND EQUITY** | | **69,318.44** | **63,504.48** |

**Notes are an Integral part of Financial Statements**
**For and on behalf of the Board**

**Boby CD**
**Chairman and MD**
**DIN: 00046095**

**Lijo Moothedan**
**Director**
**DIN: 00877403**

**T.K Thomas**
**Chief Executive Officer**

**Jasmine M.P**
**Chief Financial Officer**

**Anju Thomas**
**Company Secretary**

**Place : Thrissur**
**Date : May 30, 2025**

**As per our report attached**
**For C.M. Joseph & Associates,**
**Chartered Accountants**
**Firm Registration No. 006408S**

**C.M. Joseph**
**PARTNER**
**M.No: 202800**
**UDIN : 25202800BMKVHO3425**
**Place :Ernakulam**
**Date: June 21, 2025**

C.M. JOSEPH & ASSOCIATES * KOCHI-25 * CHARTERED ACCOUNTANTS

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

## CHEMMANUR CREDITS AND INVESTMENTS LIMITED
### Statement of Profit and Loss for the year ended March 31, 2025

(₹ in lakhs)

| | | Note number | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|---|
| | **Revenue from operations** | | | |
| (i) | Interest income | 22 | 12,323.88 | 9,766.86 |
| (ii) | Dividend income | | - | - |
| (iii) | Rental income | 23 | 99.15 | 91.53 |
| (iv) | Fees and commission income | 24 | 758.08 | 714.45 |
| **(I)** | **Total revenue from operations** | | **13,181.11** | **10,572.84** |
| (II) | Other income | 25 | 992.86 | 41.65 |
| **(III)** | **Totai income (I) + (II)** | | **14,173.97** | **10,614.49** |
| | **Expenses** | | | |
| (i) | Finance costs | 26 | 6,659.74 | 4,857.20 |
| (ii) | Impairment of financial instruments | 27 | 99.50 | 41.54 |
| (iii) | Employee benefit expenses | 28 | 4,455.67 | 3,568.74 |
| (iv) | Depreciation, amortisation and impairment | 29 | 818.01 | 956.65 |
| (v) | Other expenses | 30 | 1,665.15 | 991.99 |
| **(IV)** | **Total expenses** | | **13,698.07** | **10,416.12** |
| **(V)** | **Profit/ (loss) before tax (III - IV)** | | **475.90** | **198.37** |
| **(VI)** | Tax expenses | | | |
| | (i) Current tax | | | |
| | - Related to current year | | - | 61.70 |
| | - Related to prior years | | 2.63 | 12.48 |
| | (ii) Deferred tax | | 225.28 | (48.04) |
| **(VII)** | **Profit/ (loss) for the period (V) - (VI)** | | **247.99** | **172.23** |
| **(VIII)** | **OTHER COMPREHENSIVE INCOME** | | | |
| | ***(i) Items that will not be reclassified to profit or loss*** | | | |
| | Remeasurement gain/ (loss) on defined benefit plan | | (11.88) | (14.47) |
| | ***(ii) Income tax relating to items the above*** | | 2.99 | 3.64 |
| | **TOTAL OTHER COMPREHENSIVE INCOME** | | **(8.89)** | **(10.83)** |
| **(IX)** | **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (VII + VIII)** | | **239.10** | **161.40** |
| **(X)** | **Earnings per share** | | | |
| | Basic (₹) | 31 | 0.38 | 0.29 |
| | Diluted (₹) | | 0.38 | 0.29 |
| | Face value per share (₹) | | 10.00 | 10.00 |

**Notes are an Integral part of Financial Statements**
**For and on behalf of the Board**

**Boby CD**
**Chairman and MD**
**DIN: 00046095**

**Lijo Moothedan**
**Director**
**DIN: 00877403**

**T.K Thomas**
**Chief Executive Officer**

**Jasmine M.P**
**Chief Financial Officer**

**Anju Thomas**
**Company Secretary**

**Place : Thrissur**
**Date : May 30, 2025**

**As per our report attached**
**For C.M. Joseph & Associates,**
**Chartered Accountants**
**Firm Registration No. 006408S**

**C.M. Joseph**
**PARTNER**
**M.No: 202800**
**UDIN : 25202800BMKVHO3425**
**Place :Ernakulam**
**Date: June 21, 2025**

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

CHEMMANUR CREDITS AND INVESTMENTS LIMITED

**Statement of Changes in Equity for the period ended March 31, 2025**

**A. EQUITY SHARE CAPITAL** (₹ in lakhs)

**(1) Current reporting period**

| Balance as at April 1, 2024 | 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 year | Balance as at March 31, 2025 |
|---|---|---|---|---|
| 6,000.00 | - | 6,000.00 | 1,400.00 | 7,400.00 |
| **6,000.00** | **-** | **6,000.00** | **1,400.00** | **7,400.00** |

**(2) Previous reporting period**

| Balance as at April 1, 2023 | 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 year | Balance as at March 31, 2024 |
|---|---|---|---|---|
| 6,000.00 | - | 6,000.00 | - | 6,000.00 |
| **6,000.00** | **-** | **6,000.00** | **-** | **6,000.00** |

(₹ in lakhs)

| Particulars | Reserves and Surplus | | | Total other equity |
|---|---|---|---|---|
| | Retained Earnings | Reserve Fund | Impairment Reserve | |
| **Balance as at April 1, 2024** | **1,933.71** | **880.67** | **88.41** | **2,902.79** |
| Net profit/(loss) for the year | 247.99 | - | - | 247.99 |
| Remeasurement gain on defined benefit plans | (8.89) | - | - | (8.89) |
| Transfer to/ from retained earnings | (80.98) | 49.60 | 31.39 | - |
| Dividend | - | - | - | - |
| Securities Premium | - | - | - | 700.00 |
| **Balance as at March 31, 2025** | **2,091.83** | **930.27** | **119.80** | **3,841.89** |

| Particulars | Reserves and Surplus | | | Total other equity |
|---|---|---|---|---|
| | Retained Earnings | Reserve Fund | Impairment Reserve | |
| **Balance as at April 1, 2023** | **1,810.09** | **846.22** | **85.08** | **2,741.39** |
| Net profit/(loss) for the year | 172.23 | - | - | 172.23 |
| Remeasurement gain on defined benefit plans | (10.83) | - | - | (10.83) |
| Transfer to/ from retained earnings | (37.78) | 34.45 | 3.33 | - |
| Dividend | - | - | - | - |
| **Balance as at March 31, 2024** | **1,933.71** | **880.67** | **88.41** | **2,902.79** |

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

CHEMMANUR CREDITS AND INVESTMENTS LTD CORPORATE OFFICE THRISSUR

Notes are an Integral part of Financial Statements
For and on behalf of the Board

| | | |
|---|---|---|
| Boby CD | Lijo Mouthedan | T.K Thomas |
| Chairman and MD | Director | Chief Executive Officer |
| DIN: 00046095 | DIN: 00877403 | |

Jasmine M.P
Chief Financial Officer

Anju Thomas
Company Secretary

Place : Thrissur
Date : May 30, 2025

As per our report attached

For C.M. Joseph & Associates,

Chartered Accountants
Firm Registration No. 006408S

C.M. Joseph
PARTNER
M.No: 202800
UDIN : 25202800BMKVHO3425
Place :Ernakulam
Date: June 21, 2025

C.M. JOSEPH & ASSOCIATES * KOCHI-25 * CHARTERED ACCOUNTANTS

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

## CHEMMANUR CREDITS AND INVESTMENTS LIMITED

### Statement of Cash Flows for the year ended March 31, 2025

(₹ in lakhs)

| | | March 31, 2025 | March 31, 2024 |
|---|---|---|---|
| | | Audited | Audited |
| | | ₹ in lakhs | |
| I. | **CASHFLOWS FROM OPERATING ACTIVITIES** | | |
| | Profit before tax | 475.90 | 198.37 |
| | Depreciation, amortisation and impairment | 818.01 | 956.65 |
| | Impairment of financial instruments | 99.50 | 41.54 |
| | Finance costs | 6,659.74 | 4,857.20 |
| | (Profit)/ loss on sale of property, plant and equipment | 2.82 | 4.90 |
| | Provision for grauity | 49.95 | 41.24 |
| | Provision for cash loss | - | 4.61 |
| | Rental income | (99.15) | (91.53) |
| | Gain on termination of lease | (628.38) | (7.14) |
| | **Operating profit before working capital changes** | **7,378.39** | **6,005.84** |
| | (Increase)/ decrease in receivables | (336.59) | (633.71) |
| | (Increase)/ decrease in other bank balances | (410.52) | (1,350.00) |
| | (Increase)/ decrease in loans | (10,279.39) | (8,465.50) |
| | (Increase)/ decrease in other financial assets | (302.26) | (184.54) |
| | (Increase)/ decrease in other non-financial assets | (13.11) | (118.06) |
| | Increase/ (decrease) in provisions | (29.37) | (26.48) |
| | Increase/ (decrease) in other financial liabilities | 157.67 | (171.34) |
| | Increase/ (decrease) in other non-financial liabilities | (21.86) | (30.74) |
| | **Cash generated from/ (used in) operations** | **(3,857.04)** | **(4,974.53)** |
| | Finance costs paid | (5,511.32) | (5,031.00) |
| | Income tax paid | 35.07 | (367.28) |
| | **Net cash from/ (used in) operating activities** | **(9,333.29)** | **(10,372.81)** |
| II. | **CASHFLOWS FROM INVESTING ACTIVITIES** | | |
| | Payments for property, plant and equipment and intangible assets | (765.33) | (1,194.32) |
| | Proceeds from sale of property, plant and equipment | 1.58 | 1.65 |
| | Rental income | 99.15 | 91.53 |
| | **Net cash from/ (used in) investing activities** | **(664.60)** | **(1,101.14)** |
| III. | **CASHFLOWS FROM FINANCING ACTIVITIES** | | |
| | Proceeds from issue of debt securities | 12,367.14 | 10,835.13 |
| | Proceeds from issue of subordinated liabilities | 4,503.75 | 3,371.75 |
| | Proceeds from issue of Equity Shares | 2,100.00 | 0.00 |
| | Proceeds from long-term borrowings | 2,000.00 | 3,500.00 |
| | Repayment of debt securities | (6,427.38) | (2,008.43) |
| | Increase/ (decrease) in other borrowings | (2,060.89) | (866.40) |

M. JOSEPH & ASSOCIATES * KOCHI-25 * CHARTERED ACCOUNTANTS
CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

| | | | |
|---|---|---|---|
| | Repayment of subordinated liabilities | (3,269.65) | (2,635.75) |
| | Dividend paid | - | - |
| | **Net cash from/ (used in) financing activities** | **9,212.97** | **12,196.30** |
| **IV.** | **Net increase/ (decrease) in cash and cash equivalents (I + II + III)** | **(784.91)** | **722.35** |
| **V.** | **Cash and cash equivalents at the beginning** | **1,517.80** | **795.45** |
| **VI.** | **Cash and cash equivalents at the end** | **732.89** | **1,517.80** |
| | Cash and cash equivalents comprise of: | | |
| | - Cash | 207.59 | 949.18 |
| | - Balances with banks | 525.30 | 568.62 |
| | | **732.89** | **1,517.80** |

**Notes are an Integral part of Financial Statements**
**For and on behalf of the Board**

**Boby CD**
**Chairman and MD**
**DIN: 00046095**

**Lijo Moothedan**
**Director**
**DIN: 00877403**

**T.K Thomas**
**Chief Executive Officer**

**Jasmine M.P**
**Chief Financial Officer**

**Anju Thomas**
**Company Secretary**

**Place : Thrissur**
**Date : May 30, 2025**

**As per our report attached**

**For C.M. Joseph & Associates,**
**Chartered Accountants**
**Firm Registration No. 006408S**

**C.M. Joseph**
**PARTNER**
**M.No: 202800**
**UDIN : 25202800BMKVHO3425**
**Place :Ernakulam**
**Date: June 21, 2025**

C.M. JOSEPH & ASSOCIATES * KOCHI-25 * CHARTERED ACCOUNTANTS

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

## NOTES TO THE FINANCIAL STATEMENTS

## 1 CORPORATE INFORMATION

Chemmanur Credits and Investments Limited is a Public Limited Company incorporated on December 16, 2008. The Company is a Base Layer Non-Deposit Taking Non-Banking Financial Company Registered under section 45IA of RBI Act, 1934. The Company provides a wide range of fund based and fee-based services including gold loans, micro finance, consumption loans etc.

**Registration Details**

| | |
|---|---|
| Corporate Identity Number (CIN) | U65923KL2008PLC023560 |
| Reserve Bank of India Registration no. | N16-00185 |
| Company's Registered Office | Door No. D1 to D4, 3rd Floor, Avenue Tower, East Fort, Thrissur-680005 |
| Ministry of Finance (Financial Intelligence Unit - India (FIU-IND)) | FINBF13040 |

## 2 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

### 2.1 Basis of preparation

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

These financial statements were approved by the Company's Board of Directors and authorized for issue on May 30, 2025

### 2.2 Presentation of financial statements

The Balance Sheet, Statement of Changes in Equity and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet, Statement of Changes in Equity and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI.

### 2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or '₹') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

### 2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

Certain accounting policies of the Company and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such value in use in Ind AS 36.

Fair value measurements under Ind AS 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 Company can access at 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 valuation of assets or liabilities.

**2.5 Use of estimates, judgments and assumptions**

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

**a) Effective Interest Rate (EIR) Method**

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgment regarding the expected behavior and life- cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

**b) Impairment of Financial Assets**

The measurement of impairment losses on loan assets and commitments requires judgment, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgments and estimates include:

The Company's criteria for assessing if there has been a significant increase in credit risk.

- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL model, including the various formulae and the choice of inputs.
- Selection of forward-looking macroeconomic scenarios and their probability weights, to derive the economic inputs into the ECL model.

C.M. JOSEPH & ASSOCIATES * KOCHI-25 * CHARTERED ACCOUNTANTS
CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

- Management overlay used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

### c) Employee Benefits

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 sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### d) Impact of COVID-19

The COVID-19 outbreak and its effect on the economy has impacted our customers and our performance, and the future effects of the outbreak remain uncertain.

The outbreak necessitated government to respond at unprecedented levels to protect public health, local economies and livelihoods. There remains a risk of subsequent waves of infection, as evidenced by the recently emerged variants of the virus.

Economic forecasts are subject to a high degree of uncertainty in the current environment. Limitations of forecasts and economic models require a greater reliance on management judgment in addressing both the error inherent in economic forecasts and in assessing associated ECL outcomes.

The calculation of ECL under Ind AS 109 involves significant judgments, assumptions and estimates. The level of estimation uncertainty and judgment has increased during financial year as a result of the economic effects of the COVID-19 outbreak.

As a result of government and bank support measures, significant credit deterioration has not yet occurred. This delay increases uncertainty on the timing of the stress and the realisation of defaults. Management has applied COVID-19 specific adjustments to modeled outputs to reflect the temporary nature of ongoing government support, the uncertainty in relation to the timing of stress and the degree to which economic consensus has yet captured the range of economic uncertainty. As a result, ECL is higher than would be the case if it were based on the forecast economic scenarios alone.

The Company has developed various accounting estimates in these Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at March 31, 2022 about future events that the management believe are reasonable in the circumstances. There is a considerable degree of judgment involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions are likely to be different from those forecasts since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and recoverable amount assessments of non-financial assets.

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**e) Accounting for leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**f) 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.

**g) Business model objective of financial assets.**

Classification and measurement of financial assets depends on the results of the contractual cashflow characteristics and the business model objective. 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 judgement 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 derecognised 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.

**h) Other estimates**

These include provisions (other than loan portfolio), contingent liabilities, useful lives, depreciation method and residual value of property, plant and equipment and intangible assets etc.

## 3 MATERIAL ACCOUNTING POLICIES

### 3.1 Revenue recognition

**a) Interest income**

Interest income is recognized in Statement of profit and loss using the Effective Interest Rate (EIR) method for all financial instruments measured at amortized cost, debt instruments measured at FVTOCI and debt instruments designated at FVTPL.

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The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances are recognized when they become measurable and when it is not unreasonable to expect their ultimate collection.

**b) Dividend income**

Dividend is recognized as income when the right to receive the dividend is established and the amount of dividend can be measured reliably.

**c) Revenue from and rendering of 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 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.

Revenue from contract with customer for rendering services is recognized at a point in time when performance obligation is satisfied.

**d) Net gain/ (loss) on change in fair value**

The assets which are being measured at FVTPL are restated to their fair value as at the reporting date and any gain/ (loss) on change in fair value will be recognized as income/ expense in the Statement of Profit and Loss.

**e) Materiality threshold for classifying the prior period errors or changes**

The Company has fixed a materiality threshold of ₹25 lakh for classifying the prior period errors or changes as material prior period errors or changes in the Financial Statements.

**3.2 Financial Instruments**

**a) Recognition and measurement**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of profit and loss.

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**b) Financial assets**

**Classification and measurement**

The Company classifies its financial assets into the following measurement categories: amortized cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

**Financial instruments measured at amortized cost**

Debt instruments that meet the following criteria are measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortized cost are subject to impairment.

**Financial instruments measured at fair value through other comprehensive income ("FVTOCI")**

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in Statement of profit and loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Statement of Profit and Loss.

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**Financial instruments measured at fair value through Profit and Loss ("FVTPL")**

Instruments that do not meet the amortized cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in the Statement of Profit and Loss. The gain or loss on disposal is recognized in the Statement of Profit and Loss. Interest income is recognized in the Statement of Profit and Loss for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognized when the Company's right to receive dividend is established.

**Investments in equity instruments at FVTOCI**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends from these investments are recognized in the Statement of Profit and Loss when the Company's right to receive dividends is established.

**Reclassifications**

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets.

**Impairment of financial assets**

Company recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR.

ECL is measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- Lifetime ECL, i.e., lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL. The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Key elements of ECL computation are outlined below:

- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognized and is still in the portfolio.



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- Loss given default ("LGD") estimates the normalized loss which Company incurs post customer default. It is usually expressed as a percentage of the Exposure at default ("EAD"). Effective interest rate ("EIR") is the rate that discounts estimated future cash flows through the expected life of financial instrument. For calculating EIR any upfront fees need to be excluded from the loans and advance amount.

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. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

**Credit impaired financial assets**

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

**Definition of default**

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL computation is as per the applicable prudential regulatory norms.

**Significant increase in credit risk**

The Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's expert credit assessment.

### Impairment Reserve

Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), the Company will appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

### Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/ or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g.: a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

### Substantial modification

When a financial asset is modified, the Company assesses whether this modification results in derecognition. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants.

If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognized, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition.

The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition.

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**Other modification**

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioral indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behavior following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Company calculates the modification gain/ loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

**Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to the Statement of Profit and Loss.

**Write Off**

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is 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 subject to the write off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**c) Financial liabilities**

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

**Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the Statement of Profit and Loss.

**d) Debt securities and other borrowed funds**

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transactions costs that are an integral part of the Effective Interest Rate (EIR).

**e) Financial Guarantee Contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and

- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 - Revenue from Contracts with Customers.

**f) Offsetting**

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

**3.3 Cash and Bank balances**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to 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, net of outstanding bank overdrafts if any, as they are considered an integral part of the Company's cash management.

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

### 3.4 Property, plant and equipment

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, 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 PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

Subsequent expenditure related to the asset are added to its carrying amount or recognised 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.

**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:

| Description of the asset | Estimated Useful Life (Years) |
|---|---|
| Furniture and Fixtures | 10 |
| Electrical fittings | 10 |
| Computers (End use machines) | 3 |
| Plant and Machinery | 15 |
| Vehicles (Motorcycles, scooters and other mopeds) | 8 |
| Strong room - RCC Frame Structure | 60 |

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.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

### 3.5 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortization and cumulative impairment.

Intangible assets i.e., Software are amortised on written down value basis over the estimated useful life of 3 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognised.

### 3.6 Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of Profit and Loss.

### 3.7 Leases

The Company determines that a contract is or contains a lease if the contract conveys right to control the use of an identified asset for a period of time in exchange for a consideration.

**Company as a lessee**

At the inception of a contract which is or contains a lease, the Company recognizes lease liability at the present value of the future lease payments for non-cancellable period of a lease which is not short term in nature except for lease of low value items. The future lease payments for such non-cancellable period are discounted using the Company's incremental borrowing rate.

The Company elects to apply the practical expedient to not to separate non-lease component from lease component, in case of a contract containing lease. The Company accounts such contracts as a single lease component.

Lease payments include fixed payments, i.e., amounts expected to be payable by the Company under residual value guarantee, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease if the lease term considered reflects that the Company shall exercise termination option. The Company also recognizes a right of use asset which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Company and estimated dilapidation costs.

Right of use assets is amortized over the period of lease.

Payment made towards short term Leases (leases for which lease term is 12 months or lesser) and low value assets are recognized in the statement of Profit and Loss as rental expenses over the tenor of such leases.

During the financial year 2024–25, the majority of lease agreements were updated through addendum agreements, which resulted in these leases becoming short-term in nature and thereby falling outside the scope of Ind AS 116. Consequently, a significant reversal of lease liability and ROU asset was recorded, resulting in a lease-term gain of ₹959.90 lakhs

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**Company as a lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

### 3.8 Finance cost

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Financial instruments include bank term loans, non- convertible debentures, subordinated debts, interest expense on lease liabilities computed by applying the Company's incremental borrowing rate and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

### 3.9 Employee Benefits

**Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia/ bonus are recognized in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Long-term employee benefits**

**Defined contribution plans**

Defined contribution plans are the post-employment plans under which the Company pays a fixed contribution to a fund and the Company's liability is limited to payment of such fixed contributions. Contributions to defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

The Company provides benefits such as, provident fund and pension schemes (both managed by other than the Company) to its employees which are treated as defined contribution plans.

**Defined benefit plans**

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognized as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognizes related restructuring costs or termination benefits.

The major defined benefit plans of the Company are as follows:

**Gratuity**

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, in capacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company's gratuity scheme is unfunded. The Company recognizes the obligation of a defined benefit plan in its Balance Sheet as a liability.

Gains and losses through remeasurements of the net defined benefit liability / (asset) are recognized in other comprehensive income. The effects of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

### 3.10 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Any reimbursements with respect to liabilities/ provisions are recognized only when there is a virtual certainty that the said amounts will be received.

### 3.11 Current and Deferred Tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in the statement of Profit and Loss except when they relate to items that are recognized outside profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit and loss, as appropriate. Current income taxes are determined based on respective taxable income based on tax rate enacted as at reporting date.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carryforwards and unused tax credits could be utilized.

Deferred tax assets and Liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### 3.12 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation 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 Company or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. It is disclosed in the financial statements. If the outflow of such obligation becomes probable, it is recognized as a provision.

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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 Company. Contingent assets are recognized only if there is a virtual certainty of realization. It is disclosed in the financial statements if it is probable only.

### 3.13 Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years' presented.

### 3.14 Statement of Cashflows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a 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.

### 3.15 Segment Reporting

Operating segments are reported in manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The management assesses the financial performance and position of the Company and makes strategic decisions. The chief operating decision maker consists of the Directors of the Company.

The Company's primary business segments are reflected based on the principal business carried out, i.e., financial activities. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments.

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## NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH, 2025

(Presented in Rs Lakh other than Share Data and EPS)

### Note No. 4: Cash and cash equivalents

(₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| (a) Cash on hand | 207.59 | 949.18 |
| (b) Balances with banks | 525.30 | 568.62 |
| **Total** | **732.89** | **1,517.80** |

### Note No. 5: Bank balances other than cash and cash equivalents

(₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| a) Term deposits with Banks (Debenture Redemption) | - | - |
| b) Term deposit with Bank* | 1,760.52 | 1,350.00 |
| **Total** | **1,760.52** | **1,350.00** |

** Lien was marked on Term deposit of ₹750.00 Lakh and ₹900.00 Lakh against credit facilities sanctioned by State Bank of India and Federal Bank respectively*

### Note No. 6: Receivables

(₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| ***(i) Trade receivables*** | - | - |
| ***(ii) Other receivables - Interest receivables*** | | |
| (a) Considered good - secured | 1,693.38 | 1,347.65 |
| (b) Considered good - unsecured | 47.47 | 56.61 |
| | **1,740.85** | **1,404.26** |
| Less: Allowance for impairment loss | - | - |
| **Total** | **1,740.85** | **1,404.26** |

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**Note No. 7: Loans** (₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **(A)** | | |
| (i) Gold loan | 53,853.92 | 41,242.54 |
| (ii) GSL Accounts | 567.30 | 1,751.74 |
| (iii) Micro finance loans | 4,166.20 | 5,373.12 |
| (iv) Consumption loans | 45.86 | 200.11 |
| (v) Insta loans | 912.52 | 698.90 |
| | **59,545.80** | **49,266.41** |
| Impairment allowance | (307.53) | (208.03) |
| **Total** | **59,238.27** | **49,058.38** |
| **(B)** | | |
| ***I) Secured by Tangible assets*** | | |
| (i) Gold loan | 53,853.92 | 41,242.54 |
| (ii) Business loan | 567.30 | 1,751.74 |
| | **54,421.22** | **42,994.28** |
| Impairment allowance | (137.91) | (99.31) |
| **Total** | **54,283.31** | **42,894.97** |
| ***II) Unsecured*** | | |
| (i) Other loans | 5,124.58 | 6,272.13 |
| | **5,124.58** | **6,272.13** |
| Less: Impairment allowance | (169.62) | (108.72) |
| **Total** | **4,954.96** | **6,163.41** |
| **(C)** | | |
| ***(I) Loans in India*** | | |
| i) Loans | 59,545.80 | 49,266.41 |
| | **59,545.80** | **49,266.41** |
| ***(II) Loans outside India*** | 0.00 | 0.00 |
| | 59,545.80 | 49,266.41 |
| Less: Impairment allowance | (307.53) | (208.03) |
| **Total** | **59,238.27** | **49,058.38** |

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**Note No. 8: Other financial assets** (₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| a) Rent deposits | 689.33 | 338.48 |
| b) Other security deposits | 16.82 | 15.74 |
| c) Other financial assets | 183.68 | 246.94 |
| **Total** | **889.83** | **601.16** |

**Note No. 9: Current tax assets (Net)** ₹ in lakhs

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| a) Current tax assets net of (tax payable) | 605.48 | 643.18 |
| **Total** | **605.48** | **643.18** |

**Note No. 10: Deferred tax assets /(Deferred tax liabilities )** (₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| a) Deferred tax assets | 367.62 | 1,757.09 |
| b) Deferred tax liabilities | (374.95) | (1,542.12) |
| **Deferred Tax Asset/(Liabilities)** | **(7.33)** | **214.97** |

**(A) The balance of deferred tax assets comprises temporary differences attributable to:**

*(₹ in lakhs)*

| Particulars | As at April 1, 2024 | Charged/ (credited) to profit or loss for the period | Recognised in Other Comprehensive Income | As at March 31, 2025 |
|---|---|---|---|---|
| Difference between book base and tax based in respect of PPE, ROU assets and intangible assets | (1,432.35) | (1,191.38) | - | (240.97) |
| Application of EIR on financial assets | 99.77 | 85.46 | - | 14.31 |
| Application of EIR on financial liabilities | (107.37) | 26.61 | - | (133.98) |
| Deferred tax on lease liabilities | 1,603.21 | 1,309.77 | - | 293.44 |
| Employee Benefits | 47.30 | (5.18) | 2.99 | 55.46 |
| Others | 4.41 | - | - | 4.41 |
| **Deferred tax assets /(Deferred tax liabilities)** | **214.97** | **225.28** | **2.99** | **(7.33)** |

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| Particulars | As at April 1, 2023 | Charged/ (credited) to profit or loss for the period | Recognised in Other Comprehensive Income | As at March 31, 2024 |
|---|---|---|---|---|
| Difference between book base and tax based in respect of PPE, ROU assets and intangible assets | (1,179.04) | (253.31) | - | (1,432.35) |
| Application of EIR on financial assets | 83.82 | 15.95 | - | 99.77 |
| Application of EIR on financial liabilities | (49.33) | (58.04) | - | (107.37) |
| Deferred tax on lease liabilities | 1,267.89 | 335.32 | - | 1,603.21 |
| Employee Benefits | 39.95 | 3.71 | 3.64 | 47.30 |
| Others | - | 4.41 | - | 4.41 |
| **Deferred tax assets (net)** | **163.29** | **48.04** | **3.64** | **214.97** |

**Disclosure pursuant to Ind AS 12 Income Taxes**

*(₹ in lakhs)*

| Particulars | March 31,2025 | March 31,2024 |
|---|---|---|
| (a) Current tax | 2.63 | 74.18 |
| (b) Deferred tax | 225.28 | (48.04) |
| **Total tax expenses in the Statement of Profit and Loss** | 227.91 | 26.14 |
| Tax effect on other comprehensive income | 2.99 | 3.64 |
| Deferred tax credit recorded in equity | - | - |
| Tax losses on which deferred tax is not recognised | - | - |

**Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss:**

*(₹ in lakhs)*

| Particulars | March 31,2025 | March 31,2024 |
|---|---|---|
| Profit before tax | 475.90 | 198.37 |
| Applicable income tax rate | 25.17% | 25.17% |
| **Expected income tax expenses** | **119.78** | **49.93** |
| Adjustment on account of: | | |
| a) Expenses not allowable as per income tax | 0.71 | 1.24 |
| b) Effect of income exempt from tax | - | - |
| c) Non-creation deferred tax on temporary differences | - | - |
| d) Tax related to prior years | 2.63 | 12.48 |
| e) Deferred tax recognised in OCI | 2.99 | 3.64 |
| f) Others | 101.80 | (41.15) |
| **Tax expense recognised during the year** | **227.91** | **26.14** |

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## Note No. 11(i): Property, plant and equipment

(₹ in lakhs)

| Description | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2024 | Additions | Deletion | As at 31.03.2025 | As at 01.04.2024 | For the Year | Depreciation on sale/Woff of Assets | As at 31.03.2025 | As at 01.04.2024 | As at 31.03.2025 |
| Furniture & Fixtures | 1,873.09 | 803.79 | - | 2,676.88 | 472.65 | 212.77 | - | 685.42 | 1,400.44 | 1,991.46 |
| Plant & Equipment | 777.41 | 185.01 | (5.49) | 956.92 | 130.24 | 70.88 | (1.11) | 200.01 | 647.17 | 756.91 |
| Computer | 141.92 | 37.34 | - | 179.26 | 52.25 | 44.73 | - | 96.98 | 89.67 | 82.28 |
| Electrical Fittings | 45.76 | 0.87 | - | 46.63 | 33.49 | 0.97 | - | 34.46 | 12.27 | 12.17 |
| Vehicles | 27.18 | - | - | 27.18 | 6.80 | 3.42 | - | 10.22 | 20.38 | 16.96 |
| RCC Frame Structure | 411.25 | - | - | 411.25 | 22.49 | 7.59 | - | 30.08 | 388.76 | 381.17 |
| **Total** | **3,276.61** | **1,027.01** | **(5.49)** | **4,298.13** | **717.92** | **340.36** | **(1.11)** | **1,057.17** | **2,558.69** | **3,240.95** |

| Description | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2023 | Additions | Deletion | As at 31.03.2024 | As at 01.04.2023 | For the Year | Depreciation on sale/Woff of Assets | As at 31.03.2024 | As at 31.03.2024 | As at 31.03.2023 |
| Furniture & Fixtures | 1,151.00 | 722.59 | (0.50) | 1,873.09 | 323.32 | 149.33 | | 472.65 | 1,400.44 | 827.68 |
| Plant & Equipment | 527.30 | 257.43 | (7.32 ) | 777.41 | 75.33 | 56.19 | (1.28) | 130.24 | 647.17 | 451.97 |
| Computer | 69.83 | 72.09 | - | 141.92 | 21.09 | 31.16 | | 52.25 | 89.67 | 48.74 |
| Electrical Fittings | 45.29 | 0.47 | - | 45.76 | 22.05 | 11.44 | | 33.49 | 12.27 | 23.24 |
| Vehicles | 27.18 | - | - | 27.18 | 3.37 | 3.43 | | 6.80 | 20.38 | 23.81 |
| RCC Frame Structure | 411.25 | - | - | 411.25 | 14.88 | 7.61 | | 22.49 | 388.76 | 396.37 |
| **Total** | **2,231.85** | **1052.58** | **(7.82)** | **3,276.61** | **460.04** | **259.16** | **(1.28)** | **717.92** | **2558.69** | **1,771.81** |

**Notes:**

(i) There are no property, plant and equipment which are acquired through business combination during the year (previous year - nil)

(ii) The Company has not revalued any of the assets during the year (previous year - nil)

(iii) No immovable properties are held in the name of the Company.

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## Note 11(ii): Right-of-use asset

(₹ in lakhs)

| Description | GROSS BLOCK | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2024 | Additions | Deletion | As at 31.03.2025 | As at 01.04.2024 | For the Year | Amortisation on sale/Woff of Assets | As at 31.03.2025 | As at 31.03.2025 | As at 31.03.2024 |
| Building | 7,357.99 | 250.18 | 6,255.80 | 1,352.37 | 1,657.74 | 474.12 | 1,685.45 | 446.41 | 905.96 | 5,700.25 |
| **Total** | **7,357.99** | **250.18** | **6,255.80** | **1,352.37** | **1,657.74** | **474.12** | **1,685.45** | **446.41** | **905.96** | **5,700.25** |

(₹ in lakhs)

| Description | GROSS BLOCK | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2023 | Additions | Deletion | As at 31.03.2024 | As at 01.04.2023 | For the Year | Amortisation on sale/Woff of Assets | As at 31.03.2024 | As at 31.03.2024 | As at 31.03.2023 |
| Building | 5707.77 | 1,687.81 | 37.59 | 7,357.99 | 978.32 | 679.42 | - | 1657.74 | 5,700.25 | 4729.45 |
| **Total** | **5707.77** | **1,687.81** | **37.59** | **7,357.99** | **978.32** | **679.42** | **-** | **1657.74** | **5,700.25** | **4729.45** |

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## Note 11(iii): Intangible Assets

(₹ in lakhs)

| Description | GROSS BLOCK | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2024 | Additions | Deletion | As at 31.03.2025 | As at 01.04.2024 | For the Year | Amortisation on sale/Woff of Assets | As at 31.03.2025 | As at 31.03.2025 | As at 31.03.2024 |
| Computer Software | 39.61 | 2.12 | - | 41.73 | 33.35 | 3.53 | - | 36.87 | 4.86 | 6.26 |
| **Total** | **39.61** | **2.12** | **-** | **41.73** | **33.35** | **3.53** | **-** | **36.87** | **4.86** | **6.26** |

(₹ in lakhs)

| Description | GROSS BLOCK | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2023 | Additions | Deletion | As at 31.03.2024 | As at 01.04.2023 | For the Year | Amortisation on sale/Woff of Assets | As at 31.03.2024 | As at 31.03.2024 | As at 31.03.2023 |
| Computer Software | 34.86 | 4.75 | - | 39.61 | 15.28 | 18.07 | - | 33.35 | 6.26 | 19.58 |
| **Total** | **34.86** | **4.75** | **-** | **39.61** | **15.28** | **18.07** | **-** | **33.35** | **6.26** | **19.58** |

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**Note No. 12: Capital work-in-progress** (₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Capital work-in-progress (Refer Note) | 24.82 | 288.63 |
| **Total** | **24.82** | **288.63** |

**Ageing of capital work-in-progress** (₹ in lakhs)

| Capital work-in-progress of branches: | Less than 1 year | 1-2 years | More than 2 years | Total |
|---|---|---|---|---|
| *As at March 31, 2025* | | | | |
| Tamil Nadu | 2.53 | 2.95 | - | 5.48 |
| Kerala | 6.87 | - | 3.58 | 10.45 |
| Karnataka | - | - | - | - |
| Maharashtra | - | - | - | - |
| Andhra Pradesh | | | | |
| Telengana | 8.89 | - | - | 8.89 |
| **Total** | **18.29** | **2.95** | **3.58** | **24.82** |

(₹ in lakhs)

| Capital work-in-progress of branches: | Less than 1 year | 1-2 years | More than 2 years | Total |
|---|---|---|---|---|
| *As at March 31, 2024* | | | | |
| Tamil Nadu | 52.16 | 6.00 | - | 58.16 |
| Kerala | 26.85 | - | 3.58 | 30.43 |
| Karnataka | 19.44 | 36.60 | | 56.04 |
| Maharashtra | 13.06 | - | - | 13.06 |
| Andhra Pradesh | 130.94 | | | 130.94 |
| Telengana | | | | |
| **Total** | **242.45** | **42.60** | **3.58** | **288.63** |

*Note: There is no cost of over-run and delay in completion from the original schedule for any of the above projects.*

**Note No. 13: Other non-financial assets** (₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| a) Prepaid expenses | 21.14 | 22.00 |
| b) Advance for expenses | 40.88 | 55.68 |
| c) Deposits with government authorities | 111.99 | 83.22 |
| e) Others | - | - |
| **Total** | **174.01** | **160.90** |

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## Note No. 14: Debt Securities

(₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| *At amortised cost* | | |
| Non-convertible debentures (Secured) | | |
| - In India (Refer note (ii) below) | 25,013.74 | 19,072.35 |
| - Outside India | - | - |
| **Total** | **25,013.74** | **19,072.35** |

Note:
(i) There are no debt securities measured at fair value through profit or loss (FVTPL) or designated as FVTPL.
(ii) The bonds are secured by paripassu floating charge on current assets, book debts and loans and advances.

***Details of non-convertible debentures (secured)*** *(₹ in lakhs)*

| From Balance Sheet date | Interest rate range | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Repayable on maturity: | | | |
| Matured* | Less than 30% | 42.43 | 44.06 |
| Maturing within 1 year* | Less than 13.50% | 9,403.06 | 6,228.54 |
| Maturing between 1 year to 2 years | Less than 13.50% | 5,667.17 | 5,640.10 |
| Maturing between 2 year to 3 years | Less than 13.50% | 1,859.25 | 1,268.27 |
| Maturing beyond 3 years | Less than 13.50% | 8,084.26 | 5,935.44 |
| **Total amortised cost** | | **25,056.17** | **19,116.41** |

*including the matured debentures classified under other financial liabilities.

***Series Wise Details of non-convertible debentures (secured)***

***A) Issue on Private Placement***

(₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| 21-22 DEMAT-V | - | 21.50 |
| 21-22 DEMAT-VI | - | 7.00 |
| 21-22 DEMAT-XI | - | 67.00 |
| 21-22 DEMAT-XII | - | 10.00 |
| 21-22 DEMAT-XVII | - | 5.00 |
| 21-22 DEMAT- XXI | - | 15.00 |
| 21-22 DEMAT -XXII | - | 14.00 |
| 21-22 Demat XXVI | - | 11.00 |
| **Sub Total** | - | **150.50** |
| 22-23 Demat III | - | 13.00 |
| 22-23 Demat IV | 7.20 | 7.20 |
| 22-23 Demat VII | 11.00 | 11.00 |
| 22-23 Demat IX | - | 45.00 |

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| | | |
|---|---|---|
| 22-23 Demat X | 39.20 | 39.20 |
| **Sub Total** | **57.40** | **115.40** |
| **Total** | **57.40** | **265.90** |
| NCD Matured but not paid | 42.43 | 44.06 |
| **Grand Total** | **99.83** | **309.96** |

***B) Issued on Public Offer***

(₹ in lakhs)

| | **NCD ISSUE -I** | | **As at** |
|---|---|---|---|
| **Series** | **ISIN_CODE** | **March 31, 2025** | **March 31, 2024** |
| Series-1 | INE051307986 | - | - |
| Series-2 | INE051307978 | - | 2,226.22 |
| Series-3 | INE051307994 | - | 1,327.74 |
| Series-4 | INE051307AA0 | 1,061.79 | 1,061.79 |
| Series-5 | INE051307AB8 | 1,694.69 | 1,694.69 |
| Series-6 | INE051307AC6 | - | 629.98 |
| Series-7 | INE051307AD4 | 319.59 | 319.59 |
| Series-8 | INE051307AE2 | 1,163.49 | 1,163.49 |
| | **Total** | **4,239.56** | **8,423.50** |

(₹ in lakhs)

| | **NCD ISSUE -II** | **As at** | |
|---|---|---|---|
| **Series** | **ISIN_CODE** | **March 31, 2025** | **March 31, 2024** |
| Series-1 | INE051307AP8 | - | 484.11 |
| Series-2 | INE051307AO1 | 1359.71 | 1359.71 |
| Series-3 | INE051307AN3 | 504.09 | 504.09 |
| Series-4 | INE051307AJ1 | 834.42 | 834.42 |
| Series-5 | INE051307AM5 | 1063.12 | 1063.12 |
| Series-6 | INE051307AL7 | - | 534.61 |
| Series-7 | INE051307AI3 | 632.03 | 632.03 |
| Series-8 | INE051307AK9 | 609.02 | 609.02 |
| | **Total** | **5,002.39** | **6,021.11** |

(₹ in lakhs)

| | **NCD ISSUE -III** | **As at** | |
|---|---|---|---|
| **Series** | **ISIN_CODE** | **March 31, 2025** | **March 31, 2024** |
| Series-1 | INE051307AX2 | - | 402.98 |
| Series-2 | INE051307AW4 | 1025.22 | 1025.22 |
| Series-3 | INE051307AV6 | 401.75 | 401.75 |
| Series-4 | INE051307AU8 | 475.42 | 475.42 |
| Series-5 | INE051307AT0 | 878.57 | 878.57 |
| Series-6 | INE051307AS2 | - | 497.9 |
| Series-7 | INE051307AR4 | 430.87 | 430.87 |
| Series-8 | INE051307AQ6 | 701.31 | 701.31 |
| | **Total** | **3,913.14** | **4,814.02** |

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| | NCD ISSUE -IV | As at | |
|---|---|---|---|
| **Series** | **ISIN_CODE** | **March 31, 2025** | **March 31, 2024** |
| Series-1 | INE051307BC4 | 342.29 | - |
| Series-2 | INE051307AZ7 | 1,754.66 | - |
| Series-3 | INE051307BA8 | 829.73 | - |
| Series-4 | INE051307BB6 | 252.61 | - |
| Series-5 | INE051307BD2 | 1,003.84 | - |
| Series-6 | INE051307BG5 | 505.58 | - |
| Series-7 | INE051307BE0 | 547.02 | - |
| Series-8 | INE051307BF7 | 17.63 | - |
| Series-9 | INE051307AY0 | 746.64 | - |
| | **Total** | **6,000.00** | **0.00** |

| | NCD ISSUE -V | As at | |
|---|---|---|---|
| **Series** | **ISIN_CODE** | **March 31, 2025** | **March 31, 2024** |
| Series-1 | INE051307BH3 | 402.37 | - |
| Series-2 | INE051307BI1 | 1,014.56 | - |
| Series-3 | INE051307BJ9 | 1,491.14 | - |
| Series-4 | INE051307BK7 | 1,219.22 | - |
| Series-5 | INE051307BL5 | 53.42 | - |
| Series-6 | INE051307BM3 | 24.00 | - |
| Series-7 | INE051307BN1 | 747.18 | - |
| Series-8 | INE051307BP6 | 616.35 | - |
| Series-9 | INE051307BO9 | 798.90 | - |
| | **Total** | **6,367.14** | **0.00** |

**Note No. 15: Borrowings (Other than Debt Securities)** *(₹ in lakhs)*

| **Particulars** | **As at March 31, 2025** | **As at March 31, 2024** |
|---|---|---|
| **(a) In India** | | |
| ***At amortised cost*** | | |
| i) Secured | | |
| *Term loans* | | |
| - From Banks | 2,302.21 | 2,754.00 |
| *Loans repayable on demand* | | |
| - From Banks | 4,365.59 | 3,733.12 |
| ii) Unsecured | | |
| - Unsecured loan | - | - |
| - Lease liabilities | 1,165.83 | 6,369.53 |
| - Inter Corporate Deposit | - | - |
| **(b) Outside India** | - | - |
| **Total** | **7,833.63** | **12,856.65** |

**Note:**
(i) There is no borrowings measured at FVTPL or designated at FVTPL.

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*Details of loans from Banks (Secured)* *(₹ in lakhs)*

| From Balance Sheet date | Interest rate range | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| ***A) Repayable on demand*** | | | |
| Working capital facilities | Less than 12% | 4,365.59 | 3,733.12 |
| ***B) Repayable in instalments*** | | | |
| Maturing within 1 year | Less than 12.5% | 757.79 | 941.93 |
| Maturing between 1 year to 3 years | Less than 12.5% | 1,544.42 | 1,240.86 |
| Maturing between 3 year to 5 years | Less than 12.5% | - | 571.21 |
| **Total amortised cost** | | **6,667.80** | **6,487.12** |

**Note No. 16: Subordinated Liabilities** (₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| *At amortised cost* | | |
| i) Unsecured | | |
| - Subordinated debts | 19,560.35 | 18,371.30 |
| **Total** | **19,560.35** | **18,371.30** |

*Details of Subordinated debts (Unsecured)* *(₹ in lakhs)*

| From Balance Sheet date | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Interest rate range | Amount | Interest rate range | Amount |
| Repayable on maturity: | | | | |
| Maturing within 1 year* | 10.00 - 14.87% | 4,466.60 | 10.75 - 16.66% | 3,393.35 |
| Maturing between 1 year to 3 years | 10.00 – 13.00% | 6,675.45 | 10.00 - 17.65% | 7,106.45 |
| Maturing between 3 year to 5 years | 10.00 – 12.98% | 7,800.45 | 10.00 - 17.65% | 6,590.65 |
| Maturing beyond 5 years | 10.41 - 12.60% | 7,41.55 | 10.21 - 12.60% | 1,359.50 |
| **Total amortised cost** | | **19,684.05** | | **18,449.95** |

**including the matured subordinated debt classified under other financial liabilities.*

**Changes in the liabilities arising from financing activities** (₹ in lakhs)

| *For the year ended March 31, 2025* | Opening balance | Cashflows | Non-cash changes | Closing balance |
|---|---|---|---|---|
| Debt securities* | 19,116.41 | 5,939.76 | - | 25,056.17 |
| Borrowings | 12,856.65 | (60.89) | (4,962.13) | 7,833.63 |
| Subordinated liabilities* | 18,449.95 | 1,234.10 | - | 19,684.05 |
| **Total** | **50,423.01** | **7,112.97** | **(4,962.13)** | **52,573.85** |

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| *For the year ended March 31, 2024* | Opening balance | Cashflows | Non-cash changes | Closing balance |
|---|---|---|---|---|
| Debt securities* | 10,289.71 | 8,826.70 | - | 19,116.41 |
| Borrowings | 8,676.34 | 2,633.60 | 1,546.71 | 12,856.65 |
| Subordinated liabilities* | 17,713.95 | 736.00 | - | 18,449.95 |
| **Total** | **36,680.00** | **12,196.30** | **1,546.71** | **50,423.01** |

**including matured debentures and liabilities classified under other financial liabilities*

**Note No. 17: Other financial liabilities** (₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| a) Interest accrued and due on borrowings | 104.62 | 117.39 |
| b) Interest accrued but not due on borrowings | 4,374.35 | 3,213.16 |
| c) Matured non-convertible debentures | 42.43 | 44.06 |
| d) Matured subordinated debt | 123.70 | 78.65 |
| e) Employee related payables | 317.48 | 23.72 |
| f) Retention money payables | 12.43 | 32.64 |
| g) Expense payables | 22.59 | 130.46 |
| h) Others | 348.20 | 356.20 |
| **Total** | **5,345.80** | **3,996.28** |

**Note No. 18: Provisions** (₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| a) Provision for employee benefits | | |
| - Gratuity | 220.38 | 187.92 |
| b) Other provisions | | |
| - for law suit | 8.00 | 8.00 |
| - for Loss assets | - | - |
| - for missing cash | 9.50 | 9.50 |
| **Total** | **237.88** | **205.42** |

**Note No. 19: Other non-financial liabilities** (₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| a) Statutory dues payable | 77.82 | 99.68 |
| **Total** | **77.82** | **99.68** |

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**Note No. 20: Equity share capital** (₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| *Authorised:* | | |
| 1300.00 lakh equity shares of ₹10 each (March 31, 2024 - 800.00 lakh) | 13,000.00 | 8,000.00 |
| 2.00 lakh preference shares of ₹1,000 each (March 31, 2024 - 2.00 lakh) | 2,000.00 | 2,000.00 |
| | **15,000.00** | **10,000.00** |
| *Issued, subscribed, called-up and paid-up* | | |
| 740.00 lakh equity shares of ₹10 each, fully paid-up '(March 31, 2024 - 600.00 lakhs) | 7,400.00 | 6,000.00 |
| **Total** | **7,400.00** | **6,000.00** |

**a) Reconciliation of number of shares**

| Equity shares | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | No. of shares (in lakhs) | ₹ in lakhs | No. of shares (in lakhs) | ₹ in lakhs |
| Balance at the beginning of the year | 600.00 | **6,000.00** | 600.00 | 6,000.00 |
| Add: Issue during the year | 140.00 | 7400.00 | - | - |
| Less: Buyback during the year | - | - | - | - |
| **Balance at the end of the year** | **740.00** | **7,400.00** | **600.00** | **6,000.00** |

**(b) Rights, preferences and restrictions attached to shares**

The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| **C.D. Boby** | | |
| - Number of shares (in lakhs) | 656.73 | 515.88 |
| - Percentage of holding | 88.75% | 85.98% |
| **Chemmanur Gold Palace International Limited** | | |
| - Number of shares (in lakhs) | 70.00 | 70.00 |
| - Percentage of holding | 9.46% | 11.67% |

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**(d) Shares held by the Promoter and promoter group***

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| **C.D. Boby** | | |
| - Number of shares (in lakhs) | 656.73 | 515.88 |
| - Percentage of holding | 88.75% | 85.98% |
| - Change in percentage of holding | 2.77% | 0.26% |
| **Smitha Boby** | | |
| - Number of shares (in lakhs) | 0.55 | 0.55 |
| - Percentage of holding | 0.07% | 0.09% |
| **Lijo Moothedan** | | |
| - Number of shares (in lakhs) | 0.35 | 0.35 |
| - Percentage of holding | 0.05% | 0.06% |

** The Company has reclassified Mr. Jisso C Baby, Mrs. Deena Lijo and Mr. Jose Chaklappan from the promoter and promoter group category to 'public' category shareholder of the Company with effect from September 30, 2023 vide Board resolution dated October 21, 2023.*

**Note No. 21: Other equity** (₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| *a) Reserve fund* | | |
| Balance at the beginning of the year | 880.67 | 846.22 |
| Additions to / (transfers made) during the year | 49.60 | 34.45 |
| Balance at the end of the year | **930.27** | **880.67** |
| *b) Impairment reserve* | | |
| Balance at the beginning of the year | 88.41 | 85.08 |
| Transition adjustments | - | - |
| Additions to / (transfers made) during the year | 31.39 | 3.33 |
| Balance at the end of the year | **119.80** | **88.41** |
| *c) Securities Premium* | | |
| Balance at the beginning of the year | - | - |
| Transition adjustments | - | - |
| Additions to / (transfers made) during the year | 700.00 | - |
| Balance at the end of the year | **700.00** | **-** |
| *d) Retained Earnings* | | |
| Balance at the beginning of the year | 1,933.71 | 1,810.09 |
| Transition adjustments | - | - |
| Net profit/ (loss) for the year | 247.99 | 172.23 |

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| | | |
|---|---|---|
| Remeasurement gain/ (loss) on defined benefit plan | (8.89) | (10.83) |
| Dividend paid | - | - |
| Additions to / (transfers made) during the year | (80.98) | (37.78) |
| Balance at the end of the year | **2,091.83** | **1,933.71** |
| **Total (a) + (b) + (c) + (d)** | **3,841.89** | **2,902.79** |

***Description of the nature and purpose of Other Equity***

(a) Reserve Fund

Reserve fund represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The 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.

(b) Impairment reserve

The impairment reserve is created when the impairment allowance under Ind AS 109 is lower than the 'provisioning required under income recognition and asset classification norms. The difference between these will be appropriated to the impairment reserve from the net profit or loss after tax. No withdrawal is permitted without any prior approval from RBI.

(c) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception.
Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

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**Note No. 22: Interest income** (₹ in lakhs)

| Particulars | For the period ended | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| *On financial instruments measured at amortised cost* | | |
| a) Interest on loans and advances | 12,146.77 | 9,650.46 |
| b) Interest income from investments | - | - |
| b) Interest income from term deposits from banks etc. | 155.51 | 83.42 |
| c)Interest Income from Rent Deposit | 21.60 | 32.98 |
| **Total** | **12,323.88** | **9,766.86** |

*Note: There are no assets measured at FVTOCI/ FVTPL*

**Note No. 23: Rental income** (₹ in lakhs)

| Particulars | For the period ended | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Rental income from sub-leasing | 99.15 | 91.53 |
| **Total** | **99.15** | **91.53** |

**Note No. 24: Fees and commission income** (₹ in lakhs)

| Particulars | For the period ended | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| a) Commission etc. | 338.94 | 509.29 |
| b) Service Charge,Documentation Fee etc. | 419.14 | 205.16 |
| **Total** | **758.08** | **714.45** |

**Note No. 25: Other income** (₹ in lakhs)

| Particulars | For the period ended | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| a) Baddebts recovered | 2.21 | - |
| b) Provision written back | - | 11.56 |
| c) Interest on Income Tax refund | 14.64 | 13.25 |
| e) Income on lease | 959.90 | 13.37 |
| e) Miscellaneous income | 16.11 | 3.47 |
| **Total** | **992.86** | **41.65** |

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**Note No. 26: Finance costs** (₹ in lakhs)

| Particulars | For the period ended | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| *On financial liabilities measured at amortised cost* | | |
| a) Interest on borrowings | 810.07 | 483.80 |
| b) Interest on debts securities | 2,755.85 | 1,503.89 |
| c) Interest on subordinated liabilities | 2,596.64 | 2,187.97 |
| d) Interest on lease liabilities | 445.18 | 650.54 |
| e) Other borrowing costs | 52.00 | 31.00 |
| **Total** | **6,659.74** | **4,857.20** |

**Note No. 27: Impairment of financial instruments** (₹ in lakhs)

| Particulars | For the period ended | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| *On financial instruments measured at amortised cost* | | |
| a) Baddebts written off | - | - |
| a) Loans | 99.50 | 41.54 |
| **Total** | **99.50** | **41.54** |

**Note No. 28: Employee benefit expenses** (₹ in lakhs)

| Particulars | For the period ended | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| a) Salaries and wages | 4,110.30 | 3,216.16 |
| b) Contribution to provident fund and other funds | 119.37 | 99.67 |
| c) Incentives | 136.31 | 181.17 |
| d) Gratuity | 49.95 | 41.24 |
| c) Other staff welfare expenses | 39.74 | 30.50 |
| **Total** | **4,455.67** | **3,568.74** |

**Note No. 29: Depreciation, amortisation and impairment** (₹ in lakhs)

| Particulars | For the period ended | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| a) Depreciation on property, plant and equipment | 340.36 | 259.16 |
| b) Amortisation on intangible assets | 3.53 | 18.07 |
| c) Depreciation on right-of-use assets | 474.12 | 679.42 |
| **Total** | **818.01** | **956.65** |

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**Note No. 30: Other expenses** (₹ in lakhs)

| Particulars | For the period ended | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Electricity | 115.65 | 110.34 |
| Annual maintenance charges | 104.96 | 37.09 |
| Software maintenance | 31.17 | 33.24 |
| Rent | 476.39 | 10.45 |
| Rates and taxes | 50.02 | 7.81 |
| Insurance | 13.64 | 12.67 |
| Repairs and maintenance | 35.67 | 46.77 |
| Advertising and sales promotion | 30.19 | 35.66 |
| Office expenses | 299.26 | 222.98 |
| Travelling and conveyance | 227.34 | 205.09 |
| Communication costs | 130.42 | 117.04 |
| Printing and stationery | 46.14 | 50.64 |
| Payment to auditors: (refer note 32) | 9.00 | 10.45 |
| Legal and professional fees | 58.15 | 39.44 |
| Security charges | 1.78 | 6.84 |
| Provision for cash missing | - | 4.60 |
| Commision and brokerage | 22.75 | 27.81 |
| Loss on sale of fixed assets | 2.82 | 4.90 |
| Miscellaneous expenses | 9.80 | 8.16 |
| **Total** | **1,665.15** | **991.98** |

**Note No. 31: Earnings per Share**

| Particulars | For the period ended | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Profit/ (loss) for the year (₹ in lakhs) | 247.99 | 172.23 |
| Weighted average number of equity shares outstanding (in lakhs) | 653.12 | 600.00 |
| Basic and diluted earnings per share (₹) | 0.38 | 0.29 |
| Face value per equity share (₹) | 10.00 | 10.00 |

**Note 32: Payment to Auditors** (₹ in lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| For Statutory Audit | 5.50 | 5.50 |
| Certification | 3.50 | 4.95 |
| **Total** | **9.00** | **10.45** |

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**Note 33: Contingent liabilities and Contingent assets**

(₹ in lakhs)

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| a) Claims against the Company not acknowledged as debt | - | - |
| - Income tax matters | - | - |
| - Others | 0.08 | 0.08 |
| b) Guarantees- Counter guarantees provided to Banks | - | - |
| c) Other money for which the company is contingently liable | - | - |
| **Total** | **0.08** | **0.08** |

**Note 34 Operating segments**

**Primary segment**
Operating segments are defined as components of an enterprise for which discrete financial information is available that is revaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company has only one reportable business segment "Financial services".

**Secondary segment (by geography)**
The Company's economic environment is similar and it is having operations in India only. Therefore, the Company has only one reportable geographical segment. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended March 31, 2025 (previous year - nil)

**Note 35 Employee Benefits**

In accordance with Ind AS - 19 Employee Benefits, specified under Section 133 of the Companies Act, 2013 the following disclosures are made:
The Company recognised ₹119.37 lakhs (2023-24: ₹99.67 lakhs) for Provident Fund and ESI contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**Defined Benefit Plans**

The Company has an unfunded gratuity plan for qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested, it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Actuarial gains and losses in respect of defined benefit plans are recognised in the financial statements through other comprehensive income.

Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below:

***Interest risk:***
The plan liabilities are calculated using a discount rate set with references to government bond yields. Any decrease in interest rate will increase the plan liability.

***Longevity risk***
The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

***Salary risk***
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table set out the unfunded status of the defined benefit schemes and the amount recognised in financial statements.

**(a) Amount recognised in the Profit or loss for the period**

*(₹ in lakhs)*

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Current service cost | 37.87 | 30.83 |
| Past service cost | - | - |
| Net interest on net defined benefit liability | 12.08 | 10.41 |
| **Amount recognised in Profit or loss for the year** | **49.95** | **41.24** |

**(b) Amount recognised in other comprehensive income**

*(₹ in lakhs)*

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| *Remeasurement (gains)/ losses* | | |
| a) Actuarial (gains)/losses arising from changes in | - | - |
| - Change in demographic assumptions | (10.60) | - |
| - Change in financial assumptions | 11.85 | 3.30 |
| - Experience adjustment | 10.63 | 11.17 |
| b) Return on plan asset excluding considered in net interest | - | - |
| **Amount recognised in other comprehensive income** | **11.88** | **14.47** |

**(c) Changes in present value of defined benefit obligation**

*(₹ in lakhs)*

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Opening defined benefit obligation | 187.92 | 158.69 |
| Current service cost | 37.87 | 30.83 |
| Past service cost | - | - |
| Interest cost | 12.08 | 10.41 |
| Actuarial (gains)/losses | 11.88 | 14.47 |
| Benefits paid | (29.36) | (26.48) |
| **Closing defined benefit obligation** | **220.38** | **187.92** |

**(d) Net defined benefit liability/ (asset)**

*(₹ in lakhs)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Present value of defined benefit obligation | 220.38 | 187.92 |
| Fair value of plan assets | - | - |
| **Net defined benefit liability/ (asset)** | **220.38** | **187.92** |
| - Current | 36.82 | 27.19 |
| - Non-current | 183.56 | 160.73 |

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**(e ) The Principal actuarial assumptions used in determining gratuity liability is as follows:**

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Discount rate | 6.38% | 6.98% |
| Salary increase | 5.00% | 5.00% |
| Employee turnover ratio (based on service period) | | |
| - Less than or equal to 4 years | 40.00% | 30.00% |
| - Above 4 years | 5.00% | 5.00% |
| Mortality Rate | IALM 2012-14* | IALM 2012-14* |

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* IALM: India Assured Lives Mortality modified Ult.

Representative mortality rates taken for current actuarial valuation as per the chosen mortality table are given below:

| Age | Rate | Age | Rate |
|---|---|---|---|
| 15 | 0.000698 | 45 | 0.002579 |
| 20 | 0.000924 | 50 | 0.004436 |
| 25 | 0.000931 | 55 | 0.007513 |
| 30 | 0.000977 | 60 | 0.011162 |
| 35 | 0.001202 | 65 | 0.015932 |
| 40 | 0.001680 | 70 | 0.024058 |

***Sensitivity analysis***

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate, future salary escalation rate and attrition rate. The following tables summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points. These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

*(₹ in lakhs)*

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Discount rate | | |
| - 100 bps increase | (19.25) | (16.67) |
| - 100 bps decrease | 22.91 | 19.82 |
| Salary growth rate | | |
| - 100 bps increase | 23.00 | 20.02 |
| - 100 bps decrease | (19.66) | (17.11) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

The weighted average duration of the defined benefit obligation is estimated as 10.61 years (previous year – 10.82 years).
The payout pattern of defined benefit obligation (undiscounted) estimated as at year-end is given below:

*(₹ in lakhs)*

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Expected cashflow due | | |
| - within 1 year | 36.82 | 27.18 |
| - 2 to 5 years | 57.53 | 54.60 |
| - 6 to 10 years | 64.64 | 58.71 |
| - More than 10 years | - | - |

**Note 36: Capital management**

The Reserve Bank of India vide its circular reference RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 outlined the regulatory guidance in relation to Ind AS financial statements from financial year 2019-20 onwards. This included guidance for computation of 'owned funds' , 'net owned funds' and 'regulatory capital'. Accordingly, the 'regulatory capital' has been computed in accordance with these requirements read with the requirements of the Master Direction DNBR. PD.008/03.10.119/2016-17 dated September 01, 2016 (as amended).

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.

The company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). The minimum Tier I capital as prescribed by RBI guidelines and applicable to the Company, shall not be less than 12 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

The Company has complied with all regulatory requirements related capital and capital adequacy ratios as prescribed by RBI.

*Regulatory capital and analytical ratios*

*(₹ in lakhs)*

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| **Capital Adequacy Ratios** | | |
| (a) Tier I capital | 11,096.09 | 8,659.56 |
| (b) Tier II capital (limited to Tier I capital) | 5,694.40 | 4,452.26 |
| (c) Total regulatory capital (a) + (b) | 16,790.50 | 13,111.82 |
| (d) Aggregate of Risk weighted assets | 66,477.96 | 60,028.75 |
| (e) Tier I capital ratio (a) / (d) | 16.69% | 14.43% |
| (f) Tier II capital ratio (b) / (d) | 8.57% | 7.41% |
| (g) Capital to risk-weighted assets ratio (c) /(d) | 25.26% | 21.84% |
| **Liquidity coverage ratio** | | |
| (a) High Quality Liquid Assets | 732.89 | 1,517.80 |
| (b) Net cash outflows/(inflows) over the next 30 calendar days | (3,854.15) | (5,537.20) |
| **(c) Liquidity coverage ratio* (a) / (b)** | **(19.02)%** | **(27.41)%** |

**negative liquidity coverage ratio indicates that the Company has net inflows rather than net outflows.*

"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 subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"Owned fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

"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. 12 month expected credit loss (ECL) allowances for financial instruments i.e. where the credit risk has not increased significantly since initial recognition, shall be included under general provisions and loss reserves in Tier II capital within the limits specified by extant regulations. Lifetime ECL shall not be reckoned for regulatory capital (numerator) while it shall be reduced from the risk weighted assets

(d) Hybrid debt capital instruments; and

(e) Subordinated debt to the extend aggregate does not exceed Tier I capital.

Aggregate Risk Weighted Assets -
Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off- balance sheet assets. Hence, the value of each of the on-balance sheet assets and off- balance sheet assets 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.

High Quality Liquid Assets-
"High Quality Liquid Assets (HQLA)" means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. It primarily consists of cash and cash equivalents, unencumbered bank deposits and government securities etc.

Net cash outflows/(inflows) over the next 30 calendar days -

The net cash outflows over the next 30 calendar days is computed by reducing the stressed cashflows (75% of normal cash outflows) from the stressed cash outflows (115% of the normal cash outflows) as per the computation methodology provided by the Reserve Bank of India.

**Note 37: Leases**

***I) Company as a Lessee***

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises used for operating activities.

Expense relating to leases on which short-term lease exemption was availed during the year ended March 31, 2025 is ₹476.39 lakhs (previous year: ₹10.45 lakhs). The expense relating to leases of low-value assets during the year ended March 31, 2025, is Nil (previous year Nil)

None of the lease contains any variable lease payments or taken under sale and leaseback arrangements.

**Movement in lease liabilities**

₹ in lakhs

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Opening balance | 6,369.53 | 5,100.89 |
| Add: Additions during the year | 236.59 | 1,591.45 |
| Add: Finance cost | 445.18 | 650.54 |
| Less: Repayment made during the period | (686.75) | (928.61) |
| Less: Termination/ modification adjustments | (5,198.72) | (44.74) |
| **Closing balance** | **1,165.83** | **6,369.53** |

**Maturity analysis of lease liabilities**

₹ in lakhs

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Up to 1 year | 184.36 | 486.38 |
| 1 year - 5 years | 572.96 | 2,524.00 |
| More than 5 years | 408.51 | 3,359.15 |
| **Total** | **1,165.83** | **6,369.53** |

**Note 38: Debenture Redemption Reserve**

The Company is not required to maintain the debenture redemption reserve since it is a NBFC. The Company is required to maintain debenture redemption investment to the tune of 15% of debentures maturing within 12 months from the beginning of the financial year in unencumbered deposits and/ or government securities. The Company has complied with the said requirement.

**Note 39 Pending Litigations**

The Company's pending litigations comprise of claims by the Company on the customers to recover its dues. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statements of the Company as at March 31, 2025 (previous year - nil)

**Note 40: Financial risk management framework**

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

Board of Directors of the Company have established Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies for its business. The credit risk is managed through credit norms established based on historical experience.

*Note 40.1: Market risk*

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

*a) Pricing risk*
The Company does not have any asset which is exposed to the pricing risk

*b) Currency risk*
The Company does not have any asset which is exposed to the currency risk since the Company does not deal in foreign currency

*c) Interest rate risk*
The company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates

*Note 40.2: Credit Risk Management*

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its retail and other loans primarily based on Days past due monitoring at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

**Credit Quality of Financial Loans and Investments**

The following table sets out information about credit quality of loans and investments measured at amortized cost primarily based on days past due information. The amount represents gross carrying amount.

(₹ in lakhs)

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Gross carrying amount of loans | | |
| 0 - 60 days past due | 56,299.71 | 47,200.26 |
| 61-90 days past due | 2,220.69 | 1,587.73 |
| Impaired (more than 90 days past due) | 1,025.39 | 478.42 |
| **Total** | **59,545.80** | **49,266.41** |

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the company is into retail lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

*Inputs considered in the ECL model*
In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorizes loan assets into stages primarily based on the Days Past Due status.
Stage 1 : 0-60 days past due
Stage 2 : 61-90 days past due
Stage 3 : More than 90 days past due

The COVID 19 pandemic had significantly increased the credit risk relating to the loans and advances from the historical loss expectations. The management had given due care and made forward looking estimates to ECL model so as to cover the additional risk due to the pandemic.

*Estimations and assumptions considered in the ECL model*
The Company has made the following assumptions in the ECL Model:

a) The Company is primarily engaged in the gold loan business and the average loan duration is less than 1 year also. Therefore, the Company does not make any segregation between 12 month ECL and life-time ECL while computing the ECL allowance and life-time ECL is provided for all loans irrespective of their tenure.

b) In case of non-performing assets which are not secured, the RBI provision rates were considered as a forward looking estimate for loss rate purpose since there was no historical information available for loss on such advances.
*Concentration of credit risk*

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.

***Note 40.3: Liquidity risk***

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The Company has well defined Asset Liability Management (ALM) framework with an appropriate organisational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity.

***Maturity pattern of financial liabilities***

(₹ in lakhs)

| Particulars | 0-12 months | Beyond 12 months | Total |
|---|---|---|---|
| **As at March 31, 2025** | | | |
| (a) Payables | - | - | - |
| (b) Debt securities | 9403.06 | 15610.68 | 25,013.74 |
| (c) Borrowings (Other than Debt Securities) | 4460.54 | 2207.26 | 6,667.80 |
| (d) Lease liabilities | 184.36 | 981.47 | 1,165.83 |
| (e) Deposits | - | - | - |
| (f) Subordinated Liabilities | 4342.90 | 15217.45 | 19560.35 |
| (g) Other financial liabilities | 3090.08 | 2255.72 | 5,345.80 |
| **Total** | **21,480.94** | **36,272.58** | **57,753.52** |
| **As at March 31, 2024** | | | |
| (a) Payables | - | - | - |
| (b) Debt securities | 6,228.54 | 12,843.81 | 19,072.35 |
| (c) Borrowings (Other than Debt Securities) | 4,287.42 | 2,199.70 | 6,487.12 |
| (d) Lease liabilities | 486.38 | 5,883.15 | 6,369.53 |
| (e) Deposits | - | - | - |
| (f) Subordinated Liabilities | 3,314.70 | 15,056.60 | 18,371.30 |
| (g) Other financial liabilities | 1,461.52 | 2,534.77 | 3,996.29 |
| **Total** | **15,778.56** | **38,518.03** | **54,296.59** |

**Note 41: Financial instruments**

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3.2 to the financial statements.

***Note 41.1: Classification of financial assets and liabilities***

The fair values of the financial assets / liabilities represent the price that would be received to sell the financial asset or paid to transfer the financial liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of trade receivables, cash, loans, other financial assets, trade payables and other financial liabilities, approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these financial assets. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

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The fair values of security deposits were calculated based on cash flows discounted using current lending rate.
The fair values are classified as Level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The Company does not have any financial instruments which are held for trading and no financial instruments are required to be accounted using fair value through profit or loss. Further, the Company has no instruments which are accounted for using hedge accounting model as specified under Ind AS 109 Financial Instruments.

(₹ in lakhs)

| Particulars | Non-current | Current | Total |
|---|---|---|---|
| **As at March 31, 2025** | | | |
| *Financial assets at amortised cost* | | | |
| (a) Cash and cash equivalents | - | 732.89 | 732.89 |
| (b) Bank balances other than cash and cash equivalents | 1,760.52 | - | 1,760.52 |
| (c) Receivables | - | 1,740.85 | 1,740.85 |
| (d) Loans | 797.79 | 58,440.48 | 59,238.27 |
| (e) Investments | - | - | - |
| (f) Other financial assets | 706.15 | 183.68 | 889.83 |
| **Total** | **3,264.46** | **61,097.90** | **64,362.36** |
| *Financial liabilities at amortised cost* | | | |
| (a) Payables | - | - | |
| (b) Debt securities | 15,610.68 | 9,403.06 | 25,013.74 |
| (c) Borrowings (Other than Debt Securities) | 3,188.73 | 4,644.90 | 7,833.63 |
| (d) Deposits | - | - | - |
| (e) Subordinated Liabilities | 15,217.45 | 4,342.90 | 19,560.35 |
| (f) Other financial liabilities | 2,255.72 | 3,090.08 | 5,345.80 |
| **Total** | **36,272.58** | **21,480.94** | **57,753.52** |
| **As at March 31, 2024** | | | |
| *Financial assets at amortised cost* | | | |
| (a) Cash and cash equivalents | - | 1,517.80 | 1,517.80 |
| (b) Bank balances other than cash and cash equivalents | 1,350.00 | - | 1,350.00 |
| (c) Receivables | - | 1,404.26 | 1,404.26 |
| (d) Loans | 1,191.59 | 47,866.79 | 49,058.38 |
| (e) Investments | - | - | - |
| (f) Other financial assets | 307.05 | 294.11 | 601.16 |
| **Total** | **2,848.64** | **51,082.96** | **53,931.60** |
| *Financial liabilities at amortised cost* | | | |
| (a) Payables | - | - | |
| (b) Debt securities | 12,843.81 | 6,228.54 | 19,072.35 |
| (c) Borrowings (Other than Debt Securities) | 8,082.85 | 4,773.80 | 12,856.65 |
| (d) Deposits | - | - | - |
| (e) Subordinated Liabilities | 15,056.60 | 3,314.70 | 18,371.30 |
| (f) Other financial liabilities | 2,534.77 | 1,461.52 | 3,996.29 |
| **Total** | **38,518.03** | **15,778.56** | **54,296.59** |

***Note 41.2: Fair value hierarchy***

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The fair value of loan assets has been arrived at by using level 3 inputs at initial recognition and subsequently measured using amortized cost model. There are no financial instruments which are carried at fair value as at the Balance Sheet date.

### Note 42: Corporate Social Responsibility (CSR) Disclosures

The Company has constituted a CSR committee in accordance with the provisions of the Companies Act, 2013. The focus of CSR activities of the Company comprises promotion of healthcare and destitute care among underprivileged sections of society. There is no amount required to be spend on CSR activities during the year 2024-25 and the details are given below.

(₹ in lakhs)

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| (i) Amount required to be spent by the company during the year | - | - |
| (ii) Amount of expenditure incurred | - | - |
| (iii) Shortfall at the end of the year | - | - |
| (iv) Total of previous years shortfall | - | - |
| (v) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Ind AS | - | - |
| (vi) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year | NA | NA |

### Note 43: Leverage ratios

(₹ in lakhs)

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Total Liabilities and Equity | 69,318.44 | 63,504.48 |
| Less: Share Capital | 7,400.00 | 6,000.00 |
| Less: Other equity | 3,841.89 | 2,902.79 |
| Less: Provisions | 237.88 | 205.42 |
| **Total Outside Liabilities (A)** | **57,838.67** | **54,396.27** |
| Share Capital | 7,400.00 | 6,000.00 |
| Reserves and Surplus | 3841.89 | 2,902.79 |
| Less: Deferred revenue expenditure | 21.14 | 22.00 |
| Less: Intangible Asset | 4.86 | 6.26 |
| Less: Deferred Tax Assets | 0 | 214.97 |
| **Total Owned Funds (B)** | **11,215.89** | **8,659.56** |
| **Leverage Ratio (A) / (B)** | **5.16** | **6.28** |

### Note 44: Provision on Loans and Advances as per Income Recognition and Asset Classification Norms of RBI

**As at March 31, 2025**

( ₹ in lakhs)

| Particulars | Gross Loan Outstanding | Provision For Assets | Net Loan Outstanding |
|---|---|---|---|
| **A. Gold Loan** | | | |
| Standard Assets | 53,745.55 | 134.36 | 53,611.18 |
| Sub Standard Assets | 20.91 | 2.09 | 18.82 |
| Doubtful Asset | 11.16 | 2.75 | 8.41 |
| Loss Asset | 76.29 | 76.29 | 0.00 |
| **Total** | **53,853.92** | **215.50** | **53,638.42** |
| **B. Other Loans** | | | |
| Standard Assets | 4,816.26 | 12.04 | 4804.22 |
| Sub Standard Asset | 688.37 | 68.84 | 619.53 |
| Doubtful Asset | 187.25 | 130.95 | 56.30 |
| Loss Asset | - | - | |
| **Total** | **5,691.88** | **211.83** | **5480.05** |
| **C. Total- Gold and other Loans (A) + (B)** | | | |
| Standard Assets | 58,561.81 | 146.40 | 58415.40 |
| Sub Standard Asset | 709.28 | 70.93 | 638.35 |
| Doubtful Asset | 198.41 | 133.70 | 64.71 |
| Loss Asset | 76.29 | 76.29 | - |
| **Grand Total - All Loans** | **59,545.80** | **427.32** | **59,118.46** |

**As at March 31, 2024** (₹ in lakhs)

| Particulars | Gross Loan Outstanding | Provision For Assets | Net Loan Outstanding |
|---|---|---|---|
| **A. Gold Loan** | | | |
| Standard Assets | 41,175.22 | 102.94 | 41,072.28 |
| Sub Standard Assets | 9.89 | 0.99 | 8.90 |
| Doubtful Asset | 2.62 | 1.13 | 1.49 |
| Loss Asset | 54.81 | 54.81 | - |
| **Total** | **41,242.54** | **159.87** | **41,082.67** |
| **B. Other Loans** | | | |
| Standard Assets | 7,729.36 | 19.32 | 7,710.04 |
| Sub Standard Asset | 137.92 | 13.79 | 124.13 |
| Doubtful Asset | 156.59 | 103.46 | 53.13 |
| Loss Asset | - | - | - |
| **Total** | **8,023.87** | **136.57** | **7,887.30** |
| **C. Total- Gold and other Loans (A) + (B)** | | | |
| Standard Assets | 48,904.58 | 122.26 | 48,782.32 |
| Sub Standard Asset | 147.81 | 14.78 | 133.03 |
| Doubtful Asset | 159.21 | 104.59 | 54.62 |
| Loss Asset | 54.81 | 54.81 | - |
| **Grand Total - All Loans** | **49,266.41** | **296.44** | **48,969.97** |

**Movement of Provision**

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Opening balance | 296.44 | 251.58 |
| Add: Provided during the year: | | |
| Provision for Standard asset & NPA | 130.89 | 44.86 |
| Less: Excess provision for standard Asset Reversed | - | - |
| Closing balance | 427.33 | 296.44 |

**Gross and Net Non performing assets** ₹ in lakhs

| Particulars | March 31, 2025 | | March 31, 2024 | |
|---|---|---|---|---|
| | Amount in Rs | % of Total Loans | Amount in Rs | % of Total Loans |
| Gross Non performing Asset: | 983.99 | 1.65% | 361.84 | 0.73% |
| Less: Provision for Non performing Asset | 280.92 | | 174.18 | |
| Net Non performing Asset | 703.07 | 1.18% | 187.66 | 0.38% |

**Note 45: Loan to asset value** ₹ in lakhs

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Gold Loan | 53,853.92 | 41,242.54 |
| Total Assets | 69,318.44 | 63,504.48 |
| % of Gold Loan to total Assets | 77.69% | 64.94% |

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**Note 46: Additional disclosures as required by circular no DNBS.CC.PD.No.356/03.10.01/2013-2014 dated September 16, 2013 issued by the Reserve bank of India**

Auction of Gold ornaments pledged as security in the defaulted loan accounts

| Particulars | Amount |
|---|---|
| Number of Loan Accounts | 289 |
| Principal Amount outstanding at the dates of auction (₹ in lakhs) | 86.53 |
| Interest Amount outstanding at the dates of auction (₹ in lakhs) | 20.13 |
| Other Charges (₹ in lakhs) | 2.07 |
| Total (₹ in lakhs) | 108.73 |
| Value fetched (₹ in lakhs) | 121.24 |
| Surplus (₹ in lakhs) | 14.60 |
| Deficit (₹ in lakhs) | 2.09 |

**Note:**
No sister concerns participated in the auctions during the year ended March 31, 2025

**Note 47: Instances of Fraud and misappropriation**

**(a) Cash embezzlement**
During the previous reporting year there had been certain instances of cheating and misappropriations against the company cash to the tune of Rs.42.99 lakhs by some employees at branches .The same was identified by the management and immediate action was taken to recover the misappropriated amount and also created provision for the same. And also recovered Rs.0.15 lakh during the reporting year. Out of the misappropriated cash amounting to the tune of Rs. 5 lakh, (Outstanding as on 31/03/2022), in Kondotty Branch and the total amount of Rs 3.19 lakh was recovered by the company during 2022-2023 ,2023-24 and 2024-25. There is no change in provision of Rs.7.53 lakh made during the previous reporting years against misappropriation of cash at Kolathupuzha branch.

**(b) (b) Spurious or low purity Gold Ornaments**

(₹ in lakhs)

| Number of cases | Loan amount | Spurious portion of Gold | Amount recovered | Amount to be recovered |
|---|---|---|---|---|
| 185 | 149.48 | 80.68 | 80.66 | 0.02 |

**Note 48: Additional disclosures required under Schedule III**

***Note 48.1: Loans and advances to promoters. KMPs, Directors and related parties***
Details of loans to promoters, KMPs, Directors and other related parties during the period are as follows:

| Type of borrower | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Amount outstanding | % of total | Amount outstanding | % of total |
| ***Repayment terms are fixed*** | | | | |
| a) Promoters | Nil | Nil | Nil | Nil |
| b) Directors | Nil | Nil | Nil | Nil |
| c) KMPs | Nil | Nil | Nil | Nil |
| d) Related parties | Nil | Nil | Nil | Nil |
| ***Repayable on demand*** | | | | |
| a) Promoters | Nil | Nil | Nil | Nil |
| b) Directors | Nil | Nil | Nil | Nil |
| c) KMPs | Nil | Nil | Nil | Nil |
| d) Related parties | Nil | Nil | Nil | Nil |
| ***without specifying any terms or period of repayment*** | | | | |
| a) Promoters | Nil | Nil | Nil | Nil |
| b) Directors | Nil | Nil | Nil | Nil |
| c) KMPs | Nil | Nil | Nil | Nil |
| d) Related parties | Nil | Nil | Nil | Nil |

***Note 48.2: Transactions related to Crypto-currency***

The company has not traded or invested in Crypto currency or Virtual Currency during the period (previous year - Nil)

***Note 48.3: Fund received from other persons/ entities for lending/ investing/ providing guarantee***

The company has not received any funds from any person/entities, for the purpose of directly or indirectly lending/investing/providing guarantee/security to another person/entity, by or on behalf of the person/entity from whom such amount is received during the period in contravention of the Act or RBI guidelines.

The company has not advanced/loaned/invested funds to any person/entity for the purpose of directly or indirectly lending/ investing/ providing guarantee/ security to a third person/entity, by or on behalf of the company in contravention of the Act.

***Note 48.4: Utilisation of borrowings***

The Company had utilised the borrowings availed during the period for the purposes specified.

***Note 48.5: Periodical reports submitted to bank on current assets***

The Company has taken loans from banks/ Financial Institutions (FI) on the basis of security of assets like loans receivable. The periodic returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

***Note 48.6: Disclosure pursuant to section 186 of the Companies Act, 2013***

The Company has not given any loans/ advances/ guarantees to any related person/ entities in contravention of section 186 of the Companies Act, 2013.

***Note 48.7: Details of Corporate guarantees given by the Company***

The Company has not given any corporate guarantee in respect of any loan during the period

***Note 48.8: Revaluation of assets***

The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets)/ Intangible Assets during the period (previous year - Nil)

***Note 48.9: Property under the Benami Transactions (Prohibition) Act, 1988***

The company is not holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)

***Note 48.10: Willful defaulter***

The company is not wilful defaulter under guidelines on wilful defaulters issued by the Reserve Bank of India

***Note 48.11: Relationship with struck-off companies***

The company has no relationship and transactions with struck-off companies

***Note 48.12: Delay in registration of charges***

The company has not made any delay in registration of Charges during the period.

***Note 48.13: Compromises and Arrangements***

The company has not entered in scheme of arrangement under section 230 to 237 of Companies Act 2013 during the period.

***Note 48.14: Transactions not recorded in the books disclosed under income tax***

There are no transactions not recorded in the books of accounts, which are disclosed during the Income tax assessment/search/survey.

***Note 48.15: Regrouping/reclassification of previous period figures***

Previous year's figures have been regrouped / reclassified to conform to the current year's classification.

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

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### a) Name of related parties

**For the year ended March 31, 2025**

**I) Entities in which KMP of the Company has significant influence**

1) CDB 24 Karat Gold and diamonds Private limited.
2) CDB 24 Karat International Jewellers Private Limited.
3) Chemmanur Gold Palace International Ltd
4) Boby Chemmanur (No.1) Chits Private Ltd
5) Boby Housing and Construction Private Limited
6) CD Boby Developers and Builders Private Ltd
7) CDB Infrastructure Private Limited
8) BDC Realty and Infra Private Limited
9) DBC Real Estate Developers Private Ltd.
10) Boby Chemmanur Nidhi Limited
11) Boby Chemmanur International Developers LLP
12) Boby Bazar Private Limited
13) Phygicart e-Commerce Private Limited
14) Chemmanur International Jewellers
15) Chemmanur Bose Jewellers
16) Chemmanur Fashion Jewellers, Manjery
17) Chemmanur Fashion Jewellers, Sulthan Bathery
18) Chemmanur International Holidays and Resorts Private Ltd
19) Boby Chemmanur Entertainments Private Limited
20) Boby Chemmanur Enterprises private Limited
21) Chemmanur International Jewellers LLP
22) Chemmanur International Info Solutions Pvt. Ltd.
23) Boby Chemmanur Airlines Private Ltd
24) Pushyaragam Jewellwers (Koyilandy) Pvt. Ltd
25) Melophilez Associates Private Limited
26) Mallooz IT Solutions Private Limited
27) Boche Tours And Travels Private Limited
28) Boche Bhumi Putra Private Limited
29) Port Land Hospital Private Limited
30) Bofast Logistics Limited
31) Boche Jungle Wine Private Limited
32) Boche RX Lens Private Limited
33) Heloboche Telemarketing Private Limited
34) Boche Uzhichil and Pizhichil Private Limited
35) Patronymic Technologies and Industries Private Limited
36) Boche Enterprises LLP
37) Edavannappara Gold and Diamonds LLP
38) Brewcraft Hospitality Private Limited
39) Thriprayar Gold and Diamonds Private Limited
40) Boche Gold and Diamond Limited
41) Ahalia Insurance Brokers Private Limited
42) Serveindia (No.1) Chits Private Limited

**(II) Key Managerial Personnel**

1) Mr.Boby.C.D (Chairman & MD)
2) Mrs.Anju Thomas (CS)
3) Mr. Pramod.M (C.F.O- Resigned on 28/08/2024 )
4) Mrs. Jasmine M.P (C.F.O- w.e.f 28/08/2024 )
4) Mr. T. K. Thomas (C.E.O)

**For the year ended March 31, 2024**

**I) Entities in which KMP of the Company has significant influence**

1) CDB 24 Karat Gold and diamonds Private limited.
2) CDB 24 Karat International Jewellers Private Limited.
3) Chemmanur Gold Palace International Ltd
4) Boby Chemmanur (No.1) Chits Private Ltd
5) Boby Housing and Construction Private Limited
6) CD Boby Developers and Builders Private Ltd
7) CDB Infrastructure Private Limited
8) BDC Realty and Infra Private Limited
9) DBC Real Estate Developers Private Ltd.
10) Boby Chemmanur Nidhi Limited
11) Boby Chemmanur International Developers LLP
12) Boby Bazar Private Limited
13) Phygicart e-Commerce Private Limited
14) Chemmanur International Jewellers
15) Chemmanur Bose Jewellers
16) Chemmanur Fashion Jewellers, Manjery
17) Chemmanur Fashion Jewellers, Sulthan Bathery
18) Chemmanur International Holidays and Resorts Private Ltd
19) Boby Chemmanur Entertainments Private Limited
20) Boby Chemmanur Enterprises private Limited
21) Chemmanur International Jewellers LLP
22) Chemmanur International Info Solutions Pvt. Ltd.
23) Boby Chemmanur Airlines Private Ltd
24) Pushyaragam Jewellwers (Koyilandy) Pvt. Ltd
25) Melophilez Associates Private Limited
26) Mallooz IT Solutions Private Limited
27) Boche Tours And Travels Private Limited
28) Boche Bhumi Putra Private Limited
29) Port Land Hospital Private Limited
30) Bofast Logistics Limited
31) Boche Jungle Wine Private Limited
32) Boche RX Lens Private Limited
33) Heloboche Telemarketing Private Limited
34) Boche Uzhichil and Pizhichil Private Limited
35) Patronymic Technologies and Industries Private Limited
36) Boche Enterprises LLP
37) Edavannappara Gold and Diamonds LLP
38) Brewcraft Hospitality Private Limited
39) Thriprayar Gold and Diamonds Private Limited

1) Mr.Boby.C.D. (Chairman & MD)
2) Mrs.Anju Thomas (CS)
3) Mr. Pramod.M (CFO)
4) Mr. T. K. Thomas (CEO)

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR
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**(III) Relatives of Key Managerial Personnel**

1) Mrs. Smitha Boby
2) Mrs. Bymi Joffy
3) Mrs.Maithri K.M
4) Mr. Nishanth David Thomas
5) Ms. Divya Mary Mathew

1) Mrs. Smitha Boby
2) Mrs. Bymi Joffy
3) Mrs.Maithri K.M
4) Mr. Nishanth David Thomas
5) Mrs.Anju Mathew
6) Mr.Nidhin George Thomas

**(b) Related Party Transactions During the Year**

| Particulars | Entities in which KMP of the company has significant influence | | Key Management Personnel | | Relatives of Key Management Personnel | |
|---|---|---|---|---|---|---|
| | 31-03-25 | 31-03-24 | 31-03-25 | 31-03-24 | 31-03-25 | 31-03-24 |
| **Loan From Director** | | | | | | |
| Loan taken from Boby.C.D | - | - | 450.00 | 375.00 | - | - |
| Loan Repaid to Boby.C.D | - | - | 450.00 | 375.00 | - | - |
| **Equity share subscription** | | | | | | |
| From Boby C.D (CMD) | - | - | 2,100.00 | - | - | - |
| **Intercorporate Deposit** | - | | | | | |
| Chemmanur Gold Palace International Limited | - | | | | | |
| Inter Corporate Deposit (ICD) Acceptance | - | 1,000.00 | - | - | - | - |
| Inter Corporate Deposit (ICD) Repayment | - | 1,000.00 | - | - | - | - |
| Interest on Inter Corporate Deposit | - | 11.01 | - | - | - | - |
| **Interest Paid** | - | | | | | |
| Boby.C.D | - | - | 14.05 | 0.23 | - | - |
| T.K Thomas | - | - | 1.30 | 1.82 | - | - |
| Maithri K.M | - | - | - | - | 1.93 | 2.25 |
| Bimy Joseph | - | - | - | - | 0.48 | 0.50 |
| Divya Mary Mathew | - | - | - | - | 0.14 | - |
| **Non Convertible Debentures/Subordinated debt repayment** | - | | | | | |
| Boby.C.D | - | - | - | 7.55 | - | - |
| Maithri KM | - | - | - | - | 11.00 | 2.45 |
| T.K Thomas | - | - | 17.00 | - | - | - |
| **Rent Paid** | - | | | | | |
| Boby.C.D | - | - | 1.13 | 1.27 | - | - |
| **Chit Collection Received** | - | | | | | |
| BobyChemmanur (No.1) Chits Private Ltd | - | 0.04 | - | - | - | - |
| **Chit Collection Repaid** | - | | | | | |
| Boby Chemmanur (No.1) Chits Private Ltd | - | 0.04 | - | - | - | - |
| **Remuneration to chairman** | - | | | | | |
| Boby.C.D | | - | 108.00 | 108.00 | - | - |
| **Remuneration to Chief Executive Officer** | | | | | | |
| T.K Thomas | - | - | 34.42 | 30.00 | - | - |

C.M. JOSEPH & ASSOCIATES CHARTERED ACCOUNTANTS KOCHI-25
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| | | | | | | |
|---|---|---|---|---|---|---|
| **Remuneration to Company secretary** | - | | | | | |
| Anju Thomas | - | - | 10.63 | 9.18 | - | - |
| **Remuneration to Chief Financial Officer** | - | | | | | |
| Pramod .M [Resigned on 28/08/2024] | - | - | 9.25 | 17.84 | - | - |
| Jasmine M.P [w.e.f 28/08/2024] | - | - | 8.97 | - | - | - |
| **Rent Received** | - | | | | | |
| Chemmanur Gold Palace International Limited | 99.15 | 91.53 | - | - | - | - |
| **Purchase** | - | | | | | |
| Boby Bazar Pvt Ltd | - | 2.66 | - | - | - | - |
| **NCD Issued(Public)** | - | | | | | |
| T.K Thomas | - | - | 5.00 | 8.00 | - | - |
| Maithri K.M | - | - | - | - | 15.00 | 9.90 |
| Divya Mary Mathew | - | - | - | - | 6.50 | - |
| **Maintenance Reimbursement and Refreshment Expenses** | | | | | | |
| Chemmanur Gold Palace International Limited | 7.08 | - | - | - | - | - |
| | | | | | | |
| Phygicart E-commerce Private Limited | 0.35 | - | - | - | - | - |
| Boche Bhumi Putra Private Limited | 0.04 | - | - | - | - | - |
| **Commission Income** | | | | | | |
| Boche Bhumi Putra Private Limited | 5.20 | - | - | - | - | - |
| **Staff Meeting expenses [ Tour Related ]** | | | | | | |
| Boche Tours and Travels Pvt Ltd | 18.45 | - | - | - | - | - |

**(c) Related party Balances as at the end of the year**

₹ in lakhs

| Particulars | Entities in which KMP of the company has significant influence | | Key Management Personnel | | Relatives of Key Management Personnel | |
|---|---|---|---|---|---|---|
| | 31-03-25 | 31-03-24 | 31-03-25 | 31-03-24 | 31-03-25 | 31-03-24 |
| **Due To:** | | | | | | |
| T.K Thomas (Non Convertible Debenture-Public) | - | - | 13.00 | 25.00 | - | - |
| Nishanth David Thomas (Non Convertible Debenture-Public) | - | - | - | - | 2.00 | 2.00 |
| Divya Mary Mathew (Non Convertible Debenture - Public) | - | - | - | - | 8.50 | 2.00 |
| Maithri K.M: | | | | | | |
| Non Convertible Debenture(Public) | | - | | - | 30.70 | 18.20 |
| Non Convertible Debenture (Private Placement) | | - | | - | - | 6.50 |
| Subordinated Debt | - | - | - | - | 8.00 | 10.00 |
| Bimy Joseph(Subordinated Debt) | - | - | - | - | 5.00 | 5.00 |
| Phygicart e- Commerce Private Limited | - | 0.35 | - | - | - | - |
| **Due From:** | | | | | | |
| Chemmanur Gold Palace International Limited | 9.15 | 8.24 | | - | | - |
| Boby Chemmanur (No.1) Chits Private Ltd | 0.02 | 0.02 | | - | | - |

**(d) Maximum Outstanding During The Year**

| Particulars | Entities in which KMP of the company has significant influence | | Key Management Personnel | | Relatives of Key Management Personnel | |
|---|---|---|---|---|---|---|
| | 31-03-25 | 31-03-24 | 31-03-25 | 31-03-24 | 31-03-25 | 31-03-24 |
| **Loan taken and Repaid** | | | | | | |
| Loan from Mr.Boby.C.D (Chairman & MD) | - | - | 450.00 | 375.00 | - | - |
| | | | | | | |
| **Intercorporate Deposit accepted and Repaid** | | | | | | |
| Chemmanur Gold Palace International Limited | - | 1,000.00 | - | - | - | - |
| | | | | | | |
| **Non Convertible Debentures/Subordinated debt** | | | | | | |
| Boby.C.D | - | - | - | 7.55 | - | - |
| Maithri KM | - | - | - | - | 30.70 | 34.70 |
| Nishanth David Thomas | - | - | - | - | 2.00 | 2.00 |
| T.K Thomas | - | - | 13.00 | 25.00 | - | - |
| Divya Mary Mathew | - | - | - | - | 8.50 | 2.00 |
| **Commission Receivable** | | | | | | |
| Boby Chemmanur (No.1) Chits Private Ltd | 0.02 | 0.02 | - | - | - | - |
| **Rent Receivable** | | | | | | |
| Chemmanur Gold Palace International Limited | 26.66 | 24.71 | - | - | - | - |
| | | | | | | |
| **Payable** | | | | | | |
| Phygicart e- Commerce Private Limited | 0.35 | 0.35 | - | - | - | - |

## Note 50: Security Offered For Loans

### (A). Term Loan & Cash credit facilities from State Bank of India

1. **PRIMARY SECURITY**

Exclusive hypothecation charge on the entire loan receivables of 54 specific branches of (both present & future) of the Company.

2. **COLLATERAL SECURITY**

**(i)** 784.60 Cents Of Land In Sy No.,147/197/8, 147/197/3, 985/1P , 147/197/7 ,983/1 ,984/1 , 986/p, and 987/p In Ollukkara Village, Thrissur Taluk, Ollukkara SRO In The Name Of M/S C.D Boby Developers And Builders Pvt Ltd
**(ii)** 5.93 Cents Of Land In Sy No.984/3 In Ollukkara Village, Thrissur Taluk, Ollukkara SRO In The Name Of Boby Housing And Constructions Pvt Ltd

**(iii)** 25.27 Cents of Land and building measuring 278.81 Sq Mtr thereon in Sy No 205/4 of Aranattukara Village, Thrissur Taluk, Ayyanthole SRO, Thrissur District in the name of C D Boby

**(iv)** Extension of EM over 13.73 Cents of land comprised in Sy. No. 983/1 along the side of Thrissur – Palakkad NH, 6th Stone , Vattakkalu, Mulayam, Ollukara Village, Thrissur District – Ollukara SRO in the name of M/s CDB Infrastructure Pvt Ltd.



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**(v)** Exclusive charge (Lien) over the fixed deposit of ₹750 lakh held in the name of the Company with SBI

(vi)DSRA equivalent to 2 months interest and instalment.

3. THIRD PARTY GUARANTEES

| | |
|---|---|
| **A.** | **Personal Guarantees Of** |
| 1 | Sri.C.D.Boby |
| 2 | Sri. LijoMoothedan |
| 3 | Smt. Smitha Boby |
| **B.** | **Corporate guarantees of** |
| 1 | M/S. C.D Boby Developers And Builders Pvt Ltd |
| 2 | M/S Boby Housing And Constructions Pvt Ltd |
| 3 | M/s CDB Infrastructure Pvt. Ltd |

Rate of Interest :

**Term Loan** : Rate at 440 bps above 6 Month MCLR (MCLR w.e.f. 15.t1.2024 is 8.90%) (i.e 13.30%)
**Cash Credit** : Rate at 280 bps above 6 Month MCLR (MCLR w.e.f. 15.t1.2024 is 8.90%) (i.e 11.70%)

**(B). Sanction of Term Loan from Dhanlaxmi Bank**

1. PRIMARY SECURITY

Exclusive charge on gold loan receivable of existing 5 or more branches of the company with 25% margin.

**Branch Name**
Kulathupuzha
Sasthamkotta
Vizhinjam
Vytila
Vazhuthacadu

2. COLLATERAL SECURITY

**(i)** EM of 2.5399 hectares (627.5 cents) of Land in sy No : 147/161/2 and 1225/P of Ollukkara village, Mullakkara Desom, Thrissur taluk, Thrissur District in the name of DBC Real Estate Developers Pvt Ltd

**(ii)** EM over 11.24 cents of residential plot with 750 Sqft residential building U/Sy. No 985 /IP in Ollukkara Village ,Thissur Taluk ,Thrissur District.

**(iii)** EM over 28.29 ares of land and Residential building comprised in Re sy . 101/1B 2 of Thazekode Village ,Kozhikode District (Mukkam).

**(iv)** EM over flat No. G2 & G3 Hema Apartments in 2/18 undivided share in 30.20 cents U/Sy No . 190/22 Kasba Village Kalathikunnu Desom,Kozhikode Taluk,Kozhikode District.

3. THIRD PARTY GUARANTEES

| | |
|---|---|
| **A.** | Personal Guarantees Of |
| 1 | Sri. C.D.Boby |
| 2 | Sri. LijoMoothedan |
| 3 | Mrs. Smitha Boby |

C.M. JOSEPH & ASSOCIATES KOCHI-25 CHARTERED ACCOUNTANTS

CHEMMANUR CREDITS & INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

Interest Rate: One year MCLR + 2.30 % spread

**(C). Sanction of Cash Credit from Dhanalaxmi Bank**

1. PRIMARY SECURITY

Exclusive charge on gold loan receivables of 5 branches of the company (mentioned below) with 25% margin

**Branch Name**
Kulathupuzha
Sasthamkotta
Vizhinjam
Vytila
Vazhuthacadu

2. COLLATERAL SECURITY

**(i)** EM of 2.5399 hectares (627.5 cents) of Land in sy No : 147/161/2 and 1225/P of Ollukkara village, Mullakkara Desom, Thrissur taluk, Thrissur District in the name of DBC Real Estate Developers Pvt Ltd

**(ii)** EM of 11.24 cents of residential plot with 750 Sqft residential building U/Sy No. 985/1P in Ollukara village, Thrissur taluk and District in the name of BDC Realty and Infra (P) Ltd

**(iii)** EM over 28.29 ares of land and Residential building comprised in Re sy . 101/1B 2 of Thazekode Village ,Kozhikode District (Mukkam) in the name of C D Boby.
**(iv)** EM over flat No. G2 & G3 Hema Apartments in 2/18 undivided share in 30.20 cents U/Sy No . 190/22 Kasba Village Kalathikunnu Desom,Kozhikode Taluk,Kozhikode District in the name of C D Boby.

3.THIRD PARTY GUARANTEES

| | |
|---|---|
| **A.** | Personal Guarantees Of |
| 1 | Sri. C.D.Boby |
| 2 | Sri. LijoMoothedan |
| 3 | Mrs. Smitha Boby |
| | |
| **B.** | Corporate guarantees of |
| 1 | DBC Real Estate Developers Pvt Ltd |
| 2 | BDC Realty and Infra (P) Ltd |

Rate of Interest: One year MCLR + 2.20 % spread

**(D). Working Capital Demand Loan (WDCL I) from Federal Bank**

1. PRIMARY SECURITY

Hypothecation of standard gold loan receivables of selected branches with 1.4x coverage

2. COLLATERAL SECURITY

**(i)** Cash margin @30%
Exclusive charge (Lien) over the fixed deposit of ₹900 lakhs held in the name of the Company with Federal Bank

3.THIRD PARTY GUARANTEES

| | |
|---|---|
| **A.** | Personal Guarantees Of |
| 1 | Sri. C.D.Boby |
| 2 | Sri. LijoMoothedan |
| 3 | Mrs. Smitha Boby |

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Rate of Interest: Repo rate + 6 %

**(E). Working Capital Demand Loan (WDCL II) from Federal Bank**

1. PRIMARY SECURITY

Hypothecation of standard gold loan receivables of selected branches with 1.4x coverage

2. COLLATERAL SECURITY

**(i)** Cash margin @30%
Exclusive charge (Lien) over the fixed deposit of ₹900 lakhs held in the name of the Company with Federal Bank

3.THIRD PARTY GUARANTEES

| **A.** | Personal Guarantees Of |
|---|---|
| 1 | Sri. C.D.Boby |
| 2 | Sri. LijoMoothedan |
| 3 | Mrs. Smitha Boby |

Rate of Interest: One Year MCLR+ 1.75 %

**(F). Working Capital Demand Loan (WDCL III) from Federal Bank**

1. PRIMARY SECURITY

Hypothecation of standard gold loan receivables of selected branches with 1.4x coverage

2. COLLATERAL SECURITY

**(i)** Cash margin @30%
Exclusive charge (Lien) over the fixed deposit of ₹900 lakhs held in the name of the Company with Federal Bank

3. THIRD PARTY GUARANTEES

| **A.** | Personal Guarantees Of |
|---|---|
| 1 | Sri. C.D.Boby |
| 2 | Sri. LijoMoothedan |
| 3 | Mrs. Smitha Boby |

Rate of Interest: One Year MCLR+ 1.60 %

**Note 51: Liquidity Risk**

Public disclosure on Liquidity Risk for the year ended March 31, 2025 pursuant to RBI circular dated November 04,2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

**I. Funding Concentration based on significant counter party (both deposits and borrowings)**

| | | **As on 31st March 2025** | | | **As on 31st March 2024** | | |
|---|---|---|---|---|---|---|---|
| **Sl. No.** | **No of Significant Counter parties** | **Amount (₹ in lakhs)** | **% of Total Deposits** | **% of Total Liabilities** | **Amount (₹ in lakhs)** | **% of Total Deposits** | **% of Total Liabilities** |
| 1 | Nil | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |

**II. Top 20 Large Deposits:** Not Applicable



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### III. Top 10 Borrowings

₹ in lakhs

| Sl. No. | Name of parties/holders | Nature | As on 31st March 2025 | | As on 31st March 2024 | |
|---|---|---|---|---|---|---|
| | | | Amount | As a % of Total borrowing | Amount | As a % of Total borrowing |
| 1 | Federal Bank | Working Capital Demand Loan | 2,055.56 | 3.95% | 991.82 | 2.25% |
| 2 | State Bank of India | Cash credit | 1,822.39 | 3.50% | 2389.82 | 5.41% |
| 3 | State Bank of India | Term Loan | 1,817.43 | 3.49% | 2,429.64 | 5.50% |
| 4 | Dhanlaxmi Bank | Cash credit | 501.16 | 0.96% | 351.48 | 0.80% |
| 5 | Dhanlaxmi Bank | Term Loan | 500.51 | 0.96% | 0.00 | 0.00% |
| 6 | Ramaa Iyer K | Subordinated Debt | 228.00 | 0.44% | 228.00 | 0.52% |
| 7 | Homi farrok kaka | Non Convertible Debenture | 200.00 | 0.38% | 200.00 | 0.45% |
| 8 | Shameer sha ali | Non Convertible Debenture | 145.00 | 0.28% | 0.00 | 0.00% |
| 9 | Sashikala v c | Non Convertible Debenture & SD | 142.00 | 0.27% | 156.00 | 0.35% |
| 10 | Rajeswari Amma Sarada | Non Convertible Debenture & SD | 132.01 | 0.25% | 60.00 | 0.16% |
| **TOTAL** | | | **7,544.06** | | **6,806.76** | |

### IV. Funding Concentration based on significant instrument/product

| SL | Name of the instrument/product | As on 31st March 2025 | | As on 31st March 2024 | |
|---|---|---|---|---|---|
| | | Amount (in lakhs) | % of Total Liabilities | Amount (in lakhs) | % of Total Liabilities |
| 1 | Non convertible Debentures | 25,056.17 | 43.14% | 19,116.41 | 35.01% |
| 2 | Subordinated Debts | 19,684.05 | 33.89% | 18,449.95 | 33.79% |
| 3 | Bank Borrowings | 6,667.80 | 11.48% | 6,487.12 | 11.88% |
| **TOTAL** | | **51,408.02** | | **44,053.48** | |

### V. Stock Ratio:

Other Short term liabilities of ₹3,051.92 lakhs as on 31st March 2025 (₹1,438.49 lakhs as on 31st March 2024) as a % of Total Public funds, Total Liabilities and Total Assets.

| | As on 31st March 2025 | | As on 31st March 2024 | |
|---|---|---|---|---|
| | Amount (₹ in lakhs) | Other Short Term Liabilities As a % Of | Amount (₹ in lakhs) | Other Short Term Liabilities As a % Of |
| Other Short term Liabilities: | 3,051.92 | | 1,438.49 | |
| Public Fund | 51,408.02 | 5.94% | 44,053.48 | 3.27% |
| Total Liabilities | 58,076.55 | 5.25% | 54,601.69 | 2.63% |
| Total Assets | **69,318.44** | 4.40% | **63,504.48** | 2.27% |

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C.M. JOSEPH & ASSOCIATES CHARTERED ACCOUNTANTS KOCHI-25

## Note 52: Comparison between provisions required under IRACP and impairment loss under Ind AS 109

₹ in lakhs

| Asset classification as per RBI norms | Asset classification as per Ind AS 109 | Gross carrying amount | Loss allowance under Ind AS 109 | Net carrying amount | Provision required as per IRACP Norms | Difference between provision as per Ind AS 109 & IRACP Norms |
|---|---|---|---|---|---|---|
| *As at March 31, 2025* | | | | | | |
| **Performing assets** | | | | | | |
| Standard assets | Stage 1 | 56,299.71 | 8.25 | 56,291.46 | 140.75 | -132.50 |
| | Stage 2 | 2,220.69 | 14.21 | 2,206.48 | 5.55 | 8.66 |
| | Stage 3 | 41.41 | 4.14 | 37.27 | 0.10 | 4.04 |
| Sub-total | | **58,561.81** | **26.60** | **58,535.21** | **146.40** | **-119.80** |
| **Non-performing assets** | | | | | | |
| Sub-standard | Stage 3 | 709.29 | 70.93 | 638.36 | 70.93 | - |
| Doubtful | | | | | | |
| - Up to 1 year | Stage 3 | 28.17 | 8.58 | 19.59 | 8.58 | - |
| - 1 year - 3 years | Stage 3 | 121.06 | 78.40 | 42.66 | 78.40 | - |
| - More than 3 years | Stage 3 | 49.18 | 46.72 | 2.46 | 46.72 | - |
| | | | | | | |
| Loss assets | Stage 3 | 76.29 | 76.29 | - | 76.29 | - |
| Sub-total for NPA | | **983.99** | **280.92** | **703.07** | **280.92** | **-** |
| Other items | | - | - | - | - | - |
| Sub-total | | **59,545.80** | **307.53** | **59,238.27** | **427.32** | **-119.80** |
| | | | | | | |
| **Total** | **Stage 1** | **56,299.71** | **8.25** | **56,291.46** | **140.75** | **-132.50** |
| | **Stage 2** | **2,220.69** | **14.21** | **2,206.48** | **5.55** | **8.66** |
| | **Stage 3** | **1,025.40** | **285.06** | **740.34** | **281.02** | **4.04** |
| | **Total** | **59,545.80** | **307.53** | **59,238.27** | **427.32** | **-119.80** |

₹ in lakhs

| Asset classification as per RBI norms | Asset classification as per Ind AS 109 | Gross carrying amount | Loss allowance under Ind AS 109 | Net carrying amount | Provision required as per IRACP Norms | Difference between provision as per Ind AS 109 & IRACP Norms |
|---|---|---|---|---|---|---|
| *As at March 31, 2024* | | | | | | |
| **Performing assets** | | | | | | |
| Standard assets | Stage 1 | 47,200.27 | 6.95 | 47,193.32 | 118.00 | (111.05) |
| | Stage 2 | 1,587.73 | 13.50 | 1,574.23 | 3.97 | 9.53 |
| | Stage 3 | 116.58 | 11.66 | 104.92 | 0.29 | 11.37 |
| Sub-total | | **48,904.57** | **32.11** | **48,872.47** | **122.26** | **(90.16)** |
| **Non-performing assets** | | | | | | |
| Sub-standard | Stage 3 | 147.82 | 17.48 | 130.33 | 14.78 | 2.70 |
| Doubtful | | | | | | |
| - Up to 1 year | Stage 3 | 33.94 | 18.26 | 15.68 | 18.26 | - |
| - 1 year - 3 years | Stage 3 | 122.79 | 84.74 | 38.05 | 84.93 | (0.19) |
| - More than 3 years | Stage 3 | 2.48 | 0.63 | 1.85 | 1.40 | (0.77) |
| | | | | | | |

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| | | | | | | |
|---|---|---|---|---|---|---|
| Loss assets | Stage 3 | 54.81 | 54.81 | - | 54.81 | - |
| Sub-total for NPA | | **361.84** | **175.92** | **185.91** | **174.18** | **1.74** |
| Other items | | - | - | - | - | - |
| Sub-total | | **49,266.41** | **208.03** | **49,058.38** | **296.44** | **(88.41)** |
| | | | | | | |
| **Total** | **Stage 1** | **47,200.27** | **6.95** | **47,193.32** | **118.00** | **(111.05)** |
| | **Stage 2** | **1,587.73** | **13.50** | **1,574.23** | **3.97** | **9.53** |
| | **Stage 3** | **478.42** | **187.58** | **290.83** | **174.47** | **13.11** |
| | **Total** | **49,266.41** | **208.03** | **49,058.38** | **296.44** | **(88.41)** |

**Note 53: Disclosure required as per RBI Circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 Dated April 19, 2022.**

**A) Exposure**

1) Sectoral Exposure

₹ in lakhs

| Sectors | Current Year | | | Previous Year | | |
|---|---|---|---|---|---|---|
| | Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Lakhs) | Gross NPAs (₹ Lakhs) | Percentage of Gross NPAs to total exposure in that sector | Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Lakhs) | Gross NPAs (₹ Lakhs) | Percentage of Gross NPAs to total exposure in that sector |
| **1. Agriculture and Allied Activities** | NA | NA | NA | NA | NA | NA |
| **2. Industry** | NA | NA | NA | NA | NA | NA |
| **3. Services** | - | - | - | - | - | - |
| **4.** | | | | | | |
| Gold Loan | 53,853.92 | 108.37 | 0.20% | 41,242.54 | 67.32 | 0.16% |
| Other Loans | 5691.87 | 875.62 | 15.38% | 8,023.87 | 294.52 | 3.67% |
| **Total** | **59,545.79** | **983.99** | | **49,266.41** | **361.84** | |

**B) Disclosure of complaints**

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

| Sr. No | | Particulars | 2024-25 | 2023-24 |
|---|---|---|---|---|
| **Complaints received by the NBFC from its customers** | | | | |
| 1 | | Number of complaints pending at beginning of the year | 1 | 1 |
| 2 | | Number of complaints received during the year | 43 | 16 |
| 3 | | Number of complaints disposed during the year | 42 | 17 |
| | 3.1 | Of which, number of complaints rejected by the NBFC | 2 | 1 |
| 4 | | Number of complaints pending at the end of the year | Nil | 0 |

| **Maintainable complaints received by the NBFC from Office of Ombudsman** | | | | |
|---|---|---|---|---|
| 5.* | | Number of maintainable complaints received by the NBFC from Office of Ombudsman | Nil | Nil |
| | 5.1. | Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman | | |
| | 5.2 | Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman | | |
| | 5.3 | Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC | | |
| 6.* | | Number of Awards unimplemented within the stipulated time (other than those appealed) | Nil | Nil |

2) Top five grounds of complaints received by the NBFCs from customers

| Grounds of complaints, (i.e. complaints relating to) (1) | Number of complaints pending at the beginning of the year (2) | Number of complaints received during the year (3) | % increase/ decrease in the number of complaints received over the previous year (4) | Number of complaints pending at the end of the year (5) | Of 5, number of complaints pending beyond 30 days (6) |
|---|---|---|---|---|---|
| | 2024-25 | | | | |
| Ground - 1 | - | 1 | | - | - |
| Ground - 2 | - | - | | - | - |
| Ground - 3 | - | - | | - | - |
| Ground - 4 | - | - | | - | - |
| Ground – 5 | 1 | 25 | | - | - |
| Ground - 6 | - | - | | - | - |
| Ground - 7 | - | - | | - | - |
| Ground – 8 | - | 5 | | - | - |
| Ground - 9 | - | - | | - | - |
| Ground - 10 | - | 9 | | - | - |
| Total | 1 | 40 | | 270 % Increase | - |
| | 2023-24 | | | | |
| Ground - 1 | - | - | - | - | - |
| Ground - 2 | - | - | - | - | - |
| Ground - 3 | - | - | - | - | - |
| Ground - 4 | - | - | - | - | - |
| Ground – 5 | 1 | 3 | - | - | - |
| Ground - 6 | - | - | - | - | - |
| Ground - 7 | - | - | - | - | - |
| Ground – 8 | - | 2 | - | - | - |
| Ground - 9 | - | - | - | - | - |
| Ground - 10 | - | 9 | - | - | - |
| Total | 1 | 14 | 133% Increase | - | - |

**Notes are an Integral part of Financial Statements**
**For and on behalf of the Board**

**Boby CD**
**Chairman and MD**
**DIN: 00046095**

**Lijo Moothedan**
**Director**
**DIN: 00877403**

**T.K Thomas**
**Chief Executive Officer**

**Jasmine M.P**
**Chief Financial Officer**

**Anju Thomas**
**Company Secretary**

**Place : Thrissur**
**Date : May 30, 2025**

**As per our report attached**

**For C.M. Joseph & Associates,**

**Chartered Accountants**
**Firm Registration No. 006408S**

**C.M. Joseph**
**PARTNER**
**M.No: 202800**
**UDIN : 25202800BMKVHO3425**
**Place :Ernakulam**
**Date: June 21, 2025**

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

C.M. JOSEPH & ASSOCIATES CHARTERED ACCOUNTANTS KOCHI-25

## Chemmanur Credits and Investments Limited

**Financial Statements for the F.Y: 2024-25**

**Schedule to the Balance Sheet of a Non-Banking Financial Company**

**(As required in terms of Paragraph 19 of Non-Banking Financial Company - Base Layer Non-Deposit Taking Non-Banking Financial Company(Reserve Bank) Directions 2016)**

(₹ in lakhs)

| | Particulars | Amount Outstanding | Amount Overdue |
|---|---|---|---|
| | **Liability Side :** | | |
| 1 | Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: | | |
| | (a) Debentures : Secured | 26,163.31 | Nil |
| | : Unsecured - Subordinate Debt | 23,049.32 | Nil |
| | (other than falling within the meaning of public deposit) | | |
| | (b) Deferred Credits | Nil | Nil |
| | (c) Term Loans | 2,302.21 | Nil |
| | (d) Inter – corporate loans and borrowings | Nil | Nil |
| | (e) Commercial Paper | Nil | Nil |
| | (f) public deposit | Nil | Nil |
| | (g) Other Loans – Cash Credit from Banks | 4,365.59 | Nil |
| 2 | Breakup of (i)(f) above (outstanding public deposit inclusive in interest accrued thereon but not paid) | | |
| | (a) in the form of unsecured debentures | Nil | Nil |
| | (b) in the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security | Nil | Nil |
| | (c) other public Deposits | Nil | Nil |
| | *See note 1 below | | |

| | Asset Side: | Amount Outstanding |
|---|---|---|
| 3 | Break-up of Loans and Advances including bills receivables[ other than those included in (4) below]: | |
| | (a) Secured | 54,421.22 |
| | (b) Unsecured | 5,124.58 |
| | | |
| 4 | Break-up of Leased Assets and stock on hire and other assets counting toward AFC activities | |
| | | |
| | (i) Lease assets including lease rentals under sundry debtors : | |
| | (a) Financial Lease | |
| | (b) Operating Lease | Nil |
| | | |
| | (ii) Stock on hire including hire charges under sundry debtors | |
| | (a) Asset on Hire | |
| | (b) Repossessed Assets | Nil |
| | | |
| | (iii) Other loans counting towards AFC activities | |
| | (a) Loans where assets have been repossessed | |
| | (b) Loans other than (a) above | Nil |
| | | |

C.M. JOSEPH & ASSOCIATES KOCHI-25 CHARTERED ACCOUNTANTS
CHEMMANUR CREDITS AND INVESTMENTS LTD CORPORATE OFFICE THRISSUR

| | | |
|---|---|---|
| 5 | Break up of Investments : | |
| | Current Investments: | Nil |
| | 1. Quoted: | Nil |
| | (i) Shares (a) Equity | |
| | (b) Preference | |
| | (ii) Debentures and Bonds | Nil |
| | (iii) Units of mutual funds | Nil |
| | (iv) Government Securities | Nil |
| | (v) Others (specify) | Nil |
| | | |
| | 2. Unquoted: | |
| | (i) Shares (a) Equity | Nil |
| | (b) Preference | Nil |
| | (ii) Debentures and Bonds | Nil |
| | (iii) Units of mutual funds | Nil |
| | (iv) Government Securities | Nil |
| | (v) Others (specify) | Nil |
| | | |
| | Long Term Investments | |
| | 1. Quoted: | |
| | (i) Shares (a) Equity | Nil |
| | (b) Preference | Nil |
| | (ii) Debentures and Bonds | Nil |
| | (iii) Units of mutual funds | Nil |
| | (iv) Government Securities | Nil |
| | (v) Others (specify) | Nil |
| | 2. Unquoted: | |
| | (i) Shares (a) Equity | Nil |
| | (b) Preference | Nil |
| | (ii) Debentures and Bonds | Nil |
| | (iii) Units of mutual funds | Nil |
| | (iv) Government Securities | Nil |
| | (v) Others (specify) | Nil |

| | | | | |
|---|---|---|---|---|
| 6 | Borrower group-wise classification of assets financed as in (3) and (4) above : | | | |
| | (see note 2 below) | | | |
| | Category | Amount net of provisions | | |
| | | Secured | Unsecured | Total |
| | 1. Related Parties | | | |
| | (a) subsidiaries | Nil | Nil | Nil |
| | (b) Companies in the same group | Nil | Nil | Nil |
| | (c) Other related parties | Nil | Nil | Nil |
| | 2. Other than related parties | 54,162.22 | 4,956.25 | 59,118.47 |
| | **Total** | **54,162.22** | **4,956.25** | **59,118.47** |

C.M. JOSEPH & ASSOCIATES CHARTERED ACCOUNTANTS KOCHI-25
CHEMMANUR CREDITS & INVESTMENTS LTD CORPORATE OFFICE THRISSUR

| 7 | Investor group-wise classification of all investments(current and long term) in shares and securities (both quoted and unquoted);(see note 3 below) | | |
|---|---|---|---|
| | **Category** | **Market Value/ Break up or fair value or NAV** | **Book Value (Net of Provisions)** |
| | 1. Related Parties | | |
| | (a) Subsidiaries | Nil | Nil |
| | (b) Companies in the same group | Nil | Nil |
| | (c) Other related parties | Nil | Nil |
| | 2. Other than related parties | Nil | Nil |
| | **Total** | **Nil** | **Nil** |

| 8 | Other Information | |
|---|---|---|
| | **Particulars** | **Amount** |
| | (i) Gross Non – Performing Assets | |
| | (a) Related Parties | Nil |
| | (b) Other than related parties | 983.99 |
| | | |
| | (ii) Net Non-Performing Assets | |
| | (a) Related Parties | Nil |
| | (b) Other than related parties | 703.07 |
| | (iii) Assets acquired in satisfaction of debt | Nil |

*Notes:
1. As defined in point xxv of paragraph 3 of Chapter -II of these Directions.

2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non – Deposit Accepting of Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

**Notes are an Integral part of Financial Statements**
**For and on behalf of the Board**

**Boby CD**
**Chairman and MD**
**DIN: 00046095**

**Lijo Moothedan**
**Director**
**DIN: 00877403**

**T.K Thomas**
**Chief Executive Officer**

**Jasmine M.P**
**Chief Financial Officer**

**Anju Thomas**
**Company Secretary**

**Place : Thrissur**
**Date : May 30, 2025**

**As per our report attached**

**For C.M. Joseph & Associates,**

**Chartered Accountants**
**Firm Registration No. 006408S**

**C.M. Joseph**
**PARTNER**
**M.No: 202800**
**UDIN : 25202800BMKVHO3425**
**Place :Ernakulam**
**Date: June 21, 2025**

C.M. JOSEPH & ASSOCIATES * KOCHI-25 * CHARTERED ACCOUNTANTS

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

**C M JOSEPH & ASSOCIATES**
CHARTERED ACCOUNTANTS
MRA 5A, SAN Clinic Building, Pallath Lane,
Mount Carmel Church Road, Mamangalam,
Palarivattom P.O. Ernakulam- 682025

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cmjfca@gmail.com
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# INDEPENDENT AUDITORS' REPORT

To the Members of
**CHEMMANUR CREDITS AND INVESTMENTS LIMITED**

## Opinion

We have audited the accompanying financial statements of Chemmanur Credits and Investments Limited, which comprise the balance sheet as at March 31, 2024, and the statement of profit and loss, and cash flow statement for the year then ended, and 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 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 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 31st March, 2024, and its profit, total 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 Companies Act, 2013. 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 Companies Act, 2013 and the Rules 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 judgment, were of most significance in our audit of the financial statements of the current period. 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.

| Key Audit Matters | How the Key Audit Matters were addressed in our audit |
|---|---|
| Completeness in identification, accounting and disclosure of related | We have assessed the systems and processes laid down by the company to appropriately identify, account and disclose all |

| | |
|---|---|
| party transactions in accordance with the applicable laws and financial reporting framework. | material related party transactions in accordance with applicable laws and financial reporting framework. We have designed and performed audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations. |

| | |
|---|---|
| Compliance and disclosure requirements under the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework. | We have assessed the systems and processes laid down by the company to appropriately ensure compliance and disclosures as per the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework. We have designed and performed audit procedures to assess the completeness and correctness of the details disclosed having regard to the assumptions made by the management in relation to the applicability and extent of disclosure requirements; and have relied on internal records of the company and external confirmations wherever necessary. |

| | |
|---|---|
| Interest on Gold Loan is based on the various gold loan schemes launched by the Company. The calculation of the interest on gold loan as per the applicable scheme involves complexities, including concessions in the nature of reduced prospective interest rates for prompt payment and additional interest for delayed payment. Due to such variety of schemes and involvement of complexity in calculating the interest income on gold loan we have considered this as Key Audit Matter | We assessed the Company's process on interest income computation. Our audit approach consisted evaluating the design and implementation; testing of operating effectiveness of the internal controls and substantive testing as follows:<br>i. Evaluated the design and implementation of internal controls relating to interest income computation.<br>ii. 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.<br>iii. Tested the relevant information technology systems' access and change management controls relating to interest income computation and related information used in interest computation<br>iv. Obtained the list of modifications made in the interest scheme master during the year and tested the same on sample basis<br>v. Performed analytical procedures and test of detailed procedures for testing the accuracy of the revenue recorded. |

| | |
|---|---|
| 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 | We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company. |

| | |
|---|---|
| most significant judgements are:<br><br>Timely identification and classification of the impaired loans, and<br><br>Determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors<br><br>The estimation of Expected Credit Loss (ECL) on financial instruments involve significant judgements and estimates. Following are points with increased level of audit focus:<br><br>Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109;<br><br>Accounting interpretations, modelling assumptions and data used to build and run the models;<br><br>Inputs and Judgements used in determination of management overlay at various asset stages;<br><br>The disclosures made in the financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. | We evaluated the design and operating effectiveness of controls across the processes relevant to ECL.<br><br>These controls, among others, included controls over the allocation of assets into stages including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments, model validation, credit monitoring, individual/collective provisions and production of journal entries and disclosures.<br><br>We tested the completeness of loans included in the Expected Credit Loss calculations as of 31 March 2024.<br><br>We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage.<br><br>For samples of exposure, we tested the appropriateness of determining Exposure at Default (EAD), PD and LGD.<br><br>We performed an overall assessment of the ECL provision levels at each stage to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.<br><br>We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision. |

**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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance, Changes in equity and cash flows of the company in accordance with Ind AS and the accounting principles generally accepted in India as specified 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 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, 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 of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

## Auditors' Responsibility 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 users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional
skepticism 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 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 controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 statements represent 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 Requirement**

1. 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 Companies Act, 2013, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016, we give in Annexure – III, a statement on the matters specified in the paragraph 3 and 4 of the said directions

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 purposes 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, Change in Equity, and Cash flow statement dealt with by this Report are in agreement with the books of account.
d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

e) On the basis of written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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 II';

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 explanation given to us, the remuneration paid by the Company to its directors during the year has complied with the provision of 197 of the Act.

h) With respect to the other matters to be included in the Auditors' Report in accordance with 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 the explanations given to us:

I. The company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer **Note No. 41** 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

IV. With respect to matters under Rule 11(e);

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. The Company has not paid interim dividend or final dividend during the year.

i) Based on our examination, which included test checks, the company has used accounting software for maintaining its books of account for the financial year ended March 31,2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1,2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For C.M. JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm's Registration No. 006408S

C.M. JOSEPH, FCA, DISA (ICAI)
Partner
Membership No. 202800

Place: Ernakulam
Date: 30.05.2024

UDIN: 24202800BKBKVP5935

# Annexure I to the Auditors' Report

The Annexure I referred to in our report to the members of **Chemmanur Credits and Investments Limited** ("the Company") for the period ended on March 31, 2024.

We report that:

i. In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets;

   a. [A]The company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment;

      (B) The company is maintaining proper records showing full particulars of intangible assets;

   b. The company has a program of physical verification of property, plant and equipment and right of- use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   c. In our opinion and according to the information and explanations given to us, the Company does not hold any immovable property and thus paragraph 3 (i) (e) of the Order is not applicable.

   d. The company has not revalued its property, plant and equipment (Including right of use of assets) or intangible assets during the year and thus para 3(i) (d) of the order is not applicable.

   e. In our opinion and according to the information and explanations given to us, no proceedings have been initiated or no proceedings have been pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company is a Non-Banking Financial Company, primarily rendering Financial Services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.

   (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and financial institutions on the basis of pledge of land owned by associate companies and hypothecation of loan receivables. As far as the information and documents provided by the company and on examination of necessary records, the quarterly returns or statements filed by the Company with regard to loan receivables are matching to books of accounts.

K

iii. (a) The Company is an NBFC regulated by the Reserve Bank of India (RBI) and is involved in the business of giving loans, hence the requirements under para 3 (iii)(a) of the Order are not applicable to the Company.

(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 terms and conditions in relation to securities given and grant of all loans and advances in the nature of loans and guarantees are not prejudicial to the interest of the Company.

(c) In respect of the aforesaid loans/ advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. The borrower-wise details of the amount, due date for payment and extent of delay have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards and the guidelines issued by RBI for Income Recognition and Asset Classification.

(d) In respect of the aforesaid loans and advances, loans amounting to Rs.478.42 lakhs (PY 259.91 Lakhs) is overdue for a period exceeding 90 days. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon.

(e) The Company is involved in the business of giving loans. Accordingly, provision stated in paragraph 3(iii) (e) of the Order are not applicable to the Company.

(f) According to the information explanation provided to us, the Company has not granted any loans and/ or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.

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 provisions of section 185 and 186 of the Companies Act, 2013 are applicable.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits and accordingly paragraph 3 (v) of the Order is not applicable.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii. (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date 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, Goods and Service Tax, Provident Fund, Employees' State Insurance, which have not been deposited on account of any dispute.

viii. In our opinion and according to the explanations and information given to us, the company does not have any transactions not recorded in the books of account that has been surrendered or disclosed as income during the year. Hence Paragraph 3 (viii) of the order is not applicable to the company.

ix. (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the year.

(b) In our opinion and according to the explanations and information given to us, the company is not declared as a wilful defaulter by any bank or Financial Institution or other lenders.

(c) In our opinion and according to the explanations and information given to us, the term loans were applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the explanations and information given to us, and on an overall examination of the financial statements of the company, fund raised on short term basis has not been utilized for long term purposes by the company.

(e) In our opinion and according to the explanations and information given to us, the company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, associates or joint ventures.

(f) In our opinion and according to the explanations and information given to us, the company has not raised any loans during the year on the pledge of securities held in its associate companies. Hence Paragraph 3 (ix)(f) of the order is not applicable to the company.

x. (a) The company has not raised any moneys by way of initial public offer or further public offer of shares during the year. To the best of our knowledge and belief and according to the information and explanations given to us, money raised by the public issue of non-convertible debentures were, prima facie, applied by the Company for the purposes for which the moneys were raised.

(b) 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 preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3(x) (b) of the Order are not applicable to the Company.

xi. (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and

according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company. The instances of fraud noticed by the company are reported in Note 49 to the financial statements.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2024, accordingly the provisions stated in paragraph 3(xi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the explanations and information given to us, there are no whistle-blower complaints received during the year by the company.

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) (a) to (c) of the Order is not applicable.

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 sections 177 and 188 of the Companies Act, 2013, where applicable and the details of such transactions have been disclosed in the financial statements of the Company as required by the applicable accounting standards.

xiv. (a) In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.

(b)The Report of the Internal Auditors for the period under Audit were considered.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company.
Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. (a) 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.

(b) In our opinion and according to the information and explanations given to us, the company has 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 and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, the reporting under paragraph clause 3(xvi)(c) of the Order are not applicable to the Company.

(d)The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 (xvi) (d) of the order are not applicable to the company.

xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.

xviii. During the year, the statutory auditors, M/s. V.K.S. Narayan & Co., have resigned due to their inability to procure peer review certificate which is crucial for complying with industry standards and regulatory requirements. The resignation was communicated to the company and appropriate regulatory authorities in accordance with applicable laws and regulations.

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, we are of the opinion that the company is capable of meeting its liability existing at the date of Balance Sheet as and when they fall due within a period of one year from 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) In our opinion and according to the information and explanations given to us, the company has no unspent amount during the period, and the company is not required to transfer such amount to a Fund specified in schedule VII to the Companies Act.

(b) In our opinion and according to the information and explanations given to us, the company has no amount remaining unspent under subsection (5) of section 135, hence para 3 (xx)(a) is not applicable

xxi. In our opinion the consolidated financial statements is not applicable to the company, hence paragraph 3(xxi) is not applicable.

For C.M. JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm's Registration No. 006408S

C.M. JOSEPH, FCA, DISA (ICAI)
Partner
Membership No. 202800

Place: Ernakulam
Date: 30.05.2024

UDIN: 24202800BKBKVP5935

# Annexure II to the Auditors' Report

The Annexure II referred to in our report to the members of **Chemmanur Credits and Investments Limited** (the Company') for the year ended on March 31, 2024.

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

### Opinion

We have audited the internal financial controls over financial reporting of **Chemmanur Credits and Investments Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, 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, 2024, based on the internal control with reference to financial statements 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 (ICAI) (the "Guidance Note").

### 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 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 ('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.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We 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 the Guidance Note require that we comply with 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 a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 reasonable assurance regarding the reliability of financial reporting and the preparation of 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 the 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 the degree of compliance with the policies or procedures may deteriorate.

**For C.M. JOSEPH & ASSOCIATES**
**CHARTERED ACCOUNTANTS**
**Firm's Registration No. 006408S**

**C.M. JOSEPH, FCA, DISA (ICAI)**
**Partner**
**Membership No. 202800**

Place: Ernakulam
Date: 30.05.2024

UDIN: 24202800BKBKVP5935

## Annexure III to the Auditors' Report

To
The Board of Directors
**Chemmanur Credits and Investments Limited**

We have audited the Balance Sheet of **Chemmanur Credits and Investments Limited** as on 31st March,
2024 and also the Statement of Profit and Loss and Cash Flow Statement for the period ended on that date annexed thereto. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions 2016, and according to the information and explanations given to us, we given below, a statement on matters specified in paragraphs 3 and 4 of the said directions:

1. 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.
2. The Company is entitled to hold Certificate of Registration in terms of Asset/Income Pattern as on 31st March, 2024.
3. The Company has complied with the Net Owned Fund requirement as laid down in "Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023".
4. The Board of Directors of the Company has passed a resolution for non-acceptance of Public Deposits.
5. The Company has not accepted any public deposits during the year under review.
6. According to the information and explanation given to us, the Company has complied with the prudential norms on Income Recognition, Accounting Standards, Asset Classification, Provisioning for bad and doubtful debts as specified in the directions issued by the Reserve Bank of India in terms of the "Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023".
7. The Company has not been classified as NBFC-MFI during the year ended March 31, 2024.

The report has been issued pursuant to the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 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 purposes.

**For C.M. JOSEPH & ASSOCIATES**
**CHARTERED ACCOUNTANTS**
**Firm's Registration No. 006408S**

**C.M. JOSEPH, FCA, DISA (ICAI)**
**Partner**
**Membership No. 202800**

Place: Ernakulam
Date: 30.05.2024

UDIN: 24202800BKBKVP5935

# CHEMMANUR CREDITS AND INVESTMENTS LIMITED

## FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR - 2023-24

## CHEMMANUR CREDITS AND INVESTMENTS LIMITED
### Balance Sheet as at March 31, 2024

(₹ in lakhs)

| | Note | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Financial assets** | | | |
| (a) Cash and cash equivalents | 4 | 1,517.80 | 795.45 |
| (b) Bank balances other than cash and cash equivalents | 5 | 1,350.00 | 0.00 |
| (c) Receivables | | | |
| (i) Trade receivables | 6(i) | 0.00 | 0.00 |
| (ii) Other receivables | 6(ii) | 1,404.26 | 770.55 |
| (d) Loans | 7 | 49,058.38 | 40,634.42 |
| (e) Other financial assets | 8 | 601.16 | 512.98 |
| **(2) Non-financial assets** | | | |
| (a) Current tax assets (net) | 9 | 643.18 | 350.08 |
| (b) Deferred tax assets (net) | 10 | 214.97 | 163.29 |
| (c) Property, plant and equipment | 11 | 2,558.69 | 1,771.81 |
| (d) Right-of-use assets | 12 | 5,700.25 | 4,729.45 |
| (e) Intangible assets | 13 | 6.26 | 19.58 |
| (f) Capital work-in-progress | 14 | 288.63 | 151.66 |
| (g) Other non-financial assets | 15 | 160.90 | 42.84 |
| **TOTAL ASSETS** | | **63,504.48** | **49,942.11** |
| **LIABILITIES AND EQUITY** | | | |
| **LIABILITIES** | | | |
| **(1) Financial liabilities** | | | |
| (a) Debt securities | 16 | 19,072.35 | 10,247.75 |
| (b) Borrowings (other than debt securities) | 17 | 12,856.65 | 8,676.34 |
| (c) Subordinated liabilities | 18 | 18,371.30 | 17,589.30 |
| (d) Other financial liabilities | 19 | 3,996.29 | 4,385.33 |
| **(2) Non-financial liabilities** | | | |
| (a) Current tax liabilities (net) | 9 | 0.00 | 0.00 |
| (b) Provisions | 20 | 205.42 | 171.58 |
| (c) Other non-financial liabilities | 21 | 99.68 | 130.42 |
| **EQUITY** | | | |
| (a) Equity share capital | 22 | 6,000.00 | 6,000.00 |
| (b) Other equity | 23 | 2,902.79 | 2,741.39 |
| **TOTAL LIABILITIES AND EQUITY** | | **63,504.48** | **49,942.11** |

**Notes are an integral part of the financial statements**
**For and on behalf of the Board**

**Boby CD**
**Chairman and MD**
**DIN: 00046095**

**Lijo Moothedan**
**Director**
**DIN: 00877403**

**Pramod.M**
**Chief Financial Officer**

**T.K. Thomas**
**Chief Executive Officer**

**Anju Thomas**
**Company Secretary**
**M.No:43159**

**Place : Thrissur,**
**Date : 30.05.2024**

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

**As per our report of even date attached**
**For C.M. Joseph & Associates,**
**Chartered Accountants**
**Firm Registration No. 006408S**

**C.M. Joseph**
**PARTNER**
**M.No: 202800**

**UDIN : 24202800BKBKVP5935**

C.M. JOSEPH & ASSOCIATES * ICCHI-25 * CHARTERED ACCOUNTANTS

## CHEMMANUR CREDITS AND INVESTMENTS LIMITED
### Statement of Profit and Loss for the year ended March 31, 2024

(₹ in lakhs)

| | | Note | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| | **Revenue from operations** | | | |
| (i) | Interest income | 24 | 9,766.86 | 7,406.46 |
| (ii) | Dividend income | | 0.00 | 0.00 |
| (iii) | Rental income | 25 | 91.53 | 91.53 |
| (iv) | Fees and commission income | 26 | 714.45 | 815.38 |
| **(I)** | **Total revenue from operations** | | **10,572.84** | **8,313.37** |
| (II) | Other income | 27 | 41.65 | 7.28 |
| **(III)** | **Total income (I) + (II)** | | **10,614.49** | **8,320.65** |
| | **Expenses** | | | |
| (i) | Finance costs | 28 | 4,857.20 | 3,924.87 |
| (ii) | Impairment of financial instruments | 29 | 41.54 | 81.60 |
| (iii) | Employee benefit expenses | 30 | 3,568.74 | 2,640.69 |
| (iv) | Depreciation, amortisation and impairment | 31 | 956.65 | 763.30 |
| (v) | Other expenses | 32 | 991.99 | 760.78 |
| **(IV)** | **Total expenses** | | **10,416.12** | **8,171.24** |
| **(V)** | **Profit/ (loss) before tax (III - IV)** | | **198.37** | **149.41** |
| (VI) | Tax expenses | | | |
| | (i) Current tax | | | |
| | - Related to current year | | 61.70 | 101.63 |
| | - Related to prior years | | 12.48 | 0.00 |
| | (ii) Deferred tax | | (48.04) | (32.40) |
| **(VII)** | **Profit/ (loss) for the period (V) - (VI)** | | **172.23** | **80.18** |
| **(VIII)** | **OTHER COMPREHENSIVE INCOME** | | | |
| **(A)** | ***(i) Items that will not be reclassified to profit or loss*** | | | |
| | Remeasurement gain/ (loss) on defined benefit plan | | (14.47) | 12.56 |
| | ***(ii) Income tax relating to items the above*** | | 3.64 | (3.16) |
| | **TOTAL OTHER COMPREHENSIVE INCOME** | | **(10.83)** | **9.40** |
| **(IX)** | **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (VII + VIII)** | | **161.40** | **89.58** |
| (X) | **Earnings per share** | 33 | | |
| | Basic (₹) | | 0.29 | 0.13 |
| | Diluted (₹) | | 0.29 | 0.13 |
| | Face value per share (₹) | | 10.00 | 10.00 |

Notes are an integral part of the financial statements

**For and on behalf of the Board**

**Boby CD**
**Chairman and MD**
**DIN: 00046095**

**Lijo Moothedan**
**Director**
**DIN: 00877403**

**Pramod.M**
**Chief Financial Officer**

**T.K. Thomas**
**Chief Executive Officer**

**Anju Thomas**
**Company Secretary**
**M.No:43159**

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

**Place : Thrissur,**
**Date : 30.05.2024**

**As per our report of even date attached**
**For C.M. Joseph & Associates,**
**Chartered Accountants**
**Firm Registration No. 006408S**

**C.M. Joseph**
**PARTNER**
**M.No: 202800**

**UDIN : 24202800BKBKVP5935**

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

## CHEMMANUR CREDITS AND INVESTMENTS LIMITED

### Statement of Changes in Equity for the period ended March 31, 2024

(₹ in lakhs)

**A. EQUITY SHARE CAPITAL**

**(1) Current reporting period**

| Balance as at April 1, 2023 | 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 year | Balance as at March 31, 2024 |
|---|---|---|---|---|
| 6,000.00 | - | - | - | 6,000.00 |
| **6,000.00** | - | - | - | **6,000.00** |

**(2) Previous reporting period**

| Balance as at April 1, 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 year | Balance as at March 31, 2023 |
|---|---|---|---|---|
| 6,000.00 | - | 6,000.00 | - | 6,000.00 |
| **6,000.00** | - | **6,000.00** | - | **6,000.00** |

**B. OTHER EQUITY**

**(1) Current reporting period**

| Particulars | Reserves and Surplus | | | Total other equity |
|---|---|---|---|---|
| | Retained Earnings | Reserve Fund | Impairment Reserve | |
| **Balance as at April 1, 2023** | **1,810.09** | **846.22** | **85.08** | **2,741.39** |
| Net profit/(loss) for the year | 172.23 | - | - | 172.23 |
| Remeasurement gain on defined benefit plans | (10.83) | - | - | (10.83) |
| Transfer to/ from retained earnings | (37.78) | 34.45 | 3.33 | - |
| Dividend | - | - | - | - |
| **Balance as at March 31, 2024** | **1,933.71** | **880.67** | **88.41** | **2,902.79** |

C.M. JOSEPH & ASSOCIATES * KOCHI-25 * CHARTERED ACCOUNTANTS

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

(2) Previous reporting period

| Particulars | Reserves and Surplus | | | Total other equity |
|---|---|---|---|---|
| | Retained Earnings | Reserve Fund | Impairment Reserve | |
| **Balance as at April 1, 2022** | **1,740.97** | **830.18** | **80.66** | **2,651.81** |
| Net profit/(loss) for the year | 80.18 | - | - | 80.18 |
| Remeasurement gain on defined benefit plans | 9.40 | - | - | 9.40 |
| Transfer to/ from retained earnings | (20.46) | 16.04 | 4.42 | - |
| Dividend | - | - | - | - |
| **Balance as at March 31, 2023** | **1,810.09** | **846.22** | **85.08** | **2,741.39** |

**Notes are an integral part of the financial statements**

**For and on behalf of the Board**

**Boby CD**
**Chairman and MD**
**DIN: 00046095**

**Lijo Moothedan**
**Director**
**DIN: 00877403**

**Pramod M**
**Chief Financial Officer**

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

**Anju Thomas**
**Company Secretary**
**M.No:43159**

**T.K. Thomas**
**Chief Executive Officer**

**Place : Thrissur,**
**Date : 30.05.2024**

**As per our report of even date attached**
**For C.M. Joseph & Associates,**
**Chartered Accountants**
**Firm Registration No. 006408S**

**C.M. Joseph**
**PARTNER**
**M.No: 202800**

**UDIN : 24202800BKBKVP5935**

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

## CHEMMANUR CREDITS AND INVESTMENTS LIMITED
### Statement of Cash Flows for the year ended March 31, 2024

| | | For the year ended | |
|---|---|---|---|
| | | March 31, 2024 | March 31, 2023 |
| | | ₹ in lakhs | |
| I. | **CASHFLOWS FROM OPERATING ACTIVITIES** | | |
| | Profit before tax | 198.37 | 149.41 |
| | Depreciation, amortisation and impairment | 956.65 | 763.30 |
| | Impairment of financial instruments | 41.54 | 81.60 |
| | Finance costs | 4,857.20 | 3,924.87 |
| | (Profit)/ loss on sale of property, plant and equipment | 4.90 | 0.92 |
| | Provision for gratuity | 41.24 | 38.61 |
| | Provision for cash loss | 4.61 | 2.59 |
| | Rental income | (91.53) | (91.53) |
| | Gain on termination of lease | (7.14) | - |
| | **Operating profit before working capital changes** | **6,005.84** | **4,869.77** |
| | (Increase)/ decrease in receivables | (633.71) | 154.34 |
| | (Increase)/ decrease in other bank balances | (1,350.00) | - |
| | (Increase)/ decrease in loans | (8,465.50) | (5,292.63) |
| | (Increase)/ decrease in other financial assets | (184.54) | (335.52) |
| | (Increase)/ decrease in other non-financial assets | (118.06) | (4.10) |
| | Increase/ (decrease) in provisions | (26.48) | (22.18) |
| | Increase/ (decrease) in other financial liabilities | (171.34) | 187.30 |
| | Increase/ (decrease) in other non-financial liabilities | (30.74) | 68.25 |
| | **Cash generated from/ (used in) operations** | **(4,974.53)** | **(374.77)** |
| | Finance costs paid | (5,031.00) | (3,717.57) |
| | Income tax paid | (367.28) | (277.64) |
| | **Net cash from/ (used in) operating activities** | **(10,372.81)** | **(4,369.98)** |
| II. | **CASHFLOWS FROM INVESTING ACTIVITIES** | | |
| | Payments for property, plant and equipment and intangible assets | (1,194.32) | (660.75) |
| | Proceeds from sale of property, plant and equipment | 1.65 | 3.26 |
| | Rental income | 91.53 | 91.53 |
| | **Net cash from/ (used in) investing activities** | **(1,101.14)** | **(565.96)** |
| III. | **CASHFLOWS FROM FINANCING ACTIVITIES** | | |
| | Proceeds from issue of debt securities | 10,835.13 | 9,528.39 |
| | Proceeds from issue of subordinated liabilities | 3,371.75 | 3,724.40 |
| | Proceeds from long-term borrowings | 3,500.00 | - |
| | Repayment of debt securities | (2,008.43) | (4,260.26) |
| | Increase/ (decrease) in other borrowings | (866.40) | (531.71) |
| | Repayment of subordinated liabilities | (2,635.75) | (3,288.15) |
| | Dividend paid | - | - |
| | **Net cash from/ (used in) financing activities** | **12,196.30** | **5,172.67** |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

| | | | | |
|---|---|---|---|---|
| IV. | **Net increase/ (decrease) in cash and cash equivalents** | **(I + II + III)** | 722.35 | 236.73 |
| V. | **Cash and cash equivalents at the beginning** | | 795.45 | 558.72 |
| VI. | **Cash and cash equivalents at the end** | | **1,517.80** | **795.45** |
| | Cash and cash equivalents comprise of: | | | |
| | - Cash | | 949.18 | 424.31 |
| | - Balances with banks | | 568.62 | 371.14 |
| | | **Total** | **1,517.80** | **795.45** |

**Notes are an integral part of the financial statements**
**For and on behalf of the Board**

**Boby CD**
**Chairman and MD**
**DIN: 00046095**

**Lijo Moothedan**
**Director**
**DIN: 00877403**

**Pramod.M**
**Chief Financial Officer**

**Anju Thomas**
**Company Secretary**
**M.No:43159**

**T.R. Thomas**
**Chief Executive Officer**

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

**Place : Thrissur,**
**Date : 30.05.2024**

**As per our report of even date attached**
**For C.M. Joseph & Associates,**
**Chartered Accountants**
**Firm Registration No.**
**006408S**

**C.M. Joseph**
**PARTNER**
**M.No: 202800**

**UDIN : 24202800BKBKVP5935**

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

## NOTES TO THE FINANCIAL STATEMENTS

### 1 CORPORATE INFORMATION

Chemmanur Credits and Investments Limited is a Public Limited Company incorporated on December 16, 2008. The Company is a Non-Systemically Important Non-Deposit Taking Non-Banking Financial Company Registered under section 45IA of RBI Act, 1934. The Company provides a wide range of fund based and fee-based services including gold loans, micro finance, consumption loans etc.

**Registration Details**

| | |
|---|---|
| Corporate Identity Number (CIN) | U65923KL2008PLC023560 |
| Reserve Bank of India Registration no. | N16-00185 |
| Company's Registered Office | Door No. D1 to D4, 3rd Floor, Avenue Tower, East Fort, Thrissur-680005 |
| Ministry of Finance (Financial Intelligence Unit - India (FIU-IND)) | FINBF13040 |

### 2 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

#### 2.1 Basis of preparation

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

These financial statements were approved by the Company's Board of Directors and authorized for issue on May 30, 2024

#### 2.2 Presentation of financial statements

The Balance Sheet, Statement of Changes in Equity and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet, Statement of Changes in Equity and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI.

#### 2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or '₹') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

#### 2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

Certain accounting policies of the Company and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.



C.M. JOSEPH & ASSOCIATES CHARTERED ACCOUNTANTS KOCHI-25
CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such value in use in Ind AS 36.
Fair value measurements under Ind AS 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 Company can access at 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 valuation of assets or liabilities.

### 2.5 Use of estimates, judgments and assumptions

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.
Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

#### a) Effective Interest Rate (EIR) Method

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgment regarding the expected behavior and life- cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

#### b) Impairment of Financial Assets

The measurement of impairment losses on loan assets and commitments requires judgment, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.
The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgments and estimates include:

The Company's criteria for assessing if there has been a significant increase in credit risk.

- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs

- Selection of forward-looking macroeconomic scenarios and their probability weights, to derive the economic inputs into the ECL model.
- Management overlay used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

### c) Employee Benefits

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 sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### d) Impact of COVID-19

The COVID-19 outbreak and its effect on the economy has impacted our customers and our performance, and the future effects of the outbreak remain uncertain.

The outbreak necessitated government to respond at unprecedented levels to protect public health, local economies and livelihoods. There remains a risk of subsequent waves of infection, as evidenced by the recently emerged variants of the virus.

Economic forecasts are subject to a high degree of uncertainty in the current environment. Limitations of forecasts and economic models require a greater reliance on management judgment in addressing both the error inherent in economic forecasts and in assessing associated ECL outcomes.

The calculation of ECL under Ind AS 109 involves significant judgments, assumptions and estimates. The level of estimation uncertainty and judgment has increased during financial year as a result of the economic effects of the COVID-19 outbreak.

As a result of government and bank support measures, significant credit deterioration has not yet occurred. This delay increases uncertainty on the timing of the stress and the realisation of defaults. Management has applied COVID-19 specific adjustments to modeled outputs to reflect the temporary nature of ongoing government support, the uncertainty in relation to the timing of stress and the degree to which economic consensus has yet captured the range of economic uncertainty. As a result, ECL is higher than would be the case if it were based on the forecast economic scenarios alone.

The Company has developed various accounting estimates in these Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at March 31, 2022 about future events that the management believe are reasonable in the circumstances. There is a considerable degree of judgment involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions are likely to be different from those forecasts since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and recoverable amount assessments of non-financial assets.



C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25
CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR
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### e) Accounting for leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### f) 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.

### g) Business model objective of financial assets.

Classification and measurement of financial assets depends on the results of the contractual cashflow characteristics and the business model objective. 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 judgement 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 derecognised 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.

### h) Other estimates

These include provisions (other than loan portfolio), contingent liabilities, useful lives, depreciation method and residual value of property, plant and equipment and intangible assets etc.

## 3 MATERIAL ACCOUNTING POLICIES

### 3.1 Revenue recognition

#### a) Interest income

Interest income is recognized in Statement of profit and loss using the Effective Interest Rate (EIR) method for all financial instruments measured at amortized cost, debt instruments measured at FVTOCI and debt instruments designated at FVTPL.



C.M. JOSEPH & ASSOCIATES KOCHI-25 CHARTERED ACCOUNTANTS
CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances are recognized when they become measurable and when it is not unreasonable to expect their ultimate collection.

**b) Dividend income**

Dividend is recognized as income when the right to receive the dividend is established and the amount of dividend can be measured reliably.

**c) Revenue from and rendering of 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 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.

Revenue from contract with customer for rendering services is recognized at a point in time when performance obligation is satisfied.

**d) Net gain/ (loss) on change in fair value**

The assets which are being measured at FVTPL are restated to their fair value as at the reporting date and any gain/ (loss) on change in fair value will be recognized as income/ expense in the Statement of Profit and Loss.

**e) Materiality threshold for classifying the prior period errors or changes**

The Company has fixed a materiality threshold of ₹25 lakh for classifying the prior period errors or changes as material prior period errors or changes in the Financial Statements.

**3.2 Financial Instruments**

**a) Recognition and measurement**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of profit and loss.



CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

**b) Financial assets**

**Classification and measurement**

The Company classifies its financial assets into the following measurement categories: amortized cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

**Financial instruments measured at amortized cost**

Debt instruments that meet the following criteria are measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortized cost are subject to impairment.

**Financial instruments measured at fair value through other comprehensive income ("FVTOCI")**

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in Statement of profit and loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Statement of Profit and Loss.



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**Financial instruments measured at fair value through Profit and Loss ("FVTPL")**

Instruments that do not meet the amortized cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in the Statement of Profit and Loss. The gain or loss on disposal is recognized in the Statement of Profit and Loss. Interest income is recognized in the Statement of Profit and Loss for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognized when the Company's right to receive dividend is established.

**Investments in equity instruments at FVTOCI**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends from these investments are recognized in the Statement of Profit and Loss when the Company's right to receive dividends is established.

**Reclassifications**

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets.

**Impairment of financial assets**

Company recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR.

ECL is measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- Lifetime ECL, i.e., lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL. The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Key elements of ECL computation are outlined below:

- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognized and is still in the portfolio.



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- Loss given default ("LGD") estimates the normalized loss which Company incurs post customer default. It is usually expressed as a percentage of the Exposure at default ("EAD"). Effective interest rate ("EIR") is the rate that discounts estimated future cash flows through the expected life of financial instrument. For calculating EIR any upfront fees need to be excluded from the loans and advance amount.

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. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

**Credit impaired financial assets**

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

**Definition of default**

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL computation is as per the applicable prudential regulatory norms.

**Significant increase in credit risk**

The Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's expert credit assessment.



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**Impairment Reserve**

Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), the Company will appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

**Modification and derecognition of financial assets**

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/ or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g.: a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

**Substantial modification**

When a financial asset is modified, the Company assesses whether this modification results in derecognition. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants.

If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognized, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition.

The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition.

**Other modification**

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioral indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behavior following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Company calculates the modification gain/ loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

**Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to the Statement of Profit and Loss.

**Write Off**

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is 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 subject to the write off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**c) Financial liabilities**

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

**Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the Statement of Profit and Loss.

**d) Debt securities and other borrowed funds**

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transactions costs that are an integral part of the Effective Interest Rate (EIR).

**e) Financial Guarantee Contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 - Revenue from Contracts with Customers.

**f) Offsetting**

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

**3.3 Cash and Bank balances**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to 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, net of outstanding bank overdrafts if any, as they are considered an integral part of the Company's cash management.

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

### 3.4 Property, plant and equipment

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, 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 PPE outstanding at each balance sheet date arc disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

Subsequent expenditure related to the asset are added to its carrying amount or recognised 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.

**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:

| Description of the asset | Estimated Useful Life (Years) |
|---|---|
| Furniture and Fixtures | 10 |
| Electrical fittings | 10 |
| Computers (End use machines) | 3 |
| Plant and Machinery | 15 |
| Vehicles (Motorcycles, scooters and other mopeds) | 8 |
| Strong room - RCC Frame Structure | 60 |

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.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

### 3.5 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortization and cumulative impairment.

Intangible assets i.e., Software are amortised on written down value basis over the estimated useful life of 3 years.



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An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognised.

### 3.6 Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of Profit and Loss.

### 3.7 Leases

The Company determines that a contract is or contains a lease if the contract conveys right to control the use of an identified asset for a period of time in exchange for a consideration.

**Company as a lessee**

At the inception of a contract which is or contains a lease, the Company recognizes lease liability at the present value of the future lease payments for non-cancellable period of a lease which is not short term in nature except for lease of low value items. The future lease payments for such non-cancellable period are discounted using the Company's incremental borrowing rate.

The Company elects to apply the practical expedient to not to separate non-lease component from lease component, in case of a contract containing lease. The Company accounts such contracts as a single lease component.

Lease payments include fixed payments, i.e., amounts expected to be payable by the Company under residual value guarantee, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease if the lease term considered reflects that the Company shall exercise termination option. The Company also recognizes a right of use asset which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Company and estimated dilapidation costs.

Right of use assets is amortized over the period of lease.

Payment made towards short term Leases (leases for which lease term is 12 months or lesser) and low value assets are recognized in the statement of Profit and Loss as rental expenses over the tenor of such leases.






**Company as a lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

### 3.8 Finance cost

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Financial instruments include bank term loans, non-convertible debentures, subordinated debts, interest expense on lease liabilities computed by applying the Company's incremental borrowing rate and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

### 3.9 Employee Benefits

**Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia/ bonus are recognized in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Long-term employee benefits**

**Defined contribution plans**

Defined contribution plans are the post-employment plans under which the Company pays a fixed contribution to a fund and the Company's liability is limited to payment of such fixed contributions. Contributions to defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

The Company provides benefits such as, provident fund and pension schemes (both managed by other than the Company) to its employees which are treated as defined contribution plans.

**Defined benefit plans**

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognized as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognizes related restructuring costs or termination benefits.

The major defined benefit plans of the Company are as follows:



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**Gratuity**

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, in capacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company's gratuity scheme is unfunded. The Company recognizes the obligation of a defined benefit plan in its Balance Sheet as a liability.

Gains and losses through remeasurements of the net defined benefit liability / (asset) are recognized in other comprehensive income. The effects of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

### 3.10 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Any reimbursements with respect to liabilities/ provisions are recognized only when there is a virtual certainty that the said amounts will be received.

### 3.11 Current and Deferred Tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in the statement of Profit and Loss except when they relate to items that are recognized outside profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit and loss, as appropriate. Current income taxes are determined based on respective taxable income based on tax rate enacted as at reporting date.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carryforwards and unused tax credits could be utilized.

Deferred tax assets and Liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### 3.12 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation 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 Company or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. It is disclosed in the financial statements. If the outflow of such obligation becomes probable, it is recognized as a provision.



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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 Company. Contingent assets are recognized only if there is a virtual certainty of realization. It is disclosed in the financial statements if it is probable only.

### 3.13 Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years' presented.

### 3.14 Statement of Cashflows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a 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.

### 3.15 Segment Reporting

Operating segments are reported in manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The management assesses the financial performance and position of the Company and makes strategic decisions. The chief operating decision maker consists of the Directors of the Company.

The Company's primary business segments are reflected based on the principal business carried out, i.e., financial activities. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments.

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

(Presented in Rs Lakh other than Share Data and EPS)

### Note 4: Cash and cash equivalents

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (a) Cash on hand | 949.18 | 424.31 |
| (b) Balances with banks | 568.62 | 371.14 |
| **Total** | **1,517.80** | **795.45** |

### Note 5: Bank balances other than cash and cash equivalents

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (a)Term deposits with Banks | 1,350.00 | - |
| **Total** | **1,350.00** | **-** |

** Lien was marked on Term deposit of ₹750.00 Lakh and ₹600.00 Lakh against credit facilities sanctioned by State Bank of India and Federal Bank respectively*

### Note 6: Receivables

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| ***(i) Trade receivables*** | - | - |
| | - | - |
| ***(ii) Other receivables - Interest receivables*** | | |
| (a) Considered good - secured | 1,347.65 | 749.87 |
| (b) Considered good - unsecured | 56.61 | 20.68 |
| | **1,404.26** | **770.55** |
| Less: Allowance for impairment loss | - | - |
| **Total** | **1,404.26** | **770.55** |

### Note 7: Loans

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **(A)** | | |
| (i) Gold loan | 41,242.54 | 30,190.86 |
| (ii) GSL Accounts | 1,751.74 | 3,818.60 |
| (iii) Micro finance loans | 5,373.12 | 5,820.77 |
| (iv) Consumption loans | 200.11 | 501.47 |
| (v) Insta loans | 698.90 | 469.21 |
| | **49,266.41** | **40,800.91** |
| Less: Impairment allowance | (208.03) | (166.49) |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

C.M. JOSEPH & ASSOCIATES CHARTERED ACCOUNTANTS KOCHI-25

| | | |
|---|---|---|
| | **49,058.38** | **40,634.42** |
| **(B)** | | |
| ***(I) Secured by Tangible assets*** | | |
| (i) Gold loan | 41,242.54 | 30,190.86 |
| (ii) Business loan | 1,751.74 | 3,818.60 |
| (iii) Other loan | - | - |
| (iv) Loans to related parties | - | - |
| | **42,994.28** | **34,009.46** |
| Less: Impairment allowance | (99.31) | (77.10) |
| | **42,894.97** | **33,932.36** |
| ***(II) Unsecured*** | | |
| (i) Gold loan | - | - |
| (ii) Business loan | - | - |
| (iii) Other loan | 6,272.13 | 6,791.45 |
| (iv) Loans to related parties | - | - |
| | **6,272.13** | **6,791.45** |
| Less: Impairment allowance | (108.72) | (89.39) |
| | **6,163.41** | **6,702.06** |
| **(C)** | | |
| ***(I) Loans in India*** | | |
| i) Public sector | - | - |
| ii) Others | 49,266.41 | 40,800.91 |
| | **49,266.41** | **40,800.91** |
| ***(II) Loans outside India*** | - | - |
| | **49,266.41** | **40,800.91** |
| Less: Impairment allowance | (208.03) | (166.49) |
| **Total** | **49,058.38** | **40,634.42** |

**Note 8: Other financial assets** (₹ in lakhs)

| Particulars | As at | |
|---|---|---|
| | **March 31, 2024** | **March 31, 2023** |
| a) Rent deposits | 338.48 | 255.17 |
| b) Other security deposits | 15.74 | 13.07 |
| c) Other financial assets | 246.94 | 244.74 |
| **Total** | **601.16** | **512.98** |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

C.M. JOSEPH & ASSOCIATES KOCHI-25

(₹ in lakhs)

**Note 9: Current tax assets (Net)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| a) Current tax assets (net of provisions) | 643.18 | 350.08 |
| **Total** | **643.18** | **350.08** |

(₹ in lakhs)

**Note 10: Deferred tax assets (Net)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| a) Deferred tax assets | 1,757.09 | 1,403.02 |
| b) Deferred tax liabilities | (1,542.12) | (1,239.73) |
| **Total** | **214.97** | **163.29** |

**(A) The balance of deferred tax assets comprises temporary differences attributable to:**

*(₹ in lakhs)*

| Particulars | As at April 1, 2023 | Charged/ (credited) to profit or loss for the period | Recognised in Other Comprehensive Income | As at March 31, 2024 |
|---|---|---|---|---|
| Difference between book base and tax based in respect of PPE, ROU assets and intangible assets | (1,179.04) | (253.31) | - | (1,432.35) |
| Application of EIR on financial assets | 83.82 | 15.95 | - | 99.77 |
| Application of EIR on financial liabilities | (49.33) | (58.04) | - | (107.37) |
| Deferred tax on lease liabilities | 1,267.89 | 335.32 | - | 1,603.21 |
| Employee Benefits | 39.95 | 3.71 | 3.64 | 47.30 |
| Others | - | 4.41 | - | 4.41 |
| **Deferred tax assets (net)** | **163.29** | **48.04** | **3.64** | **214.97** |

| Particulars | As at April 1, 2022 | Charged/ (credited) to profit or loss for the period | Recognised in Other Comprehensive Income | As at March 31, 2023 |
|---|---|---|---|---|
| Difference between book base and tax based in respect of PPE, ROU assets and intangible assets | (993.68) | (185.36) | - | (1,179.04) |
| Application of EIR on financial assets | 65.21 | 18.61 | - | 83.82 |
| Application of EIR on financial liabilities | 0.40 | (49.73) | - | (49.33) |
| Deferred tax on lease liabilities | 1,023.82 | 244.07 | - | 1,267.89 |
| Employee Benefits | 38.29 | 4.82 | (3.16) | 39.95 |
| Others | - | - | - | - |
| **Deferred tax assets (net)** | **134.04** | **32.41** | **(3.16)** | **163.29** |

C.M. JOSEPH & ASSOCIATES * KOCHI-25 * CHARTERED ACCOUNTANTS

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

**Disclosure pursuant to Ind AS 12 Income Taxes**

*(₹ in lakhs)*

| Particulars | March 31,2024 | March 31,2023 |
|---|---|---|
| (a) Current tax | 74.18 | 101.63 |
| (b) Deferred tax | (48.04) | (32.40) |
| **Total tax expenses in the Statement of Profit and Loss** | 26.14 | 69.23 |
| Tax effect on other comprehensive income | 3.64 | (3.16) |
| Deferred tax credit recorded in equity | - | - |
| Tax losses on which deferred tax is not recognised | - | - |

**Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss:**

*(₹ in lakhs)*

| Particulars | March 31,2024 | March 31,2023 |
|---|---|---|
| Profit before tax | 198.37 | 149.41 |
| Applicable income tax rate | 25.17% | 25.17% |
| **Expected income tax expenses** | **49.93** | **37.61** |
| Adjustment on account of: | | |
| a) Expenses not allowable as per income tax | 1.24 | 5.07 |
| b) Effect of income exempt from tax | - | - |
| c) Non-creation deferred tax on temporary differences | - | - |
| d) Tax related to prior years | 12.48 | - |
| e) Deferred tax recognised in OCI | 3.64 | (3.16) |
| b) Others | (41.15) | 29.71 |
| **Tax expense recognised during the year** | **26.14** | **69.23** |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

P.J. JOSEPH & ASSOCIATES * KOCHI-25 * CHARTERED ACCOUNTANTS





(₹ in lakhs)

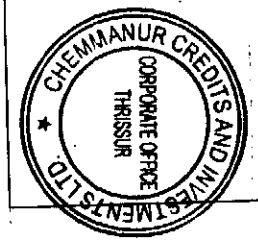
**Note 11: Property, plant and equipment**

| Description | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2023 | Additions | Deletion | As at 31.03.2024 | As at 01.04.2023 | For the Year | Depreciation on sale/Woff of Assets | As at 31.03.2024 | As at 31.03.2024 | As at 31.03.2023 |
| Furniture & Fixtures | 1,151.00 | 722.59 | (0.50) | 1,873.09 | 323.32 | 149.33 | - | 472.65 | 1,400.44 | 827.68 |
| Plant & Equipment | 527.30 | 257.43 | (7.32) | 777.41 | 75.33 | 56.19 | (1.28) | 130.24 | 647.17 | 451.97 |
| Computer | 69.83 | 72.09 | - | 141.92 | 21.09 | 31.16 | - | 52.25 | 89.67 | 48.74 |
| Electrical Fittings | 45.29 | 0.47 | - | 45.76 | 22.05 | 11.44 | - | 33.49 | 12.27 | 23.24 |
| Vehicles | 27.18 | - | - | 27.18 | 3.37 | 3.43 | - | 6.80 | 20.38 | 23.81 |
| RCC Frame Structure | 411.25 | - | - | 411.25 | 14.88 | 7.61 | - | 22.49 | 388.76 | 396.37 |
| **Total** | **2,231.85** | **1,052.58** | **(7.82)** | **3,276.61** | **460.04** | **259.16** | **(1.28)** | **717.92** | **2,558.69** | **1,771.81** |

(₹ in lakhs)

| Description | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2022 | Additions | Deletion | As at 31.03.2023 | As at 01.04.2022 | For the Year | Depreciation on sale/Woff of Assets | As at 31.03.2023 | As at 31.03.2023 | As at 31.03.2022 |
| Furniture & Fixtures | 701.54 | 449.46 | - | 1,151.00 | 185.09 | 138.23 | - | 323.32 | 827.68 | 516.45 |
| Plant & Equipment | 415.64 | 118.21 | (6.55) | 527.30 | 33.65 | 44.48 | (2.80) | 75.33 | 451.97 | 381.99 |
| Computer | 38.92 | 30.91 | - | 69.83 | 4.21 | 16.88 | - | 21.09 | 48.74 | 34.71 |
| Electrical Fittings | 45.24 | 0.06 | (0.01) | 45.29 | 14.70 | 7.35 | - | 22.05 | 23.24 | 30.54 |
| Vehicles | 12.31 | 15.29 | (0.42) | 27.18 | 1.60 | 1.77 | - | 3.37 | 23.81 | 10.71 |
| RCC Frame Structure | 411.25 | - | - | 411.25 | 7.22 | 7.66 | - | 14.88 | 396.37 | 404.03 |
| **Total** | **1,624.90** | **613.93** | **(6.98)** | **2,231.85** | **246.47** | **216.37** | **(2.80)** | **460.04** | **1,771.81** | **1,378.43** |

**Notes:**
(i) There are no property, plant and equipment which are acquired through business combination during the year (previous year - nil)
(ii) The Company has not revalued any of the assets during the year (previous year - nil)
(iii) No immovable properties are held in the name of the Company.



(₹ in lakhs)

**Note 12: Right-of-use asset**

| Description | GROSS BLOCK | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2023 | Additions | Deletion | As at 31.03.2024 | As at 01.04.2023 | For the Year | Amortisation on sale/Woff of Assets | As at 31.03.2024 | As at 31.03.2024 | As at 31.03.2023 |
| Building | 5707.77 | 1,687.81 | 37.59 | 7,357.99 | 978.32 | 679.42 | - | 1657.74 | 5,700.25 | 4729.45 |
| **Total** | **5707.77** | **1,687.81** | **37.59** | **7,357.99** | **978.32** | **679.42** | **-** | **1657.74** | **5,700.25** | **4729.45** |

(₹ in lakhs)

| Description | GROSS BLOCK | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2022 | Additions | Deletion | As at 31.03.2023 | As at 01.04.2022 | For the Year | Amortisation on sale/Woff of Assets | As at 31.03.2023 | As at 31.03.2023 | As at 31.03.2022 |
| Building | 4,445.94 | 1,261.83 | - | 5,707.77 | 438.61 | 539.71 | - | 978.32 | 4,729.45 | 4,007.33 |
| **Total** | **4,445.94** | **1,261.83** | **-** | **5,707.77** | **438.61** | **539.71** | **-** | **978.32** | **4,729.45** | **4,007.33** |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

(₹ in lakhs)

**Note 13: Intangible Assets**

| Description | GROSS BLOCK | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2023 | Additions | Deletion | As at 31.03.2024 | As at 01.04.2023 | For the Year | Amortisation on sale/Woff of Assets | As at 31.03.2024 | As at 31.03.2024 | As at 31.03.2023 |
| Computer Software | 34.86 | 4.75 | - | 39.61 | 15.28 | 18.07 | - | 33.35 | 6.26 | 19.58 |
| **Total** | **34.86** | **4.75** | **-** | **39.61** | **15.28** | **18.07** | **-** | **33.35** | **6.26** | **19.58** |

***Note:*** *Amortisation of Rs. 14.99 Lakh accounted in current year belongs to previous year*

(₹ in lakhs)

| Description | GROSS BLOCK | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2022 | Additions | Deletion | As at 31.03.2023 | As at 01.04.2022 | For the Year | Amortisation on sale/Woff of Assets | As at 31.03.2023 | As at 31.03.2023 | As at 31.03.2022 |
| Computer Software | 30.11 | 4.75 | - | 34.86 | 8.06 | 7.22 | - | 15.28 | 19.58 | 22.05 |
| **Total** | **30.11** | **4.75** | **-** | **34.86** | **8.06** | **7.22** | **-** | **15.28** | **19.58** | **22.05** |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

ASSOCIATES * ACCOUNTANTS

**Note 14: Capital work-in-progress**

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Capital work-in-progress (Refer Note) | 288.63 | 151.66 |
| **Total** | **288.63** | **151.66** |

**Ageing of capital work-in-progress**

(₹ in lakhs)

| Capital work-in-progress of branches: | Less than 1 year | 1-2 years | More than 2 years | Total |
|---|---|---|---|---|
| ***As at March 31, 2024*** | | | | |
| Tamil Nadu | 52.16 | 6.00 | - | 58.16 |
| Kerala | 26.85 | - | 3.58 | 30.43 |
| Karnataka | 19.44 | 36.60 | | 56.04 |
| Maharashtra | 13.06 | - | - | 13.06 |
| Andhra Pradesh | 130.94 | | | 130.94 |
| **Total** | **242.45** | **42.60** | **3.58** | **288.63** |
| ***As at March 31, 2023*** | | | | |
| Tamil Nadu | 35.01 | - | - | 35.01 |
| Kerala | 5.93 | 3.58 | - | 9.51 |
| Karnataka | 102.37 | 2.65 | - | 105.02 |
| Maharashtra | 2.12 | - | - | 2.12 |
| **Total** | **145.43** | **6.23** | **-** | **151.66** |

***Note:*** *There is no cost of over-run and delay in completion from the original schedule for any of the above projects.*

**Note 15: Other non-financial assets**

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| a) Prepaid expenses | 22.00 | 18.01 |
| b) Advance for expenses | 55.68 | - |
| c) Deposits with government authorities | 83.22 | 24.83 |
| d) Others | - | - |
| **Total** | **160.90** | **42.84** |

**Note 16: Debt Securities**

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| ***At amortised cost*** | | |
| Non-convertible debentures (Secured) | | |
| - In India (Refer note (ii) below) | 19,072.35 | 10,247.75 |
| - Outside India | - | - |
| **Total** | **19,072.35** | **10,247.75** |

Note:
(i) There are no debt securities measured at fair value through profit or loss (FVTPL) or designated as FVTPL.
(ii) The bonds are secured by paripassu floating charge on current assets, book debts and loans and advances.

*Details of non-convertible debentures (secured)*

*(₹ in lakhs)*

| From Balance Sheet date | Interest rate range | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Repayable on maturity: | | | |
| Matured* | Less than 30% | 44.06 | 41.96 |
| Maturing within 1 year* | Less than 13.50% | 6,228.54 | 1,755.23 |
| Maturing between 1 year to 2 years | Less than 13.50% | 5,640.10 | 4,299.10 |
| Maturing between 2 year to 3 years | Less than 13.50% | 1,268.27 | 1,405.92 |
| Maturing beyond 3 years | Less than 13.50% | 5,935.44 | 2,787.50 |
| **Total amortised cost** | | **19,116.41** | **10,289.71** |

*including the matured debentures classified under other financial liabilities.

***Series Wise Details of non-convertible debentures (secured)***

***A) Issue on Private Placement***

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| NCD 2012/09 | - | 185.75 |
| **Sub Total** | **-** | **185.75** |
| NCD 2013/10 | - | 48.52 |
| **Sub Total** | **-** | **48.52** |
| NCD 2017/XVIB | - | 10.00 |
| NCD 2017/XVIE | - | 18.50 |
| **Sub Total** | **-** | **28.50** |
| 20-21- DEMAT -IV | - | 23.50 |
| 20-21 –DEMAT - VIII | - | 29.00 |
| 20-21–DEMAT – IX | - | 6.00 |
| 20-21- DEMAT -XIV | - | 37.00 |
| 20-21- DEMAT -XV | - | 10.00 |
| 20-21 DEMAT-XIX | - | 20.00 |
| 20-21 DEMAT-XX | - | 7.45 |
| 20-21 DEMAT-XXII | - | 94.00 |
| 20-21 DEMAT-XXVI | - | 35.00 |
| 20-21 DEMAT-XXVII | - | 12.00 |
| **Sub Total** | **-** | **273.95** |
| 21-22 DEMAT-III | - | 19.50 |
| 21-22 DEMAT-IV | - | 10.00 |
| 21-22 DEMAT-V | 21.50 | 21.50 |
| 21-22 DEMAT-VI | 7.00 | 7.00 |
| 21-22 DEMAT-IX | - | 27.50 |
| 21-22 DEMAT-X | - | 8.00 |
| 21-22 DEMAT-XI | 67.00 | 67.00 |
| 21-22 DEMAT-XII | 10.00 | 10.00 |
| 21-22 DEMAT-XV | - | 10.00 |
| 21-22 DEMAT-XVI | - | 7.00 |
| 21-22 DEMAT-XVII | 5.00 | 5.00 |
| 21-22 DEMAT- XX | - | 17.00 |
| 21-22 DEMAT- XXI | 15.00 | 15.00 |
| 21-22 DEMAT -XXII | 14.00 | 14.00 |
| 21-22 Demat XXIV | - | 135.00 |
| 21-22 Demat XXV | - | 11.00 |
| 21-22 Demat XXVI | 11.00 | 11.00 |
| **Sub Total** | **150.50** | **395.50** |
| 22-23 Demat I | - | 67.50 |
| 22-23 Demat II | - | 5.00 |
| 22-23 Demat III | 13.00 | 13.00 |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

| | | |
|---|---|---|
| 22-23 Demat IV | 7.20 | 7.20 |
| 22-23 Demat VI | - | 16.30 |
| 22-23 Demat V | - | 69.50 |
| 22-23 Demat VII | 11.00 | 11.00 |
| 22-23 Demat IX | 45.00 | 45.00 |
| 22-23 Demat X | 39.20 | 39.20 |
| 22-23 Demat VIII | - | 32.00 |
| **Sub Total** | **115.40** | **305.70** |
| **Total** | **265.90** | **1,237.92** |
| NCD Matured but not paid | 44.06 | 41.96 |
| **Grand Total** | **309.96** | **1,279.88** |

***B) Issued on Public Offer***

(₹ in lakhs)

| NCD ISSUE -I | | As at | |
|---|---|---|---|
| **Series** | **ISIN_CODE** | **March 31, 2024** | **March 31,2023** |
| Series-1 | INE051307986 | - | 799.19 |
| Series-2 | INE051307978 | 2,226.22 | 2,226.22 |
| Series-3 | INE051307994 | 1,327.74 | 1,327.74 |
| Series-4 | INE051307AA0 | 1,061.79 | 1,061.79 |
| Series-5 | INE051307AB8 | 1,694.69 | 1,694.69 |
| Series-6 | INE051307AC6 | 629.98 | 629.98 |
| Series-7 | INE051307AD4 | 319.59 | 319.59 |
| Series-8 | INE051307AE2 | 1,163.49 | 1,163.49 |
| | **Total** | **8,423.50** | **9,222.69** |

| NCD ISSUE -II | | As at | |
|---|---|---|---|
| **Series** | **ISIN_CODE** | **March 31, 2024** | **March 31,2023** |
| Series-1 | INE051307AP8 | 484.11 | - |
| Series-2 | INE051307AO1 | 1359.71 | - |
| Series-3 | INE051307AN3 | 504.09 | - |
| Series-4 | INE051307AJ1 | 834.42 | - |
| Series-5 | INE051307AM5 | 1063.12 | - |
| Series-6 | INE051307AL7 | 534.61 | - |
| Series-7 | INE051307AI3 | 632.03 | - |
| Series-8 | INE051307AK9 | 609.02 | - |
| | **Total** | **6,021.11** | **-** |

| NCD ISSUE -III | | As at | |
|---|---|---|---|
| **Series** | **ISIN_CODE** | **March 31, 2024** | **March 31,2023** |
| Series-1 | INE051307AX2 | 402.98 | - |
| Series-2 | INE051307AW4 | 1025.22 | - |
| Series-3 | INE051307AV6 | 401.75 | - |
| Series-4 | INE051307AU8 | 475.42 | - |
| Series-5 | INE051307AT0 | 878.57 | - |
| Series-6 | INE051307AS2 | 497.9 | - |
| Series-7 | INE051307AR4 | 430.87 | - |
| Series-8 | INE051307AQ6 | 701.31 | - |
| | **Total** | **4,814.02** | **-** |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

C.M. JOSEPH & ASSOCIATES CHARTERED ACCOUNTANTS KOCHI-25

(₹ in lakhs)

**Note 17: Borrowings (Other than Debt Securities)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **(a) In India** | | |
| ***At amortised cost*** | | |
| i) Secured | | |
| *Term loans* | | |
| - From Banks (Refer note 52) | 2,754.00 | 660.77 |
| *Loans repayable on demand* | | |
| - From Banks (Refer note 52) | 3,733.12 | 2,914.68 |
| ii) Unsecured | | |
| - Unsecured loan from related parties | - | - |
| - Lease liabilities | 6,369.53 | 5,100.89 |
| **(b) Outside India** | - | - |
| **Total** | **12,856.65** | **8,676.34** |

**Note:**
(i) There is no borrowings measured at FVTPL or designated at FVTPL.

***Details of loans from Banks (Secured)*** *(₹ in lakhs)*

| From Balance Sheet date | Interest rate range | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| ***A) Repayable on demand*** | | | |
| Working capital facilities | Less than 12% | 3,733.12 | 2,914.68 |
| ***B) Repayable in instalments*** | | | |
| Maturing within 1 year | Less than 12.5% | 941.93 | 332.77 |
| Maturing between 1 year to 3 years | Less than 12.5% | 1,240.86 | 328.00 |
| Maturing between 3 year to 5 years | Less than 12.5% | 571.21 | - |
| Maturing beyond 5 years | | - | - |
| **Total amortised cost** | | **6,487.12** | **3,575.45** |

**Note 18: Subordinated Liabilities** *(₹ in lakhs)*

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| ***At amortised cost*** | | |
| i) Unsecured | | |
| - Subordinated debts | 18,371.30 | 17,589.30 |
| **Total** | **18,371.30** | **17,589.30** |

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C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

*(₹ in lakhs)*

***Details of Subordinated debts (Unsecured)***

| From Balance Sheet date | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Interest rate range | Amount | Interest rate range | Amount |
| Repayable on maturity: | | | | |
| Maturing within 1 year* | 10.75 - 16.66% | 3,393.35 | 13.50 - 16.10% | 2,727.35 |
| Maturing between 1 year to 3 years | 10.00 - 17.65% | 7,106.45 | Up to 30% | 7,744.85 |
| Maturing between 3 year to 5 years | 10.00 - 17.65% | 6,590.65 | Up to 30% | 6,580.25 |
| Maturing beyond 5 years | 10.21 - 12.60% | 1,359.50 | Up to 13.50% | 661.50 |
| **Total amortised cost** | | **18,449.95** | | **17,713.95** |

**including the matured subordinated debt classified under other financial liabilities.*

(₹ in lakhs)

**Changes in the liabilities arising from financing activities**

| *For the year ended March 31, 2024* | Opening balance | Cashflows | Non-cash changes | Closing balance |
|---|---|---|---|---|
| Debt securities* | 10,289.71 | 8,826.70 | - | 19,116.41 |
| Borrowings | 8,676.34 | 2,633.60 | 1,546.71 | 12,856.65 |
| Subordinated liabilities* | 17,713.95 | 736.00 | - | 18,449.95 |
| **Total** | **36,680.00** | **12,196.30** | **1,546.71** | **50,423.01** |

| *For the year ended March 31, 2023* | Opening balance | Cashflows | Non-cash changes | Closing balance |
|---|---|---|---|---|
| Debt securities* | 5,021.58 | 5,268.13 | - | 10,289.71 |
| Borrowings | 8,043.15 | (531.71) | 1,164.90 | 8,676.34 |
| Subordinated liabilities* | 17,277.70 | 436.25 | - | 17,713.95 |
| **Total** | **30,342.43** | **5,172.67** | **1,164.90** | **36,680.00** |

**including matured debentures and liabilities classified under other financial liabilities*

(₹ in lakhs)

**Note 19: Other financial liabilities**

| Particulars | As at | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| a) Interest accrued and due on borrowings | 117.39 | 124.06 |
| b) Interest accrued but not due on borrowings | 3,213.16 | 3,380.29 |
| c) Matured non-convertible debentures | 44.06 | 41.96 |
| d) Matured subordinated debt | 78.65 | 124.65 |
| e) Employee related payables | 23.72 | 22.92 |
| f) Retention money payables | 32.64 | 16.62 |
| g) Expense payables | 130.47 | 5.01 |
| h) Others | 356.20 | 669.82 |
| **Total** | **3,996.29** | **4,385.33** |

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(₹ in lakhs)

**Note 20: Provisions**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| a) Provision for employee benefits | | |
| - Gratuity | 187.92 | 158.69 |
| b) Other provisions | | |
| - for law suit | 8.00 | 8.00 |
| - for missing cash | 9.50 | 4.89 |
| **Total** | **205.42** | **171.58** |

(₹ in lakhs)

**Note 21: Other non-financial liabilities**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| a) Statutory dues payable | 99.68 | 130.42 |
| **Total** | **99.68** | **130.42** |

(₹ in lakhs)

**Note 22: Equity share capital**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| *Authorised:* | | |
| 800.00 lakhs equity shares of ₹10 each | 8,000.00 | 8,000.00 |
| (March 31, 2023 - 800.00 lakhs) | | |
| 2.00 lakhs preference shares of ₹1,000 each | 2,000.00 | 2,000.00 |
| (March 31, 2023 - 2.00 lakhs) | | |
| **Total** | **10,000.00** | **10,000.00** |
| *Issued, subscribed, called-up and paid-up* | | |
| 600.00 lakhs equity shares of ₹10 each, fully paid-up | 6,000.00 | 6,000.00 |
| (March 31, 2023 - 600.00 lakhs) | | |
| **Total** | **6,000.00** | **6,000.00** |

**a) Reconciliation of number of shares**

| Equity shares | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of shares (in lakhs) | ₹ in lakhs | No. of shares (in lakhs) | ₹ in lakhs |
| Balance at the beginning of the year | 600.00 | **6,000.00** | 600.00 | 6,000.00 |
| Add: Issue during the year | - | - | - | - |
| Less: Buyback during the year | - | - | - | - |
| **Balance at the end of the year** | **600.00** | **6,000.00** | **600.00** | **6,000.00** |

**(b) Rights, preferences and restrictions attached to shares**

The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **C.D. Boby** | | |
| - Number of shares (in lakhs) | 515.88 | 514.33 |
| - Percentage of holding | 85.98% | 85.72% |
| **Chemmanur Gold Palace International Limited** | | |
| - Number of shares (in lakhs) | 70.00 | 70.00 |
| - Percentage of holding | 11.67% | 11.67% |

**(d) Shares held by the Promoter and promoter group***

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **C.D. Boby** | | |
| - Number of shares (in lakhs) | 515.88 | 514.33 |
| - Percentage of holding | 85.98% | 85.72% |
| - Change in percentage of holding | 0.26% | 0.08% |
| **Smitha Boby** | | |
| - Number of shares (in lakhs) | 0.55 | 0.55 |
| - Percentage of holding | 0.09% | 0.09% |
| **Lijo Moothedan** | | |
| - Number of shares (in lakhs) | 0.35 | 0.35 |
| - Percentage of holding | 0.06% | 0.06% |

** The Company has reclassified Mr. Jisso C Baby, Mrs. Deena Lijo and Mr. Jose Chaklappan from the promoter and promoter group category to 'public' category shareholder of the Company with effect from September 30, 2023 vide Board resolution dated October 21, 2023.*

**Note 23: Other equity**

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| *a) Reserve fund* | | |
| Balance at the beginning of the year | 846.22 | 830.18 |
| Additions to / (transfers made) during the year | 34.45 | 16.04 |
| Balance at the end of the year | **880.67** | **846.22** |
| *b) Impairment reserve* | | |
| Balance at the beginning of the year | 85.08 | 80.66 |
| Transition adjustments | - | - |
| Additions to / (transfers made) during the year | 3.33 | 4.42 |
| Balance at the end of the year | **88.41** | **85.08** |

| | | |
|---|---|---|
| *c) Retained Earnings* | | |
| Balance at the beginning of the year | 1,810.09 | 1,740.97 |
| Transition adjustments | - | - |
| Net profit/ (loss) for the year | 172.23 | 80.18 |
| Remeasurement gain/ (loss) on defined benefit plan | (10.83) | 9.40 |
| Dividend paid | - | - |
| Additions to / (transfers made) during the year | (37.78) | (20.46) |
| Balance at the end of the year | **1,933.71** | **1,810.09** |
| | | |
| **Total (a) + (b) + (c)** | **2,902.79** | **2,741.39** |

***Description of the nature and purpose of Other Equity***

(a) Reserve Fund

Reserve fund represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The 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.

(b) Impairment reserve

The impairment reserve is created when the impairment allowance under Ind AS 109 is lower than the 'provisioning required under income recognition and asset classification norms. The difference between these will be appropriated to the impairment reserve from the net profit or loss after tax. No withdrawal is permitted without any prior approval from RBI.

(c) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception.
Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

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(₹ in lakhs)

**Note 24: Interest income**

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| *On financial instruments measured at amortised cost* | | |
| a) Interest on loans and advances | 9,650.46 | 7,343.97 |
| b) Interest income from investments | - | - |
| c) Interest income from term deposits from banks etc,. | 83.42 | 39.48 |
| d) Interest Income from Rent deposit | 32.98 | 23.01 |
| **Total** | **9,766.86** | **7,406.46** |

*Note: There are no assets measured at FVTOCI/ FVTPL*

(₹ in lakhs)

**Note 25: Rental income**

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| Rental income from sub-leasing | 91.53 | 91.53 |
| **Total** | **91.53** | **91.53** |

(₹ in lakhs)

**Note 26: Fees and commission income**

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| a) Commission | 509.29 | 618.02 |
| b) Service Charge, Documentation Fee etc. | 205.16 | 197.36 |
| **Total** | **714.45** | **815.38** |

(₹ in lakhs)

**Note 27: Other income**

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| a) Bad debts recovered | - | 1.32 |
| b) Provision written back | 11.56 | 5.61 |
| c) Interest on Income Tax refund | 13.25 | - |
| d) Income on lease | 13.37 | - |
| e) Miscellaneous income | 3.47 | 0.35 |
| **Total** | **41.65** | **7.28** |

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(₹ in lakhs)

**Note 28: Finance costs**

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| *On financial liabilities measured at amortised cost* | | |
| a) Interest on borrowings | 483.80 | 347.24 |
| b) Interest on debt securities | 1,503.89 | 517.78 |
| c) Interest on subordinated liabilities | 2,187.97 | 2,502.67 |
| d) Interest on lease liabilities | 650.54 | 524.21 |
| e) Other borrowing costs | 31.00 | 32.97 |
| **Total** | **4,857.20** | **3,924.87** |

(₹ in lakhs)

**Note 29: Impairment of financial instruments**

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| *On financial instruments measured at amortised cost* | | |
| a) Bad debts written off | - | - |
| b) Loans | 41.54 | 81.60 |
| **Total** | **41.54** | **81.60** |

(₹ in lakhs)

**Note 30: Employee benefit expenses**

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| a) Salaries and wages | 3,216.16 | 2,349.49 |
| b) Contribution to provident fund and other funds | 99.67 | 86.09 |
| c) Incentives | 181.17 | 164.41 |
| d) Gratuity | 41.24 | 38.61 |
| c) Other staff welfare expenses | 30.50 | 2.09 |
| **Total** | **3,568.74** | **2,640.69** |

(₹ in lakhs)

**Note 31: Depreciation, Amortisation and Impairment**

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| a) Depreciation on property, plant and equipment | 259.16 | 216.37 |
| b) Amortisation of intangible assets | 18.07 | 7.22 |
| c) Depreciation on right-of-use assets | 679.42 | 539.71 |
| **Total** | **956.65** | **763.30** |

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(₹ in lakhs)

**Note 32: Other expenses**

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| Electricity | 110.34 | 76.42 |
| Annual maintenance charges | 37.09 | 24.62 |
| Software maintenance | 33.24 | 15.57 |
| Rent | 10.45 | 17.42 |
| Rates and taxes | 7.81 | 15.91 |
| Insurance | 12.67 | 7.05 |
| Repairs and maintenance | 46.77 | 43.23 |
| Advertising and sales promotion | 35.66 | 15.37 |
| Office expenses | 222.98 | 170.58 |
| Travelling and conveyance | 205.09 | 161.13 |
| Communication costs | 117.04 | 84.33 |
| Printing and stationery | 50.64 | 39.03 |
| Payment to auditors(refer note 34) | 10.45 | 9.50 |
| Legal and professional fees | 39.44 | 43.75 |
| Security charges | 6.84 | 8.49 |
| Provision for cash missing | 4.60 | 2.59 |
| Corporate social responsibility expenses | - | 20.00 |
| Commision and brokerage | 27.81 | - |
| Loss on sale of fixed assets | 4.90 | 0.92 |
| Miscellaneous expenses | 8.17 | 4.87 |
| **Total** | **991.99** | **760.78** |

**Note 33: Earnings per share**

(₹ in lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| Profit/ (loss) for the year (₹ in lakhs) | 172.23 | 80.18 |
| Weighted average number of equity shares outstanding (in lakhs) | 600.00 | 600.00 |
| Basic and diluted earnings per share (₹) | 0.29 | 0.13 |
| Face value per equity share (₹) | 10.00 | 10.00 |

**Note 34: Payment to Auditors**

(₹ in lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| For Statutory Audit | 5.50 | 7.50 |
| Certification | 4.95 | 2.00 |
| **Total** | **10.45** | **9.50** |

**Note 35: Contingent liabilities and Contingent assets**

(₹ in lakhs)

| Particulars | As at | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| a) Claims against the Company not acknowledged as debt | - | - |
| - Income tax matters (Refer note below) | - | 137.57 |
| - Others | 0.08 | 0.08 |
| b) Guarantees- Counter guarantees provided to Banks | - | - |
| c) Other money for which the company is contingently liable | - | - |
| **Total** | **0.08** | **137.65** |

There was an Income Tax appeal filed by the company with the Commissioner of Income Tax (Appeals) for the AY 2017-18 against the order under sec 143(3) of the Income Tax act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur, making a tax addition by disallowing expenditure. The total tax impact on the the above order was Rs: 137.57 Lakh The Appeal has been disposed in favour of the Company vide order No.ITBA/NFAC/S/250/2023-24/1055330358(1) dated 22/08/2023. As there is no additional Tax Libaility, Contigent Liability provided has been reversed.

**Note 36: Operating segments**

**Primary segment**
Operating segments are defined as components of an enterprise for which discrete financial information is available that is revaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company has only one reportable business segment "Financial services".

**Secondary segment (by geography)**
The Company's economic environment is similar and it is having operations in India only. Therefore, the Company has only one reportable geographical segment. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended March 31, 2024 (previous year - nil)

**Note 37: Employee Benefits**

In accordance with Ind AS - 19 Employee Benefits, specified under Section 133 of the Companies Act, 2013 the following disclosures are made:
The Company recognised ₹99.67 lakhs (2022-23: ₹86.09 lakhs) for Provident Fund and ESI contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**Defined Benefit Plans**

The Company has an unfunded gratuity plan for qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested, it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Actuarial gains and losses in respect of defined benefit plans are recognised in the financial statements through other comprehensive income.

Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below:

***Interest risk:***
The plan liabilities are calculated using a discount rate set with references to government bond yields. Any decrease in interest rate will increase the plan liability.

***Longevity risk***
The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

***Salary risk***
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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The following table set out the unfunded status of the defined benefit schemes and the amount recognised in financial statements.

**(a) Amount recognised in the Profit or loss for the period**

*(₹ in lakhs)*

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| Current service cost | 30.83 | 28.71 |
| Past service cost | - | - |
| Net interest on net defined benefit liability | 10.41 | 9.90 |
| **Amount recognised in Profit or loss for the year** | **41.24** | **38.61** |

**(b) Amount recognised in other comprehensive income**

*(₹ in lakhs)*

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| *Remeasurement (gains)/ losses* | | |
| a) Actuarial (gains)/losses arising from changes in | - | - |
| - Change in demographic assumptions | - | - |
| - Change in financial assumptions | 3.30 | (3.24) |
| - Experience adjustment | 11.17 | (9.32) |
| b) Return on plan asset excluding considered in net interest | - | - |
| **Amount recognised in other comprehensive income** | **14.47** | **(12.56)** |

**(c) Changes in present value of defined benefit obligation**

*(₹ in lakhs)*

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| Opening defined benefit obligation | 158.69 | 152.12 |
| Current service cost | 30.83 | 28.71 |
| Past service cost | - | - |
| Interest cost | 10.41 | 9.90 |
| Actuarial (gains)/losses | 14.47 | (12.56) |
| Benefits paid | (26.48) | (19.48) |
| **Closing defined benefit obligation** | **187.92** | **158.69** |

**(d) Net defined benefit liability/ (asset)**

*(₹ in lakhs)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| Present value of defined benefit obligation | 187.92 | 158.69 |
| Fair value of plan assets | - | - |
| **Net defined benefit liability/ (asset)** | **187.92** | **152.12** |
| - Current | 27.19 | 23.08 |
| - Non-current | 160.73 | 135.61 |

**(e ) The Principal actuarial assumptions used in determining gratuity liability is as follows:**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Discount rate | 6.98% | 7.16% |
| Salary increase | 5.00% | 5.00% |
| Employee turnover ratio (based on service period) | | |
| - Less than or equal to 4 years | 30.00% | 30.00% |
| - Above 4 years | 5.00% | 5.00% |
| Mortality Rate | IALM 2012-14* | IALM 2012-14 |

* IALM: India Assured Lives Mortality modified Ult.

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Representative mortality rates taken for current actuarial valuation as per the chosen mortality table are given below:

| Age | Rate | Age | Rate |
|---|---|---|---|
| 15 | 0.000698 | 45 | 0.002579 |
| 20 | 0.000924 | 50 | 0.004436 |
| 25 | 0.000931 | 55 | 0.007513 |
| 30 | 0.000977 | 60 | 0.011162 |
| 35 | 0.001202 | 65 | 0.015932 |
| 40 | 0.001680 | 70 | 0.024058 |

***Sensitivity analysis***

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate, future salary escalation rate and attrition rate. The following tables summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points. These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

*(₹ in lakhs)*

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Discount rate | | |
| - 100 bps increase | (16.67) | (14.23) |
| - 100 bps decrease | 19.82 | 16.99 |
| Salary growth rate | | |
| - 100 bps increase | 20.02 | 17.19 |
| - 100 bps decrease | (17.11) | (14.62) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

The weighted average duration of the defined benefit obligation is estimated as 10.82 years (previous year – 10.97 years).

The payout pattern of defined benefit obligation (undiscounted) estimated as at year-end is given below:

*(₹ in lakhs)*

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Expected cashflow due | | |
| - within 1 year | 27.18 | 23.08 |
| - 2 to 5 years | 54.60 | 43.70 |
| - 6 to 10 years | 58.71 | 54.10 |
| - More than 10 years | | - |

**Note 38: Capital management**

The Reserve Bank of India vide its circular reference RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 outlined the regulatory guidance in relation to Ind AS financial statements from financial year 2019-20 onwards. This included guidance for computation of 'owned funds' , 'net owned funds' and 'regulatory capital'. Accordingly, the 'regulatory capital' has been computed in accordance with these requirements read with the requirements of the Master Direction DNBR. PD.008/03.10.119/2016-17 dated September 01, 2016 (as amended).

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.

The company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). The minimum Tier I capital as prescribed by RBI guidelines and applicable to the Company, shall not be less than 12 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

The Company has complied with all regulatory requirements relating to capital and capital adequacy ratios as prescribed by RBI.

*Regulatory capital and analytical ratios*

*(₹ in lakhs)*

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Capital Adequacy Ratios** | | |
| (a) Tier I capital | 8,659.56 | 8,558.52 |
| (b) Tier II capital (limited to Tier I capital) | 4,452.26 | 4,380.38 |
| (c) Total regulatory capital (a) + (b) | 13,111.82 | 12,938.90 |
| (d) Aggregate of Risk weighted assets | 60,028.75 | 47,705.07 |
| (e) Tier I capital ratio (a) / (d) | 14.43% | 17.94% |
| (f) Tier II capital ratio (b) / (d) | 7.41% | 9.18% |
| (g) Capital to risk-weighted assets ratio (c) / (d) | 21.84% | 27.12% |
| | | |
| **Liquidity coverage ratio** | | |
| (a) High Quality Liquid Assets | 1,517.80 | 795.45 |
| (b) Net cash outflows/(inflows) over the next 30 calendar days | (5,537.20) | (2,651.07) |
| **(c) Liquidity coverage ratio* (a) / (b)** | **(27.41)%** | **(30.00)%** |

**negative liquidity coverage ratio indicates that the Company has net inflows rather than net outflows.*

"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 subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"Owned fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

"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. 12 month expected credit loss (ECL) allowances for financial instruments i.e. where the credit risk has not increased significantly since initial recognition, shall be included under general provisions and loss reserves in Tier II capital within the limits specified by extant regulations. Lifetime ECL shall not be reckoned for regulatory capital (numerator) while it shall be reduced from the risk weighted assets

(d) Hybrid debt capital instruments; and

(e) Subordinated debt to the extend aggregate does not exceed Tier I capital.

Aggregate Risk Weighted Assets -
Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off- balance sheet assets. Hence, the value of each of the on-balance sheet assets and off-balance sheet assets 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.

High Quality Liquid Assets-
"High Quality Liquid Assets (HQLA)" means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. It primarily consists of cash and cash equivalents, unencumbered bank deposits and government securities etc.

Net cash outflows/(inflows) over the next 30 calendar days -
The net cash outflows over the next 30 calendar days is computed by reducing the stressed cashflows (115% of normal cash outflows) from the stressed cash outflows (115% of the normal cash outflows) as per the computation methodology provided by the Reserve Bank of India.

### Note 39: Leases

***I) Company as a Lessee***

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises used for operating activities.

Expense relating to leases on which short-term lease exemption was availed during the year ended March 31, 2024 is ₹10.45 (previous year: ₹17.42 lakhs). The expense relating to leases of low-value assets during the year ended March 31, 2024, is Nil (previous year Nil)

None of the lease contains any variable lease payments or taken under sale and leaseback arrangements.

**Movement in lease liabilities**

₹ in lakhs

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Opening balance | 5,100.89 | 4,117.99 |
| Add: Additions during the year | 1,591.45 | 1,164.90 |
| Add: Finance cost | 650.54 | 524.21 |
| Less: Repayment made during the period | (928.61) | (706.21) |
| Less: Termination/ modification adjustments | (44.74) | - |
| **Closing balance** | **6,369.53** | **5,100.89** |

**Maturity analysis of lease liabilities**

₹ in lakhs

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Up to 1 year | 486.38 | 342.21 |
| 1 year - 5 years | 2,524.00 | 1,750.38 |
| More than 5 years | 3,359.15 | 3,008.30 |
| **Total** | **6,369.53** | **5,100.89** |

### Note 40: Debenture Redemption Reserve

The Company is not required to maintain the debenture redemption reserve since it is a NBFC. The Company is required to maintain debenture redemption investment to the tune of 15% of debentures maturing within 12 months from the beginning of the financial year in unencumbered deposits and/ or government securities. The Company has complied with the said requirement.

### Note 41: Pending Litigations

The Company's pending litigations comprise of claims by the Company on the customers to recover its dues. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statements of the Company as at March 31, 2024 (previous year - nil)

### Note 42: Financial risk management framework

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

Board of Directors of the Company have established Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies for its business. The credit risk is managed through credit norms established based on historical experience.

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***Note 42.1: Market risk***

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

***a) Pricing risk***

The Company does not have any asset which is exposed to the pricing risk

***b) Currency risk***

The Company does not have any asset which is exposed to the currency risk since the Company does not deal in foreign currency

***c) Interest rate risk***

The company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates

***Note 42.2: Credit Risk Management***

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its retail and other loans primarily based on Days past due monitoring at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

**Credit Quality of Financial Loans and Investments**

The following table sets out information about credit quality of loans and investments measured at amortized cost primarily based on days past due information. The amount represents gross carrying amount.

(₹ in lakhs)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Gross carrying amount of loans | | |
| 0 - 60 days past due | 47,200.26 | 40,070.94 |
| 61-90 days past due | 1,587.73 | 470.05 |
| Impaired (more than 90 days past due) | 478.42 | 259.91 |
| **Total** | **49,266.41** | **40,800.91** |

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the company is into retail lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

***Inputs considered in the ECL model***

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorizes loan assets into stages primarily based on the Days Past Due status.
Stage 1 : 0-60 days past due
Stage 2 : 61-90 days past due
Stage 3 : More than 90 days past due

The COVID 19 pandemic had significantly increased the credit risk relating to the loans and advances from the historical loss expectations. The management had given due care and made forward looking estimates to ECL model so as to cover the additional risk due to the pandemic.

***Estimations and assumptions considered in the ECL model***

The Company has made the following assumptions in the ECL Model:

a) The Company is primarily engaged in the gold loan business and the average loan duration is less than 1 year also. Therefore, the Company does not make any segregation between 12 month ECL and life-time ECL while computing the ECL allowance and life-time ECL is provided for all loans irrespective of their tenure.

b) In case of non-performing assets which are not secured, the RBI provision rates were considered as forward looking estimate for loss rate purpose since there was no historical information available for loss on such advances.

***Concentration of credit risk***

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.
In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.

***Note 42.3: Liquidity risk***

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The Company has well defined Asset Liability Management (ALM) framework with an appropriate organisational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity.

***Maturity pattern of financial liabilities***

(₹ in lakhs)

| Particulars | 0-12 months | Beyond 12 months | Total |
|---|---|---|---|
| **As at March 31, 2024** | | | |
| (a) Payables | - | - | - |
| (b) Debt securities | 6,228.54 | 12,843.81 | 19,072.35 |
| (c) Borrowings (Other than Debt Securities) | 4,287.42 | 2,199.70 | 6,487.12 |
| (d) Lease liabilities | 486.38 | 5,883.15 | 6,369.53 |
| (e) Deposits | - | - | - |
| (f) Subordinated Liabilities | 3,314.70 | 15,056.60 | 18,371.30 |
| (g) Other financial liabilities | 1,461.52 | 2,534.77 | 3,996.29 |
| **Total** | **15,778.56** | **38,518.03** | **54,296.59** |
| **As at March 31, 2023** | | | |
| (a) Payables | - | - | - |
| (b) Debt securities | 1,755.23 | 8,492.52 | 10,247.75 |
| (c) Borrowings (Other than Debt Securities) | 3,247.45 | 328.00 | 3,575.45 |
| (d) Lease liabilities | 342.22 | 4,758.67 | 5,100.89 |
| (e) Deposits | - | - | - |
| (f) Subordinated Liabilities | 2,602.70 | 14,986.60 | 17,589.30 |
| (g) Other financial liabilities | 2,185.40 | 2,199.93 | 4,385.33 |
| **Total** | **10,133.00** | **30,765.72** | **40,898.72** |

**Note 43: Financial instruments**

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3.2 to the financial statements.

***Note 43.1: Classification of financial assets and liabilities***

The fair values of the financial assets / liabilities represent the price that would be received to sell the financial asset or paid to transfer the financial liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:
1. Fair value of trade receivables, cash, loans, other financial assets, trade payables and other financial liabilities, approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these financial assets. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values of security deposits were calculated based on cash flows discounted using current lending rate. The fair values are classified as Level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The Company does not have any financial instruments which are held for trading and no financial instruments are required to be accounted using fair value through profit or loss. Further, the Company has no instruments which are accounted for using hedge accounting model as specified under Ind AS 109 Financial Instruments.

(₹ in lakhs)

| Particulars | Non-current | Current | Total |
|---|---|---|---|
| **As at March 31, 2024** | | | |
| *Financial assets at amortised cost* | | | |
| (a) Cash and cash equivalents | - | 1,517.80 | 1,517.80 |
| (b) Bank balances other than cash and cash equivalents | 1,350.00 | - | 1,350.00 |
| (c) Receivables | - | 1,404.26 | 1,404.26 |
| (d) Loans | 1,191.59 | 47,866.79 | 49,058.38 |
| (e) Investments | - | - | - |
| (f) Other financial assets | 307.05 | 294.11 | 601.16 |
| **Total** | **2,848.64** | **51,082.96** | **53,931.60** |
| *Financial liabilities at amortised cost* | | | |
| (a) Payables | - | - | |
| (b) Debt securities | 12,843.81 | 6,228.54 | 19,072.35 |
| (c) Borrowings (Other than Debt Securities) | 8,082.85 | 4,773.80 | 12,856.65 |
| (d) Deposits | - | - | - |
| (e) Subordinated Liabilities | 15,056.60 | 3,314.70 | 18,371.30 |
| (f) Other financial liabilities | 2,534.77 | 1,461.52 | 3,996.29 |
| **Total** | **38,518.03** | **15,778.56** | **54,296.59** |
| **As at March 31, 2023** | | | |
| *Financial assets at amortised cost* | | | |
| (a) Cash and cash equivalents | - | 795.45 | 795.45 |
| (b) Bank balances other than cash and cash equivalents | - | - | - |
| (c) Receivables | - | 770.55 | 770.55 |
| (d) Loans | 894.80 | 39,739.62 | 40,634.42 |
| (e) Investments | - | - | - |
| (f) Other financial assets | 219.91 | 293.07 | 512.98 |
| **Total** | **1,114.71** | **41,598.69** | **42,713.40** |
| *Financial liabilities at amortised cost* | | | |
| (a) Payables | - | - | |
| (b) Debt securities | 8,492.52 | 1,755.23 | 10,247.75 |
| (c) Borrowings (Other than Debt Securities) | 5,086.48 | 3,589.86 | 8,676.34 |
| (d) Deposits | - | - | - |
| (e) Subordinated Liabilities | 14,986.60 | 2,602.70 | 17,589.30 |
| (f) Other financial liabilities | 2,199.93 | 2,185.40 | 4,385.33 |
| **Total** | **30,765.53** | **10,133.19** | **40,898.72** |

***Note 43.2: Fair value hierarchy***

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The fair value of loan assets has been arrived at by using level 3 inputs at initial recognition and subsequently measured using amortized cost model. There are no financial instruments which are carried at fair value as at the Balance Sheet date.



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**Note 44: Corporate Social Responsibility (CSR) Disclosures**

The Company has constituted a CSR committee in accordance with the provisions of the Companies Act, 2013. The focus of CSR activities of the Company comprises promotion of healthcare and destitute care among underprivileged sections of society. There is no amount required to be spend on CSR activites during the year 2023-24 and the details are given below.

(₹ in lakhs)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| (i) Amount required to be spent by the company during the year | - | 19.99 |
| (ii) Amount of expenditure incurred | - | 20.00 |
| (iii) Shortfall at the end of the year | - | - |
| (iv) Total of previous years shortfall | - | - |
| (v) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Ind AS | - | - |
| (vi) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year | NA | NA |

**Note 45: Leverage ratios**

(₹ in lakhs)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Total Liabilities and Equity | 63,504.48 | 49,942.11 |
| Less: Share Capital | 6,000.00 | 6,000.00 |
| Less: Other equity | 2,902.79 | 2,741.39 |
| Less: Provisions | 205.42 | 171.58 |
| **Total Outside Liabilities (A)** | **54,396.27** | **41,029.14** |
| Share Capital | 6,000.00 | 6,000.00 |
| Reserves and Surplus | 2,902.79 | 2,741.39 |
| Less: Deferred revenue expenditure | 22.00 | 18.01 |
| Less: Intangible Asset | 6.26 | 19.58 |
| Less: Deferred Tax Assets | 214.97 | 163.29 |
| **Total Owned Funds (B)** | **8,659.56** | **8,540.51** |
| **Leverage Ratio (A) / (B)** | **6.28** | **4.80** |

**Note 46: Provision on Loans and Advances as per Income Recognition and Asset Classification Norms of RBI**

**As at March 31, 2024**

(₹ in lakhs)

| Particulars | Gross Loan Outstanding | Provision For Assets | Net Loan Outstanding |
|---|---|---|---|
| **A. Gold Loan** | | | |
| Standard Assets | 41,175.22 | 102.94 | 41,072.28 |
| Sub Standard Assets | 9.89 | 0.99 | 8.90 |
| Doubtful Asset | 2.62 | 1.13 | 1.49 |
| Loss Asset | 54.81 | 54.81 | - |
| **Total** | **41,242.54** | **159.87** | **41,082.67** |
| **B. Other Loans** | | | |
| Standard Assets | 7,729.36 | 19.32 | 7,710.04 |
| Sub Standard Asset | 137.92 | 13.79 | 124.13 |
| Doubtful Asset | 156.59 | 103.46 | 53.13 |
| Loss Asset | - | - | - |
| **Total** | **8,023.87** | **136.57** | **7,887.30** |
| **C. Total- Gold and other Loans (A) + (B)** | | | |
| Standard Assets | 48,904.58 | 122.26 | 48,782.32 |
| Sub Standard Asset | 147.81 | 14.78 | 133.03 |
| Doubtful Asset | 159.21 | 104.59 | 54.62 |
| Loss Asset | 54.81 | 54.81 | - |
| **Grand Total - All Loans** | **49,266.41** | **296.44** | **48,969.97** |

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(₹ in lakhs)

**As at March 31, 2023**

| Particulars | Gross Loan Outstanding | Provision For Assets | Net Loan Outstanding |
|---|---|---|---|
| **A. Gold Loan** | | | |
| Standard Assets | 30,136.26 | 75.34 | 30,060.92 |
| Sub Standard Assets | 0.25 | 0.03 | 0.22 |
| Doubtful Asset | - | - | - |
| Loss Asset | 54.35 | 54.35 | - |
| **Total** | **30,190.86** | **129.72** | **30,061.14** |
| **B. Other Loans** | | | |
| Standard Assets | 10,415.56 | 26.04 | 10,389.52 |
| Sub Standard Asset | 57.74 | 5.77 | 51.97 |
| Doubtful Asset | 136.75 | 90.04 | 46.71 |
| Loss Asset | - | - | - |
| **Total** | **10,610.05** | **121.85** | **10,488.20** |
| **C. Total- Gold and other Loans (A) + (B)** | | | |
| Standard Assets | 40,551.82 | 101.38 | 40,450.44 |
| Sub Standard Asset | 57.99 | 5.80 | 52.19 |
| Doubtful Asset | 136.75 | 90.04 | 46.71 |
| Loss Asset | 54.35 | 54.35 | - |
| **Grand Total - All Loans** | **40,800.91** | **251.57** | **40,549.34** |

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Opening balance | 251.58 | 165.55 |
| Add: Provided during the year: | | |
| Provision for Standard asset & NPA | 44.86 | 86.02 |
| Less: Excess provision for standard Asset Reversed | - | - |
| Closing balance | 296.44 | 251.58 |

**Gross and Net Non performing assets**

₹ in lakhs

| Particulars | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | Amount in Rs | % of Total Loans | Amount in Rs | % of Total Loans |
| Gross Non performing Asset: | 361.84 | 0.73% | 249.09 | 0.61% |
| Less: Provision for Non performing Asset | 174.18 | | 150.19 | |
| Net Non performing Asset | 187.66 | 0.38% | 98.90 | 0.24% |

**Note 47: Loan to asset value**

₹ in lakhs

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Gold Loan | 41,242.54 | 30,190.86 |
| Total Assets | 63,504.48 | 49,942.11 |
| % of Gold Loan to total Assets | 64.94% | 60.45% |

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**Note 48: Additional disclosures as required by circular no DNBS.CC.PD.No.356/03.10.01/2013-2014 dated September 16, 2013 issued by the Reserve bank of India**

Auction of Gold ornaments pledged as security in the defaulted loan accounts

| Particulars | Amount |
|---|---|
| Number of Loan Accounts | 563 |
| Principal Amount outstanding at the dates of auction (₹ in lakhs) | 222.12 |
| Interest Amount outstanding at the dates of auction (₹ in lakhs) | 87.73 |
| Other Charges (₹ in lakhs) | 1.00 |
| Total (₹ in lakhs) | 310.85 |
| Value fetched (₹ in lakhs) | 301.79 |
| Surplus (₹ in lakhs) | 12.76 |
| Deficit (₹ in lakhs) | 21.82 |

**Note:**
No sister concerns participated in the auctions during the year ended March 31, 2024

**Note 49: Instances of Fraud and misappropriation**

**(a) Cash embezzlement**
During the previous reporting year there had been certain instances of fraud on the company by some employees at branches where misappropriations/cash embezzlements were observed. The fraud was identified by the management and immediate action was taken to recover the misappropriated amount. Out of the misappropriated cash amounting to Rs. 5 lakh, (Outstanding as on 31/03/2022), in Kondotty Branch, Rs 3.04 lakh was recovered by the company during 2022-2023 and 2023-24. Additionally provision of Rs.4.94 lakh is made during the reporting year against misappropriation of cash at Kolathupuzha branch in addition to the provision of Rs. 2.59 Lakh made during FY 2022-23

**(b) (b) Spurious or low purity Gold Ornaments**

(₹ in lakhs)

| Number of cases | Loan amount | Spurious portion of Gold | Amount recovered | Amount to be recovered |
|---|---|---|---|---|
| 110 | 83.31 | 44.41 | 39.64 | 4.77 |

**Note 50: Additional disclosures required under Schedule III**

***Note 50.1: Loans and advances to promoters, KMPs, Directors and related parties***
Details of loans to promoters, KMPs, Directors and other related parties during the period are as follows:

| Type of borrower | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Amount outstanding | % of total | Amount outstanding | % of total |
| ***Repayment terms are fixed*** | | | | |
| a) Promoters | Nil | Nil | Nil | Nil |
| b) Directors | Nil | Nil | Nil | Nil |
| c) KMPs | Nil | Nil | Nil | Nil |
| d) Related parties | Nil | Nil | Nil | Nil |
| ***Repayable on demand*** | | | | |
| a) Promoters | Nil | Nil | Nil | Nil |
| b) Directors | Nil | Nil | Nil | Nil |
| c) KMPs | Nil | Nil | Nil | Nil |
| d) Related parties | Nil | Nil | Nil | Nil |
| ***without specifying any terms or period of repayment*** | | | | |
| a) Promoters | Nil | Nil | Nil | Nil |
| b) Directors | Nil | Nil | Nil | Nil |
| c) KMPs | Nil | Nil | Nil | Nil |
| d) Related parties | Nil | Nil | Nil | Nil |

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***Note 50.2: Transactions related to Crypto-currency***

The company has not traded or invested in Crypto currency or Virtual Currency during the period (previous year - Nil)

***Note 50.3: Fund received from other persons/ entities for lending/ investing/ providing guarantee***

The company has not received any funds from any person/entities, for the purpose of directly or indirectly lending/investing/providing guarantee/security to another person/entity, by or on behalf of the person/entity from whom such amount is received during the period in contravention of the Act or RBI guidelines.

The company has not advanced/loaned/invested funds to any person/entity for the purpose of directly or indirectly lending/ investing/ providing guarantee/ security to a third person/entity, by or on behalf of the company in contravention of the Act.

***Note 50.4: Utilisation of borrowings***

The Company had utilised the borrowings availed during the period for the purposes specified.

***Note 50.5: Periodical reports submitted to bank on current assets***

The Company has taken loans from banks/ Financial Institutions (FI) on the basis of security of assets like loans receivable.
The periodic returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

***Note 50.6: Disclosure pursuant to section 186 of the Companies Act, 2013***

The Company has not given any loans/ advances/ guarantees to any related person/ entities in contravention of section 186 of the Companies Act, 2013.

***Note 50.7: Details of Corporate guarantees given by the Company***

The Company has not given any corporate guarantee in respect of any loan during the period

***Note 50.8: Revaluation of assets***

The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets)/ Intangible Assets during the period (previous year - Nil)

***Note 50.9: Property under the Benami Transactions (Prohibition) Act, 1988***

The company is not holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)

***Note 50.10: Willful defaulter***

The company is not wilful defaulters under guidelines on wilful defaulters issued by the Reserve Bank of India

***Note 50.11: Relationship with struck-off companies***

The company has no relationship and transactions with struck-off companies

***Note 50.12: Delay in registration of charges***

The company has not made any delay in registration of Charges during the period.

***Note 50.13: Compromises and Arrangements***

The company has not entered in scheme of arrangement under section 230 to 237 of Companies Act 2013 during the period.

***Note 50.14: Transactions not recorded in the books disclosed under income tax***

There are no transactions not recorded in the books of accounts, which are disclosed during the Income tax assessment/search/survey.

***50.15: Regrouping/reclassification of previous period figures***

Previous year's figures have been regrouped / reclassified to conform to the current year's classification.

## Note 51: Related party disclosures

### a) Name of related parties

**For the year ended March 31, 2024**

**I) Entities in which KMP of the Company has significant influence**

1) CDB 24 Karat Gold and diamonds Private limited.
2) CDB 24 Karat International Jewellers Private Limited.
3) Chemmanur Gold Palace International Ltd
4) Boby Chemmanur (No.1) Chits Private Ltd
5) Boby Housing and Construction Private Limited
6) CD Boby Developers and Builders Private Ltd
7) CDB Infrastructure Private Limited
8) BDC Realty and Infra Private Limited
9) DBC Real Estate Developers Private Ltd.
10) Boby Chemmanur Nidhi Limited
11) Boby Chemmanur International Developers LLP
12) Boby Bazar Private Limited
13) Phygicart e-Commerce Private Limited
14) Chemmanur International Jewellers
15) Chemmanur Bose Jewellers
16) Chemmanur Fashion Jewellers, Manjery
17) Chemmanur Fashion Jewellers, Sulthan Bathery
18) Chemmanur International Holidays and Resorts Private Ltd
19) Boby Chemmanur Entertainments Private Limited
20) Boby Chemmanur Enterprises private Limited
21) Chemmanur International Jewellers LLP
22) Chemmanur International Info Solutions Pvt. Ltd.
23) Boby Chemmanur Airlines Private Ltd
24) Pushyaragam Jewellwers (Koyilandy) Pvt. Ltd
25) Melophilez Associates Private Limited
26) Mallooz IT Solutions Private Limited
27) Boche Tours And Travels Private Limited
28) Boche Bhumi Putra Private Limited
29) Port Land Hospital Private Limited
30) Bofast Logistics Limited
31) Boche Jungle Wine Private Limited
32) Boche RX Lens Private Limited
33) Heloboche Telemarketing Private Limited
34) Boche Uzhichil and Pizhichil Private Limited
35) Patronymic Technologies and Industries Private Limited
36) Boche Enterprises LLP
37) Edavannappara Gold and Diamonds LLP
38) Brewcraft Hospitality Private Limited
39) Thriprayar Gold and Diamonds Private Limited

**(II) Key Managerial Personnel**

1) Mr.Boby.C.D (Chairman & MD)
2) Mrs.Anju Thomas (CS)
3) Mr. Pramod.M (CFO)
4) Mr. T. K. Thomas (CEO)

**For the year ended March 31, 2023**

**I) Entities in which KMP of the Company has significant influence**

1) CDB 24 Karat Gold and diamonds Private limited.
2) CDB 24 Karat International Jewellers Private Limited.
3) Chemmanur Gold Palace International Ltd
4) Boby Chemmanur (No.1) Chits Private Ltd
5) Boby Housing and Construction Private Limited
6) CD Boby Developers and Builders Private Ltd
7) CDB Infrastructure Private Limited
8) BDC Realty and Infra Private Limited
9) DBC Real Estate Developers Private Ltd.
10) Boby Chemmanur Nidhi Limited
11) Boby Chemmanur International Developers LLP
12) Boby Bazar Private Limited
13) Phygicart e-Commerce Private Limited
14) Chemmanur International Jewellers
15) Chemmanur Bose Jewellers
16) Chemmanur Fashion Jewellers, Manjery
17) Chemmanur Fashion Jewellers, Sulthan bathery
18) Chemmanur International Holidays and Resorts Private Ltd
19) Boby Chemmanur Entertainments Private Limited
20) Boby Chemmanur Enterprises private Limited
21) Chemmanur International Jewellers LLP
22) Chemmanur International Info Solutions Pvt. Ltd.
23) Boby Chemmanur Airlines Private Ltd
24) Pushyaragam Jewellwers (Koyilandy) Pvt. Ltd

1) Mr.Boby.C.D. (Chairman & MD)
2) Mrs.Anju Thomas (CS)
3) Mr. Pramod.M (CFO)
4) Mr. T. K. Thomas (CEO) (w.e.f November 29, 2022)

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**(III) Relatives of Key Managerial Personnel**

1) Mrs. Smitha Boby
2) Mrs. Bymi Joffy
3) Mrs.Maithri K.M
4) Mr. Nishanth David Thomas
5) Mrs.Anju Mathew
6) Mr.Nidhin George Thomas

1) Mrs. Smitha Boby
2) Mrs. Bymi Joffy
3) Mrs.Maithri K.M
4) Mr. Nishanth David Thomas
5) Mrs.Anju Mathew
6) Mr.Nidhin George Thomas

## (b) Related Party Transactions During the Year

₹ in lakhs

| Particulars | Entities in which KMP of the Company has significant influence | | Key Management Personnel | | Relatives of Key Management Personnel | |
|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| **Loan Repaid** | - | | | | | |
| Loan taken from Mr.Boby.C.D (Chairman & MD) | - | - | 375.00 | - | - | - |
| Loan Repaid to Mr.Boby.C.D (Chairman & MD) | - | - | 375.00 | - | - | - |
| **Inter-corporate Deposit** | | | | | | |
| Chemmanur Gold Palace International Limited | | | | | | |
| Inter Corporate Deposit (ICD) Acceptance | 1000.00 | - | - | - | - | - |
| Inter Corporate Deposit (ICD) Repayment | 1000.00 | - | - | - | - | - |
| Interest on Inter Corporate Deposit | 11.01 | - | - | - | - | - |
| **Interest Paid** | | | | | | |
| Boby.C.D (NCD and SD purchased from other Investors) | - | - | 0.23 | 0.92 | - | - |
| T.K Thomas | - | - | 1.82 | 0.39 | - | - |
| Maithri K.M | - | - | - | - | 2.25 | 1.58 |
| Bimy Joseph | - | - | - | - | 0.50 | 0.50 |
| Anju Mathew | - | - | - | - | - | 0.12 |
| Nidhin George Thomas | - | - | - | - | - | 0.75 |
| **Non Convertible Debentures/Subordinated debt repayment** | | | | | | |
| Boby.C.D | - | - | 7.55 | 8.00 | - | - |
| Maithri KM | - | - | - | - | 2.45 | 7.50 |
| Nidhin George Thomas | - | - | - | - | - | 7.50 |
| Anju Mathew | - | - | - | - | - | 2.00 |
| **Rent Paid** | | | | | | |
| Boby.C.D | - | - | 1.27 | 1.16 | - | - |
| **Chit Collection Received** | | | | | | |
| BobyChemmanur (No.1) Chits Private Ltd | 0.04 | 0.96 | - | - | - | - |
| **Chit Collection Repaid** | | | | | | |
| Boby Chemmanur (No.1) Chits Private Ltd | 0.04 | 0.96 | - | - | - | - |
| **Remuneration to chairman** | | | | | | |
| Boby.C.D | - | - | 108.00 | 108.00 | - | - |
| **Remuneration to Chief Executive Officer** | | | | | | |
| T.K Thomas | - | - | 30.00 | 10.07 | - | - |
| **Remuneration to Company secretary** | | | | | | |
| Anju Thomas | - | - | 9.18 | 8.24 | - | - |
| **Remuneration to Chief Financial Officer** | | | | | | |
| Pramod .M | - | - | 17.84 | 15.93 | - | - |
| **Rent Received** | | | | | | |
| Chemmanur Gold Palace International | 91.53 | 91.53 | | | | |



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| | | | | | | |
|---|---|---|---|---|---|---|
| Limited | | | | | | |
| **Purchase** | | | | | | |
| Boby Bazar Pvt Ltd | 2.66 | 1.78 | - | - | - | - |
| **NCD Issued(Public)** | | | | | | |
| T.K Thomas | - | - | 8.00 | 17.00 | - | - |
| Maithri K.M | - | - | - | - | 9.90 | 2.50 |
| Pramod .M | - | - | - | 5.80 | - | - |
| Nishanth David Thomas | - | - | - | - | - | 2.00 |
| **Subordinated Debt Issued** | | | | | | |
| Maithri K.M | - | - | - | - | - | 8.00 |

**(c) Related party Balances as at the end of the year**

₹ in lakhs

| Particulars | Entities in which KMP of the Company has significant influence | | Key Management Personnel | | Relatives of Key Management Personnel | |
|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| **Due To:** | | | | | | |
| **Mr.Boby.C.D (Chairman & MD):** | | | | | | |
| Non Convertible Debenture | - | - | - | 2.55 | - | - |
| Subordinated Debt | - | - | - | 5.00 | - | - |
| **T.K Thomas** | | | | | | |
| Non Convertible Debenture-Public | - | - | 25.00 | 17.00 | - | - |
| **Nishanth David Thomas** | | | | | | |
| Non Convertible Debenture | - | - | - | - | 2.00 | 2.00 |
| **Maithri K.M** | | | | | | |
| Non Convertible Debenture(Public) | - | - | - | - | 18.20 | 8.30 |
| Non Convertible Debenture (Private Placement) | - | - | - | - | 6.50 | 8.95 |
| Subordinated Debt | - | - | - | - | 10.00 | 10.00 |
| **Bimy Joseph** | | | | | | |
| Subordinated Debt | - | - | - | - | 5.00 | 5.00 |
| **Phygicart e- Commerce Private Limited** | 0.41 | 0.41 | - | - | - | - |
| **Due From:** | | | | | | |
| **Chemmanur Gold Palace International Limited** | 8.24 | 32.95 | - | - | - | - |
| **Boby Chemmanur (No.1) Chits Private Ltd** | 0.02 | 0.02 | - | - | - | - |

**(d) Maximum Outstanding during the year**

₹ in lakhs

| Particulars | Entities in which KMP of the Company has significant influence | | Key Management Personnel | | Relatives of Key Management Personnel | |
|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| **Loan taken and Repaid** | | | | | | |
| Loan from Mr.Boby.C.D (Chairman & MD) | - | - | 375.00 | - | - | - |
| | - | - | - | - | - | - |
| **Inter-corporate Deposit accepted and Repaid** | | | | | | |
| Chemmanur Gold Palace International Limited | 1,000.00 | - | - | - | - | - |
| | | | | | | |
| **Non Convertible Debentures/Subordinated debt** | | | | | | |
| Boby.C.D | - | - | 7.55 | 10.55 | | |

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| | | | | | | |
|---|---|---|---|---|---|---|
| Maithri KM | - | - | - | - | 34.70 | 27.25 |
| Nidhin George Thomas | - | - | - | - | - | 7.50 |
| Nishanth David Thomas | - | - | - | - | 2.00 | - |
| T.K Thomas | - | - | 25.00 | - | - | - |
| - | | | | | | |
| **Commission Receivable** | | | | | | |
| Boby Chemmanur (No.1) Chits Private Ltd | 0.02 | 0.02 | - | - | - | - |
| **Rent Receivable** | | | | | | |
| Chemmanur Gold Palace International Limited | 24.71 | 32.95 | - | - | - | - |
| **Payable** | | | | | | |
| Phygicart e- Commerce Private Limited | 0.41 | 0.41 | - | - | - | - |

## Note 52: Security Offered For Loans

### (A). Term Loan & Cash credit facilities from State Bank of India

1. PRIMARY SECURITY

Exclusive hypothecation charge on the entire loan receivables of 54 specific branches of (both present & future) of the Company (with 25% margin) .

2.COLLATERAL SECURITY

**(i)** 784.60 Cents Of Land In Sy No. 147/197/7 ,983/1 ,985/1P ,986/p, 987/p ,984/1 ,147/197/8 ,147/197/3, In Ollukkara Village, Thrissur Taluk, Ollukkara SRO In The Name Of M/S C.D Boby Developers And Builders Pvt Ltd

**(ii)** 5.93 Cents Of Land In Sy No.984/3 In Ollukkara Village, ThrissurTaluk, Ollukkara SRO In The Name Of Boby Housing And Constructions Pvt Ltd

**(iii)** 25.26 Cents of Land and building measuring 278.81 sq m thereon in Sy No 205/4 of Aranattukara Village, Thrissur Taluk, Ayyanthole SRO, Thrissur District in the name of C D Boby

**(iv)** Extension of EM over 5.56 Ares of land comprised in Sy. No. 983/1 along the side of Thrissur – Palakkad NH, 6th Stone , Vattakkalu, Mulayam, Ollukara Village, Thrissur District – Ollukara SRO in the name of M/s CDB Infrastructure Pvt Ltd.

**(v)** Exclusive charge (Lien) over the fixed deposit of ₹750 lakh held in the name of the Company with SBI

3. THIRD PARTY GUARANTEES

| | |
|---|---|
| **A.** | **Personal Guarantees Of** |
| 1 | Sri.C.D.Boby |
| 2 | Sri. LijoMoothedan |
| 3 | Smt. Smitha Boby |
| **B.** | **Corporate guarantees of** |
| 1 | M/S. C.D Boby Developers And Builders Pvt Ltd |
| 2 | M/S Boby Housing And Constructions Pvt Ltd |
| 3 | M/s CDB Infrastructure Pvt. Ltd |

Rate of Interest :

**Term Loan** : Rate at 400 bps above 6 Month MCLR
**Cash Credit** : Rate at 300 bps above 6 Month MCLR

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**(B). Sanction of Term Loan from Canara Bank**

1. PRIMARY SECURITY

Exclusive charge by hypothecation of loan receivables (Standard Asset) of specific branches of the company with 25% margin and minimum- security coverage of 1.33 at all the times during the currency of the loan

2. COLLATERAL SECURITY

**(i)** EM over 28.29 cents (11.45 ares) of land comprised in Re sy no: 101 1B 2 of Thazhekode Village , District Kozhikode (Mukkam) in the name of Mr C D Boby realisable value Rs 0.87 Crore (85% of value of vacant land)

**(ii)** EM over flat no. G2 & G3, Hema apartments with undivided share on the land , Comprised in Re sy no.: 190 extent in 3.357 cents (UDS of land) of Kasaba village, District - Kozhikode in the name of Mr C D Boby, Valued Rs 0.85 Crore

**(iii)** EM over 15.15 ares of land and Residential building comprised in Re sy : 120/1. (120/14 as per T.P A/c 4967, 120/13 (as per T.P A/c 4966) of Kuttikkattoor village, desm Velliparamba, District Kozhikode in the name of Mr C D Boby and Smt. Smitha Boby, Valued Rs 3.52 Crore

3. THIRD PARTY GUARANTEES

| A. | Personal Guarantees Of |
|---|---|
| 1 | Sri. C.D.Boby |
| 2 | Sri. LijoMoothedan |
| 3 | Mrs. Smitha Boby |

Interest Rate: One year MCLR + 3.45 % spread

**(C). Sanction of Cash Credit from Dhanalaxmi Bank**

1. PRIMARY SECURITY

Exclusive charge on entire loan receivables of 5 branches of the company (mentioned below) with 25% margin and minimum security coverage of 1.33 times at all times during the currency of loan (DP to be computed on receivables that are not overdue for 180 days and above)

**Branch Name**
Kulathupuzha
Sasthamkotta
Vizhinjam
Vytila
Vazhuthacadu

2. COLLATERAL SECURITY

**(i)** EM of 2.5399 hectares (627.5 cents) of Land in sy No : 147/161/2 and 1225/P of Ollukkara village, Mullakkara Desom, Thrissur taluk, Thrissur District in the name of DBC Real Estate Developers Pvt Ltd

**(ii)** EM of 11.2 cents of residential plot with 750 Sqft residential building U/Sy No. 985/1P in Ollukara village, Thrissur taluk and District in the name of BDC Realty and Infra (P) Ltd

3.THIRD PARTY GUARANTEES

| A. | Personal Guarantees Of |
|---|---|
| 1 | Sri. C.D.Boby |
| 2 | Sri. LijoMoothedan |
| 3 | Mrs. Smitha Boby |

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| | |
|---|---|
| B. | Corporate guarantees of |
| 1 | DBC Real Estate Developers Pvt Ltd |
| 2 | BDC Realty and Infra (P) Ltd |

Rate of Interest: One year MCLR + 2.20 % spread

**(D). Working Capital Demand Loan (WDCL) from Federal Bank**

1. PRIMARY SECURITY

Hypothecation of standard gold loan receivables of selected branches with 1.4x coverage

2. COLLATERAL SECURITY

**(i)** Exclusive charge (Lien) over the fixed deposit of ₹600 lakhs held in the name of the Company with Federal Bank

3.THIRD PARTY GUARANTEES

| | |
|---|---|
| A. | Personal Guarantees Of |
| 1 | Sri. C.D.Boby |
| 2 | Sri. LijoMoothedan |
| 3 | Mrs. Smitha Boby |

Rate of Interest: Repo rate + 5 %

**Note 53: Liquidity Risk**

Public disclosure on Liquidity Risk for the year ended March 31, 2024 pursuant to RBI circular dated November 04,2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

**I. Funding Concentration based on significant counter party (both deposits and borrowings)**

| | | As on 31st March 2024 | | | As on 31st March 2023 | | |
|---|---|---|---|---|---|---|---|
| Sl. No. | No of Significant Counter parties | Amount (₹ in lakhs) | % of Total Deposits | % of Total Liabilities | Amount (₹ in lakhs) | % of Total Deposits | % of Total Liabilities |
| 1 | Nil | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |

**II. Top 20 Large Deposits:** Not Applicable

**III. Top 10 Borrowings**

₹ in lakhs

| | | | As on 31st March 2024 | | As on 31st March 2023 | |
|---|---|---|---|---|---|---|
| Sl. No. | Name of parties/holders | Nature | Amount | As a % of Total borrowing | Amount | As a % of Total borrowing |
| 1 | State Bank of India | Term loan | 2429.64 | 5.50% | - | - |
| 2 | State Bank of India | Cash credit | 2389.82 | 5.41% | 2503.91 | 7.92% |
| 3 | Federal Bank | Working Capital Demand Loan | 991.82 | 2.25% | - | 0.00% |
| 4 | Dhanlaxmi Bank | Cash credit | 351.48 | 0.80% | 410.77 | 1.30% |
| 5 | Canara Bank | Term Loan | 324.35 | 0.73% | 678.03 | 2.15% |

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| | | | | | | |
|---|---|---|---|---|---|---|
| 6 | Ramaa Iyer K | Subordinate Debt | 228.00 | 0.52% | 43.00 | 0.14% |
| 7 | Mr. Homi Farrok Kaka | Non-Convertible Debenture | 200.00 | 0.45% | 200.00 | 0.63% |
| 8 | Ms. Sashikala V C | Subordinate Debt | 156.00 | 0.35% | 156.00 | 0.49% |
| 9 | Mr. Perviz Farrok Kaka | Non-Convertible Debenture | 125.00 | 0.28% | 125.00 | 0.40% |
| 10 | Ms. Kala S | Subordinate Debt | 61.75 | 0.14% | 60.00 | 0.19% |
| 11 | Ms. Saroja . S | Subordinate Debt | 61.20 | 0.14% | 44.50 | 0.14% |
| 12 | M/s.Thiruvathira Gold Palace LLP | Non-Convertible Debenture | - | 0.00% | 144.00 | 0.46% |
| 13 | Mr.Muralidarar K R | Subordinate Debt | - | 0.00% | 119.00 | 0.38% |
| 14 | Mr. Siyaf M.V | Subordinate Debt | 58.90 | 0.13% | 80.00 | 0.25% |
| 15 | Mr.Devendhra H G | Subordinate Debt | 53.00 | 0.12% | 70.00 | 0.22% |
| 16 | Mr. John Abraham | Subordinate Debt | 51.00 | 0.12% | 61.00 | 0.19% |
| 17 | Ms.Rajeswari Amma Sarada | Non-Convertible Debenture | 60.00 | 0.14% | 60.00 | 0.19% |
| 18 | Mr. Siyak M V | Subordinate Debt | 38.45 | 0.09% | 59.00 | 0.19% |
| **TOTAL** | | | **7,580.41** | | **4,814.21** | |

**IV. Funding Concentration based on significant instrument/product**

| SL | Name of the instrument/product | As on 31st March 2024 | | As on 31st March 2023 | |
|---|---|---|---|---|---|
| | | Amount (in lakhs) | % of Total Liabilities | Amount (in lakhs) | % of Total Liabilities |
| 1 | Non convertible Debentures | 19,116.41 | 35.01% | 10,289.70 | 28.43% |
| 2 | Subordinated Debts | 18,449.95 | 33.79% | 17,713.95 | 48.95% |
| 3 | Bank Borrowings | 6,487.12 | 11.88% | 3,592.71 | 9.93% |
| **TOTAL** | | **44,053.48** | | **31,596.36** | |

**V. Stock Ratio:**
Other Short term liabilities of ₹1,438.49 lakhs as on 31st March 2024 (₹2,137.06 lakhs as on 31st March 2023) as a % of Total Public funds, Total Liabilities and Total Assets.

| | As on 31st March 2024 | | As on 31st March 2023 | |
|---|---|---|---|---|
| | Amount (₹ in lakhs) | Other Short Term Liabilities As a % Of | Amount (₹ in lakhs) | Other Short Term Liabilities As a % Of |
| Other Short term Liabilities: | 1,438.49 | | 2,137.06 | |
| Public Fund | 44,053.48 | 3.27% | 31,579.11 | 6.77% |
| Total Liabilities | 54,601.69 | 2.63% | 41,200.72 | 5.19% |
| Total Assets | 63,504.48 | 2.27% | 49,942.11 | 4.28% |

**Note 54: Comparison between provision required under IRACP and impairment loss under Ind AS 109**

₹ in lakhs

| Asset classification as per RBI norms | Asset classification as per Ind AS 109 | Gross carrying amount | Loss allowance under Ind AS 109 | Net carrying amount | Provision required as per IRACP Norms | Difference between provision as per Ind AS 109 & IRACP Norms * |
|---|---|---|---|---|---|---|
| *As at March 31, 2024* | | | | | | |
| **Performing assets** | | | | | | |
| Standard assets | Stage 1 | 47,200.27 | 6.95 | 47,193.32 | 118.00 | (111.05) |
| | Stage 2 | 1,587.73 | 13.50 | 1,574.23 | 3.97 | 9.53 |
| | Stage 3 | 116.58 | 11.66 | 104.92 | 0.29 | 11.37 |
| Sub-total | | **48,904.57** | **32.11** | **48,872.47** | **122.26** | **(90.16)** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Non-performing assets** | | | | | | |
| Sub-standard | Stage 3 | 147.82 | 17.48 | 130.33 | 14.78 | 2.70 |
| Doubtful | | | | | | |
| - Up to 1 year | Stage 3 | 33.94 | 18.26 | 15.68 | 18.26 | - |
| - 1 year - 3 years | Stage 3 | 122.79 | 84.74 | 38.05 | 84.93 | (0.19) |
| - More than 3 years | Stage 3 | 2.48 | 0.63 | 1.85 | 1.40 | (0.77) |
| | | | | | | |
| Loss assets | Stage 3 | 54.81 | 54.81 | - | 54.81 | - |
| Sub-total for NPA | | **361.84** | **175.92** | **185.91** | **174.18** | **1.74** |
| Other items | | - | - | - | - | - |
| Sub-total | | **49,266.41** | **208.03** | **49,058.38** | **296.44** | **(88.41)** |
| | | | | | | |
| **Total** | **Stage 1** | **47,200.27** | **6.95** | **47,193.32** | **118.00** | **(111.05)** |
| | **Stage 2** | **1,587.73** | **13.50** | **1,574.23** | **3.97** | **9.53** |
| | **Stage 3** | **478.42** | **187.58** | **290.83** | **174.47** | **13.11** |
| | **Total** | **49,266.41** | **208.03** | **49,058.38** | **296.44** | **(88.41)** |

₹ in lakhs

| **Asset classification as per RBI norms** | **Asset classification as per Ind AS 109** | **Gross carrying amount** | **Loss allowance under Ind AS 109** | **Net carrying amount** | **Provision required as per IRACP Norms** | **Difference between provision as per Ind AS 109 & IRACP Norms** |
|---|---|---|---|---|---|---|
| ***As at March 31, 2023*** | | | | | | |
| | | | | | | |
| **Performing assets** | | | | | | |
| Standard assets | Stage 1 | 40,070.95 | 6.05 | 40,064.90 | 100.18 | (94.13) |
| | Stage 2 | 470.05 | 1.39 | 468.66 | 1.18 | 0.21 |
| | Stage 3 | 10.83 | 1.08 | 9.74 | 0.03 | 1.06 |
| Sub-total | | **40,551.82** | **8.52** | **40,543.30** | **101.38** | **(92.86)** |
| **Non-performing assets** | | | | | | |
| Sub-standard | Stage 3 | 57.98 | 13.58 | 44.40 | 5.80 | 7.78 |
| Doubtful | | | | | | |
| - Up to 1 year | Stage 3 | 131.47 | 87.85 | 43.62 | 87.85 | - |
| - 1 year - 3 years | Stage 3 | 5.29 | 2.19 | 3.10 | 2.19 | - |
| - More than 3 years | Stage 3 | - | - | - | - | - |
| | | | | | | |
| Loss assets | Stage 3 | 54.35 | 54.35 | - | 54.35 | - |
| Sub-total for NPA | | **249.09** | **157.97** | **91.12** | **150.19** | **7.78** |
| Other items | | - | - | - | - | - |
| Sub-total | | **40,800.91** | **166.49** | **40,634.42** | **251.57** | **(85.08)** |
| | | | | | | |
| **Total** | **Stage 1** | **40,070.95** | **6.05** | **40,064.90** | **100.18** | **(94.13)** |
| | **Stage 2** | **470.05** | **1.39** | **468.66** | **1.18** | **0.21** |
| | **Stage 3** | **259.92** | **159.05** | **100.87** | **150.22** | **8.83** |
| | **Total** | **40,800.91** | **166.49** | **40,634.42** | **251.57** | **(85.08)** |

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## Chemmanur Credits and Investments Limited

**Financial Statements for the year ended March 31, 2024**

**Note 55: Disclosure required as per RBI Circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 Dated April 19, 2022.**

### A) Exposure

1) Sectoral Exposure

₹ in lakhs

| Sectors | Current Year | | | Previous Year | | |
|---|---|---|---|---|---|---|
| | Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Lakhs) | Gross NPAs (₹ Lakhs) | Percentage of Gross NPAs to total exposure in that sector | Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Lakhs) | Gross NPAs (₹ Lakhs) | Percentage of Gross NPAs to total exposure in that sector |
| 1. Agriculture and Allied Activities | NA | NA | NA | NA | NA | NA |
| 2. Industry | NA | NA | NA | NA | NA | NA |
| 3. Services | - | - | - | - | - | - |
| 4. Personal Loans | 41,242.54 | 67.32 | 0.16% | 30,190.86 | 54.60 | 0.18% |
| Gold Loan | 8,023.87 | 294.52 | 3.67% | 10,610.05 | 194.48 | 1.83% |
| Other Loans | | | | | | |
| **Total** | **49,266.41** | **361.84** | | **40,800.91** | **249.08** | |

### B) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

| Sr. No | | Particulars | 2023-24 | 2022-23 |
|---|---|---|---|---|
| **Complaints received by the NBFC from its customers** | | | | |
| 1 | | Number of complaints pending at beginning of the year | 1 | Nil |
| 2 | | Number of complaints received during the year | 16 | 6 |
| 3 | | Number of complaints disposed during the year | 17 | 5 |
| | 3.1 | Of which, number of complaints rejected by the NBFC | 1 | Nil |
| 4 | | Number of complaints pending at the end of the year | 0 | 1 |

| **Maintainable complaints received by the NBFC from Office of Ombudsman** | | | | |
|---|---|---|---|---|
| 5.* | | Number of maintainable complaints received by the NBFC from Office of Ombudsman | Nil | Nil |
| | 5.1. | Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman | | |
| | 5.2 | Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman | | |
| | 5.3 | Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC | | |
| 6.* | | Number of Awards unimplemented within the stipulated time (other than those appealed) | Nil | |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

2) Top five grounds of complaints received by the NBFCs from customers

| Grounds of complaints, (i.e. complaints relating to) (1) | Number of complaints pending at the beginning of the year (2) | Number of complaints received during the year (3) | % increase/ decrease in the number of complaints received over the previous year (4) | Number of complaints pending at the end of the year (5) | Of 5, number of complaints pending beyond 30 days (6) |
|---|---|---|---|---|---|
| | 2023-24 | | | | |
| Ground - 1 | - | - | - | - | - |
| Ground - 2 | - | - | - | - | - |
| Ground - 3 | - | - | - | - | - |
| Ground - 4 | - | - | - | - | - |
| Ground – 5 | 1 | 3 | - | - | - |
| Ground - 6 | - | - | - | - | - |
| Ground - 7 | - | - | - | - | - |
| Ground – 8 | - | 2 | - | - | - |
| Ground - 9 | - | - | - | - | - |
| Ground - 10 | - | 9 | - | - | - |
| Total | 1 | 14 | 133% Increase | - | - |
| | 2022-23 | | | | |
| Ground - 1 | - | - | - | - | - |
| Ground - 2 | - | - | - | - | - |
| Ground - 3 | - | - | - | - | - |
| Ground - 4 | - | - | - | - | - |
| Ground - 5 | - | 3 | - | - | - |
| Others | - | 3 | - | 1 | 1 |
| Total | - | 6 | - | 1 | 1 |

**Notes are an integral part of the financial statements**
**For and on behalf of the Board**

**Boby CD**
**Chairman and MD**
**DIN: 00046095**

**Lijo Moothedan**
**Director**
**DIN: 00877403**

**Pramod.M**
**Chief Financial Officer**

**Anju Thomas**
**Company Secretary**
**M.No:43159**

**T.K. Thomas**
**Chief Executive Officer**

**Place : Thrissur,**
**Date : 30.05.2024**

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

**As per our report of even date attached**

**For C.M. Joseph & Associates,**
**Chartered Accountants**
**Firm Registration No. 006408S**

**C.M. Joseph**
**PARTNER**
**M.No: 202800**

**UDIN : 24202800BKBKVP5935**

C.M. JOSEPH & ASSOCIATES * KOCHI-25 * CHARTERED ACCOUNTANTS

## Chemmanur Credits and Investments Limited

**Financial Statements for the year ended March 31, 2024**

**Schedule to the Balance Sheet of a Non-Banking Financial Company**

**(As required in terms of Paragraph 19 of Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016).**

(₹ in lakhs)

| | Particulars | Amount Outstanding | Amount Overdue |
|---|---|---|---|
| | **Liability Side :** | | |
| 1 | Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: | | |
| | (a) Debentures : Secured | 19,641.03 | Nil |
| | : Unsecured - Subordinate Debt | 21,255.88 | Nil |
| | (other than falling within the meaning of public deposit) | | |
| | (b) Deferred Credits | Nil | Nil |
| | (c) Term Loans | 2,754.00 | Nil |
| | (d) Inter – corporate loans and borrowings | Nil | Nil |
| | (e) Commercial Paper | Nil | Nil |
| | (f) public deposit | Nil | Nil |
| | (g) Other Loans (Specify nature) | Nil | Nil |
| 2 | Breakup of (i)(f) above (outstanding public deposit inclusive in interest accrued thereon but not paid) | | |
| | (a) in the form of unsecured debentures | Nil | Nil |
| | (b) in the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security | Nil | Nil |
| | (c) other public Deposits | Nil | Nil |
| | *See note 1 below | | |

| | Asset Side: | Amount Outstanding |
|---|---|---|
| 3 | Break-up of Loans and Advances including bills receivables[ other than those included in (4) below]: | |
| | (a) Secured | 42,994.28 |
| | (b) Unsecured | 6,272.13 |
| | | |
| 4 | Break-up of Leased Assets and stock on hire and other assets counting toward AFC activities | |
| | | |
| | (i) Lease assets including lease rentals under sundry debtors : | |
| | (a) Financial Lease | |
| | (b) Operating Lease | Nil |
| | | |
| | (ii) Stock on hire including hire charges under sundry debtors | |
| | (a) Asset on Hire | |
| | (b) Repossessed Assets | Nil |
| | | |
| | (iii) Other loans counting towards AFC activities | |
| | (a) Loans where assets have been repossessed | |
| | (b) Loans other than (a) above | Nil |
| | | |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

C.A. JOSEPH & ASSOCIATES CHARTERED ACCOUNTANTS KOCHI-25

| | | |
|---|---|---|
| 5 | Break up of Investments : | |
| | Current Investments: | Nil |
| | 1. Quoted: | Nil |
| | (i) Shares (a) Equity | |
| | (b) Preference | |
| | (ii) Debentures and Bonds | Nil |
| | (iii) Units of mutual funds | Nil |
| | (iv) Government Securities | Nil |
| | (v) Others (specify) | Nil |
| | | |
| | 2. Unquoted: | |
| | (i) Shares (a) Equity | Nil |
| | (b) Preference | Nil |
| | (ii) Debentures and Bonds | Nil |
| | (iii) Units of mutual funds | Nil |
| | (iv) Government Securities | Nil |
| | (v) Others (specify) | Nil |
| | | |
| | Long Term Investments | |
| | 1. Quoted: | |
| | (i) Shares (a) Equity | Nil |
| | (b) Preference | Nil |
| | (ii) Debentures and Bonds | Nil |
| | (iii) Units of mutual funds | Nil |
| | (iv) Government Securities | Nil |
| | (v) Others (specify) | Nil |
| | 2. Unquoted: | |
| | (i) Shares (a) Equity | Nil |
| | (b) Preference | Nil |
| | (ii) Debentures and Bonds | Nil |
| | (iii) Units of mutual funds | Nil |
| | (iv) Government Securities | Nil |
| | (v) Others (specify) | Nil |

| 6 | Borrower group-wise classification of assets financed as in (3) and (4) above : | | | |
|---|---|---|---|---|
| | (see note 2 below) | | | |
| | Category | Amount net of provisions | | |
| | | Secured | Unsecured | Total |
| | 1. Related Parties | | | |
| | (a) subsidiaries | Nil | Nil | Nil |
| | (b) Companies in the same group | Nil | Nil | Nil |
| | (c) Other related parties | Nil | Nil | Nil |
| | 2. Other than related parties | 42,801.95 | 6,168.02 | 48,969.97 |
| | **Total** | **42,801.95** | **6,168.02** | **48,969.97** |

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

| 7 | Investor group-wise classification of all investments(current and long term) in shares and securities (both quoted and unquoted);(see note 3 below) | | |
|---|---|---|---|
| | **Category** | **Market Value/ Break up or fair value or NAV** | **Book Value (Net of Provisions)** |
| | 1. Relate Parties | | |
| | (a) Subsidiaries | Nil | Nil |
| | (b) Companies in the same group | Nil | Nil |
| | (c) Other related parties | Nil | Nil |
| | 2. Other than related parties | Nil | Nil |
| | **Total** | **Nil** | **Nil** |

| 8 | Other Information | |
|---|---|---|
| | **Particulars** | **Amount** |
| | (i) Gross Non – Performing Assets | |
| | (a) Related Parties | Nil |
| | (b) Other than related parties | 361.84 |
| | | |
| | (ii) Net Non-Performing Assets | |
| | (a) Related Parties | Nil |
| | (b) Other than related parties | 187.66 |
| | (iii) Assets acquired in satisfaction of debt | Nil |

*Notes:
1. As defined in point xxv of paragraph 3 of Chapter -II of these Directions.

2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non – Deposit Accepting of Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

**Notes are an integral part of the financial statements**
**For and on behalf of the Board**

**Boby CD**
**Chairman and MD**
**DIN: 00046095**

**Lijo Moothedan**
**Director**
**DIN: 00877403**

**Pramod.M**
**Chief Financial Officer**

**Anju Thomas**
**Company Secretary**
**M.No:43159**

**Place : Thrissur,**
**Date : 30.05.2024**

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

**P.K. Thomas**
**Chief Executive Officer**

**As per our report of even date attached**
**For C.M. Joseph & Associates,**
**Chartered Accountants**
**Firm Registration No. 006408S**

**C.M. Joseph**
**PARTNER**
**M.No: 202800**

**UDIN : 24202800BKBKVP5935**

C.M. JOSEPH & ASSOCIATES CHARTERED ACCOUNTANTS KOCHI-25

# INDEPENDENT AUDITORS' REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2023, STATEMENT OF PROFIT AND LOSS AND CASH FLOWS STATEMENT FOR THE YEAR ENDED MARCH 31, 2023, OF CHEMMANUR CREDITS AND INVESTMENTS LIMITED

To the Board of Directors,
**Chemmanur Credits and Investments Limited**
Mangalodhayam Building, Round South
Thrissur - 680001

Dear Sir/Madam,

We have audited the accompanying financial statements of Chenunanur Credits and Investments Limited (the **"Company"),** which comprise the balance sheet as at March 31, 2023, and the statement of profit and loss, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter refe1Ted to as **"financial statements").**

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and based on the provisions of Para 3.3.10 of Schedule I to the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the **"SEBI NCS Regulations").** This also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We be lleve that the aud.lt evl'dence we llave ta); :t: su f.nc Tent and appro Qla·e-to prov t e a basIs for our audit opinion.

CORPORATE OFFICE 1HRISSUR LTD.
CHARTERED ACCOUNTA

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements are prepared in the manner so required as per Companies Act, 2013, SEBI NCS Regulations and give a true and fair view of the state of affairs of the Company as at March 31, 2023, and of its results of operations and its cash flows for the year then ended.

**Basis of Accounting**

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of preparation and presentation of financial statements. The financial statements are prepared to assist the Company to meet the requirements of SEBI NCS Regulations, as amended. As a result, the financial statements may not be suitable for another purpose.

**Other Matter**

Chemmanur Credits and Investments Limited has prepared a separate set of financial statements for the year ended March 31, 2023, in accordance with the Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 on which M/s. V.K.S. Narayan & Co, Chartered Accountants, has issued a separate auditor's report to the shareholders of the Company dated May 30, 2023.

**For C.M. Joseph & Associates**
Chartered Accountants
Firm's Registration Number: **006408S**

C.M Joseph
Pminer
M. No.: 202800
UDIN: **23202800BGTEYJ4057**
Place: Ernakulam
Date: 18/09/2023

C.M. JOSEPH & ASSOCIATES * CHARTERED ACCOUNTANTS * KOCHI-25

CHEMMANUR CREDITS AND INVESTMENTS LTD. CORPORATE OFFICE THRISSUR

**CHEMMANUR CREDITS AND INVESTMENTS LIMITED**
**Balance Sheet as at March 31, 2023**

(₹ in lakhs)

| | Note | As at | | |
|---|---|---|---|---|
| | | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| **ASSETS** | | | | |
| **(1) Financial assets** | | | | |
| (a) Cash and cash equivalents | 5 | 795.45 | 558.72 | 452.68 |
| (b) Bank balances other than cash and cash equivalents | 6 | 0.00 | 0.00 | 0.00 |
| (c) Receivables | | | | |
| (i) Trade receivables | 7(i) | 0.00 | 0.00 | 0.00 |
| (ii) Other receivables | 7(ii) | 770.55 | 924.89 | 1,879.27 |
| (d) Loans | 8 | 40,634.42 | 35,423.39 | 34,012.25 |
| (e) Other financial assets | 9 | 512.98 | 274.39 | 257.54 |
| **(2) Non-financial assets** | | | | |
| (a) Current tax assets (net) | 10 | 350.08 | 174.07 | 0.00 |
| (b) Deferred tax assets (net) | 11 | 163.29 | 134.04 | 26.22 |
| (c) Property, plant and equipment | 12 | 1,771.81 | 1,378.43 | 1,444.15 |
| (d) Right-of-use assets | 13 | 4,729.45 | 4,007.33 | 3,728.22 |
| (e) Intangible assets | 14 | 19.58 | 22.05 | 30.11 |
| (f) Capital work-in-progress | 15 | 151.66 | 109.59 | 20.62 |
| (g) Other non-financial assets | 16 | 42.84 | 38.74 | 16.33 |
| **TOTAL ASSETS** | | **49,942.11** | **43,045.64** | **41,867.39** |
| **LIABILITIES AND EQUITY** | | | | |
| **LIABILITIES** | | | | |
| **(1) Financial liabilities** | | | | |
| (a) Debt securities | 17 | 10,247.75 | 4,957.43 | 6,689.04 |
| (b) Borrowings (other than debt securities) | 18 | 8,676.34 | 8,043.15 | 6,319.54 |
| (c) Subordinated liabilities | 19 | 17,589.30 | 17,106.15 | 16,410.80 |
| (d) Other financial liabilities | 20 | 4,385.33 | 4,059.81 | 3,409.96 |
| **(2) Non-financial liabilities** | | | | |
| (a) Current tax liabilities (net) | 10 | 0.00 | 0.00 | 28.33 |
| (b) Provisions | 21 | 171.58 | 165.12 | 138.94 |
| (c) Other non-financial liabilities | 22 | 130.42 | 62.17 | 66.52 |
| **EQUITY** | | | | |
| (a) Equity share capital | 23 | 6,000.00 | 6,000.00 | 6,000.00 |
| (b) Other equity | 24 | 2,741.39 | 2,651.81 | 2,804.26 |
| **TOTAL LIABILITIES AND EQUITY** | | **49,942.11** | **43,045.64** | **41,867.39** |

Notes are an integral part of the financial statements

**For and on behalf of the Board**

**As per our report of even date attached**

| | | | |
|---|---|---|---|
| **Boby CD** | **Lijo Moothedan** | **T.K. Thomas** | **For C.M. JOSEPH & ASSOCIATES,** |
| **Chairman and MD** | **Director** | **Chief Executive Officer** | **Chartered Accountants** |
| **DIN: 00046095** | **DIN: 00877403** | | **Firm Registration No. 006408S** |

| | | |
|---|---|---|
| **Pramod.M** | **Anju Thomas** | |
| **Chief Financial Officer** | **Company Secretary** | **C.M. JOSEPH** |
| | **M.No:43159** | **PARTNER** |
| | | **M. No: 202800** |
| **Place: THRISSUR,** | | **UDIN: 23202800BGTEYJ4057** |
| **Date : 18/09/2023.** | | |

**CHEMMANUR CREDITS AND INVESTMENTS LIMITED**
**Statement of Profit and Loss for the year ended March 31, 2023**

(₹ in lakhs)

| | | Note number | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|
| | **Revenue from operations** | | | |
| (i) | Interest income | 25 | 7,406.46 | 6,856.54 |
| (ii) | Dividend income | | 0.00 | 0.00 |
| (iii) | Rental income | 26 | 91.53 | 91.53 |
| (iv) | Fees and commission income | 27 | 815.38 | 393.94 |
| **(I)** | **Total revenue from operations** | | **8,313.37** | **7,342.01** |
| (II) | Other income | 28 | 7.28 | 7.15 |
| **(III)** | **Total income (I) + (II)** | | **8,320.65** | **7,349.16** |
| | **Expenses** | | | |
| (i) | Finance costs | 29 | 3,924.87 | 3,673.81 |
| (ii) | Impairment of financial instruments | 30 | 81.60 | (41.23) |
| (iii) | Employee benefit expenses | 31 | 2,640.69 | 2,070.48 |
| (iv) | Depreciation, amortisation and impairment | 32 | 763.30 | 703.05 |
| (v) | Other expenses | 33 | 760.78 | 601.84 |
| **(IV)** | **Total expenses** | | **8,171.24** | **7,007.95** |
| **(V)** | **Profit/ (loss) before tax (III - IV)** | | **149.41** | **341.21** |
| (VI) | Tax expenses | | | |
| | (i) Current tax | | | |
| | - Related to current year | | 101.63 | 183.51 |
| | - Related to prior years | | 0.00 | 0.55 |
| | (ii) Deferred tax | | (32.40) | (108.47) |
| **(VII)** | **Profit/ (loss) for the period (V) - (VI)** | | **80.18** | **265.62** |
| **(VIII)** | **OTHER COMPREHENSIVE INCOME** | | | |
| **(A)** | ***(i) Items that will not be reclassified to profit or loss*** | | | |
| | Remeasurement gain/ (loss) on defined benefit plan | | 12.56 | 2.58 |
| | ***(ii) Income tax relating to items the above*** | | (3.16) | (0.65) |
| | **TOTAL OTHER COMPREHENSIVE INCOME** | | **9.40** | **1.93** |
| **(IX)** | **TOTAL COMPREHENSIVE INCOME** | | | |
| | **FOR THE PERIOD (VII + VIII)** | | **89.58** | **267.55** |
| (X) | **Earnings per share** | 34 | | |
| | Basic (₹) | | 0.13 | 0.44 |
| | Diluted (₹) | | 0.13 | 0.44 |
| | Face value per share (₹) | | 10.00 | 10.00 |

Notes are an integral part of the financial statements

**For and on behalf of the Board**

**As per our report of even date attached**

| | | | |
|---|---|---|---|
| **Boby CD** | **Lijo Moothedan** | **T.K. Thomas** | **For C.M. JOSEPH & ASSOCIATES,** |
| **Chairman and MD** | **Director** | **Chief Executive Officer** | **Chartered Accountants** |
| **DIN: 00046095** | **DIN: 00877403** | | **Firm Registration No. 006408S** |
| **Pramod.M** | | **Anju Thomas** | |
| **Chief Financial Officer** | | **Company Secretary** | **C.M.JOSEPH** |
| | | **M.No:43159** | **PARTNER** |
| | | | **M.No: 202800** |
| **Place: THRISSUR,** | | | **UDIN: 23202800BGTEYJ4057** |
| **Date : 18/09/2023.** | | | |

**CHEMMANUR CREDITS AND INVESTMENTS LIMITED**

**Statement of Changes in Equity for the period ended March 31, 2023**

(₹ in lakhs)

**A. EQUITY SHARE CAPITAL**

**(1) Current reporting period**

| Balance as at April 1, 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 year | Balance as at March 31, 2023 |
|---|---|---|---|---|
| 6,000.00 | - | 6,000.00 | - | 6,000.00 |
| **6,000.00** | **-** | **6,000.00** | **-** | **6,000.00** |

**(2) Previous reporting period**

| Balance as at April 1, 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 year | Balance as at March 31, 2022 |
|---|---|---|---|---|
| 6,000.00 | - | 6,000.00 | - | 6,000.00 |
| **6,000.00** | **-** | **6,000.00** | **-** | **6,000.00** |

**B. OTHER EQUITY**

**(1) Current reporting period**

| Particulars | Reserves and Surplus | | | Total other equity |
|---|---|---|---|---|
| | Retained Earnings | Reserve Fund | Impairment Reserve | |
| **Balance as at April 1, 2022** | **1,740.97** | **830.18** | **80.66** | **2,651.81** |
| Net profit/(loss) for the year | 80.18 | - | - | 80.18 |
| Remeasurement gain on defined benefit plans | 9.40 | - | - | 9.40 |
| Transfer to/ from retained earnings | (20.46) | 16.04 | 4.42 | - |
| Dividend | - | - | - | - |
| **Balance as at March 31, 2023** | **1,810.09** | **846.22** | **85.08** | **2,741.39** |

**(2) Previous reporting period**

| Particulars | Reserves and Surplus | | | Total other equity |
|---|---|---|---|---|
| | Retained Earnings | Reserve Fund | Impairment Reserve | |
| **Balance as at April 1, 2021** | **2,049.65** | **743.98** | **-** | **2,793.63** |
| Ind AS transition adjustments | (10.43) | - | 21.06 | 10.63 |
| Restated balance as at April 1, 2021 | **2,039.22** | **743.98** | **21.06** | **2,804.26** |
| Net profit/(loss) for the year | 265.62 | - | - | 265.62 |
| Remeasurement gain on defined benefit plans | 1.93 | - | - | 1.93 |
| Transfer to/ from retained earnings | (145.80) | 86.20 | 59.60 | - |
| Dividend | (420.00) | - | - | (420.00) |
| **Balance as at March 31, 2022** | **1,740.97** | **830.18** | **80.66** | **2,651.81** |

Notes are an integral part of the financial statements

**For and on behalf of the Board**

**As per our report of even date attached**

| | | | |
|---|---|---|---|
| **Boby CD** | **Lijo Moothedan** | **T.K. Thomas** | **For C.M. JOSEPH & ASSOCIATES,** |
| **Chairman and MD** | **Director** | **Chief Executive Officer** | **Chartered Accountants** |
| **DIN: 00046095** | **DIN: 00877403** | | **Firm Registration No. 006408S** |

**Pramod.M**
**Chief Financial Officer**

**Anju Thomas**
**Company Secretary**
**M.No:43159**

**C.M.JOSEPH**
**PARTNER**
**M.No: 202800**
**UDIN: 23202800BGTEYJ4057**

**Place: THRISSUR,**
**Date : 18/09/2023.**

**CHEMMANUR CREDITS AND INVESTMENTS LIMITED**
**Statement of Cash Flows for the year ended March 31, 2023**

| | | For the year ended | |
|---|---|---|---|
| | | **March 31, 2023** | **March 31, 2022** |
| | | ₹ in lakhs | |
| **I.** | **CASHFLOWS FROM OPERATING ACTIVITIES** | | |
| | Profit before tax | 149.41 | 341.21 |
| | Depreciation, amortisation and impairment | 763.30 | 703.05 |
| | Impairment of financial instruments | 81.60 | (41.23) |
| | Finance costs | 3,924.87 | 3,673.81 |
| | (Profit)/ loss on sale of property, plant and equipment | 0.92 | 7.39 |
| | Provision for gratuity | 38.61 | 35.45 |
| | Provision for cash loss | 2.59 | 5.00 |
| | Rental income | (91.53) | (91.53) |
| | **Operating profit before working capital changes** | **4,869.77** | **4,633.15** |
| | (Increase)/ decrease in receivables | 154.34 | 954.38 |
| | (Increase)/ decrease in loans | (5,292.63) | (1,369.91) |
| | (Increase)/ decrease in other financial assets | (335.52) | (69.51) |
| | (Increase)/ decrease in other non-financial assets | (4.10) | (22.41) |
| | Increase/ (decrease) in provisions | (22.18) | (11.69) |
| | Increase/ (decrease) in other financial liabilities | 187.30 | (157.04) |
| | Increase/ (decrease) in other non-financial liabilities | 68.25 | (4.35) |
| | **Cash generated from/ (used in) operations** | **(374.77)** | **3,952.62** |
| | Finance costs paid | (3,717.57) | (3,000.99) |
| | Income tax paid | (277.64) | (386.46) |
| | **Net cash from/ (used in) operating activities** | **(4,369.98)** | **565.17** |
| **II.** | **CASHFLOWS FROM INVESTING ACTIVITIES** | | |
| | Payments for property, plant and equipment and intangible assets | (660.75) | (290.44) |
| | Proceeds from sale of property, plant and equipment | 3.26 | 3.42 |
| | Rental income | 91.53 | 91.53 |
| | **Net cash from/ (used in) investing activities** | **(565.96)** | **(195.49)** |
| **III.** | **CASHFLOWS FROM FINANCING ACTIVITIES** | | |
| | Proceeds from issue of debt securities | 9,528.39 | 1,558.00 |
| | Proceeds from issue of subordinated liabilities | 3,724.40 | 2,494.40 |
| | Proceeds from long-term borrowings | - | 1,000.00 |
| | Repayment of debt securities | (4,260.26) | (3,277.99) |
| | Increase/ (decrease) in other borrowings | (531.71) | 58.55 |
| | Repayment of subordinated liabilities | (3,288.15) | (1,676.60) |
| | Dividend paid | - | (420.00) |
| | **Net cash from/ (used in) financing activities** | **5,172.67** | **(263.64)** |

| | | | |
|---|---|---|---|
| **IV.** | **Net increase/ (decrease) in cash and cash equivalents (I + II + III)** | **236.73** | **106.04** |
| **V.** | **Cash and cash equivalents at the beginning** | **558.72** | **452.68** |
| **VI.** | **Cash and cash equivalents at the end** | **795.45** | **558.72** |
| | Cash and cash equivalents comprise of: | | |
| | - Cash | 424.31 | 279.10 |
| | - Balances with banks | 371.14 | 279.62 |
| | **Total** | **795.45** | **558.72** |

Notes are an integral part of the financial statements

**For and on behalf of the Board**

**As per our report of even date attached**

| | | | |
|---|---|---|---|
| **Boby CD** | **Lijo Moothedan** | **T.K. Thomas** | **For C.M. JOSEPH & ASSOCIATES,** |
| **Chairman and MD** | **Director** | **Chief Executive Officer** | **Chartered Accountants** |
| **DIN: 00046095** | **DIN: 00877403** | | **Firm Registration No. 006408S** |

**Pramod.M**
**Chief Financial Officer**

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**Company Secretary**
**M.No:43159**

**C.M.JOSEPH**
**PARTNER**
**M.No: 202800**
**UDIN: 23202800BGTEYJ4057**

**Place: THRISSUR,**
**Date : 18/09/2023.**

## NOTES TO THE FINANCIAL STATEMENTS

### 1 CORPORATE INFORMATION

Chemmanur Credits and Investments Limited is a Public Limited Company incorporated on December 16, 2008. The Company is a Non-Systemically Important Non-Deposit Taking Non-Banking Financial Company Registered under section 45IA of RBI Act, 1934. The Company provides a wide range of fund based and fee-based services including gold loans, micro finance, consumption loans etc.

**Registration Details**

| | |
|---|---|
| Corporate Identity Number (CIN) | U65923KL2008PLC023560 |
| Reserve Bank of India Registration no. | N16-00185 |
| Company's Registered Office | Mangalodhayam Building, Round South, Thrissur, 680001 |
| Ministry of Finance (Financial Intelligence Unit - India (FIU-IND)) | FINBF13040 |

### 2 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

#### 2.1 Basis of preparation

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Any application guidance/clarifications/directions issued by RBI or other regulators are implemented as and when they are issued/applicable.

The Company's financial statements up to and for the year ended 31 March 2022 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on accrual basis unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") and prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs to the extent applicable, collectively referred as "Previous GAAP".

These are the Company's first standalone or separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has applied Ind AS 101, First-time Adoption of Indian Accounting Standards for transition from Previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flow of the Company is provided in **Note 4.**

These standalone or separate financial statements were approved by the Company's Board of Directors and authorized for issue on May 30, 2023.

#### 2.2 Presentation of financial statements

The Balance Sheet, Statement of Changes in Equity and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet, Statement of Changes in Equity and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI.

**2.3 Functional and presentation currency**

These financial statements are presented in Indian Rupees ('lNR' or '₹') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

**2.4 Basis of measurement**

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

Certain accounting policies of the Company and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such value in use in Ind AS 36.

Fair value measurements under Ind AS 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 Company can access at 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 valuation of assets or liabilities.

**2.5 Use of estimates, judgments and assumptions**

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Following are areas that involved a higher degree of estimate and judgment or complexity in determining the carrying amount of some assets and liabilities.

**a) Effective Interest Rate (EIR) Method**

The Company recognizes interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given/taken. This estimation, by nature, requires an element of judgment regarding the expected behavior and life- cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

**b) Impairment of Financial Assets**

The measurement of impairment losses on loan assets and commitments requires judgment, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgments and estimates include:

The Company's criteria for assessing if there has been a significant increase in credit risk.

- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL model, including the various formulae and the choice of inputs.
- Selection of forward-looking macroeconomic scenarios and their probability weights, to derive the economic inputs into the ECL model.
- Management overlay used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

**c) Employee Benefits**

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 sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**d) Impact of COVID-19**

The COVID-19 outbreak and its effect on the economy has impacted our customers and our performance, and the future effects of the outbreak remain uncertain.

The outbreak necessitated government to respond at unprecedented levels to protect public health, local economies and livelihoods. There remains a risk of subsequent waves of infection, as evidenced by the recently emerged variants of the virus.

Economic forecasts are subject to a high degree of uncertainty in the current environment. Limitations of forecasts and economic models require a greater reliance on management judgment in addressing both the error inherent in economic forecasts and in assessing associated ECL outcomes.
The calculation of ECL under Ind AS 109 involves significant judgments, assumptions and estimates. The level of estimation uncertainty and judgment has increased during financial year as a result of the economic effects of the COVID-19 outbreak.

As a result of government and bank support measures, significant credit deterioration has not yet occurred. This delay increases uncertainty on the timing of the stress and the realisation of defaults. Management has applied COVID-19 specific adjustments to modeled outputs to reflect the temporary nature of ongoing government support, the uncertainty in relation to the timing of stress and the degree to which economic consensus has yet captured the range of economic uncertainty. As a result, ECL is higher than would be the case if it were based on the forecast economic scenarios alone.

The Company has developed various accounting estimates in these Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at March 31, 2022 about future events that the management believe are reasonable in the circumstances. There is a considerable degree of judgment involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions are likely to be different from those forecasts since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and recoverable amount assessments of non-financial assets.

**e) Accounting for leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**f) 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.

### g) Business model objective of financial assets.

Classification and measurement of financial assets depends on the results of the contractual cashflow characteristics and the business model objective. 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 judgement 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 derecognised 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.

### h) Other estimates

These include provisions (other than loan portfolio), contingent liabilities, useful lives, depreciation method and residual value of property, plant and equipment and intangible assets etc.

## 3 SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Revenue recognition

#### a) Interest income

Interest income is recognized in Statement of profit and loss using the Effective Interest Rate (EIR) method for all financial instruments measured at amortized cost, debt instruments measured at FVTOCI and debt instruments designated at FVTPL.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.
Additional interest and interest on trade advances are recognized when they become measurable and when it is not unreasonable to expect their ultimate collection.

**b) Dividend income**

Dividend is recognized as income when the right to receive the dividend is established and the amount of dividend can be measured reliably.

**c) Revenue from and rendering of 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 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.
Revenue from contract with customer for rendering services is recognized at a point in time when performance obligation is satisfied.

**d) Net gain/ (loss) on change in fair value**

The assets which are being measured at FVTPL are restated to their fair value as at the reporting date and any gain/ (loss) on change in fair value will be recognized as income/ expense in the Statement of Profit and Loss.

**3.2 Financial Instruments**

**a) Recognition and measurement**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of profit and loss.

**b) Financial assets**

**Classification and measurement**

The Company classifies its financial assets into the following measurement categories: amortized cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

**Financial instruments measured at amortized cost**

Debt instruments that meet the following criteria are measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortized cost are subject to impairment.

**Financial instruments measured at fair value through other comprehensive income ("FVTOCI")**

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in Statement of profit and loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Statement of Profit and Loss.

**Financial instruments measured at fair value through Profit and Loss ("FVTPL")**

Instruments that do not meet the amortized cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in the Statement of Profit and Loss. The gain or loss on disposal is recognized in the Statement of Profit and Loss. Interest income is recognized in the Statement of Profit and Loss for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognized when the Company's right to receive dividend is established.

**Investments in equity instruments at FVTOCI**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends from these investments are recognized in the Statement of Profit and Loss when the Company's right to receive dividends is established.

**Reclassifications**

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets.

**Impairment of financial assets**

Company recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR.

ECL is measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- Lifetime ECL, i.e., lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL. The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Key elements of ECL computation are outlined below:

- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognized and is still in the portfolio.
- Loss given default ("LGD") estimates the normalized loss which Company incurs post customer default. It is usually expressed as a percentage of the Exposure at default ("EAD"). Effective interest rate ("EIR") is the rate that discounts estimated future cash flows through the expected life of financial instrument. For calculating EIR any upfront fees need to be excluded from the loans and advance amount.

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. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

**Credit impaired financial assets**

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

**Definition of default**

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL computation is as per the applicable prudential regulatory norms.

**Significant increase in credit risk**

The Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's expert credit assessment.

**Impairment Reserve**

Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), the Company will appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital.

**Modification and derecognition of financial assets**

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/ or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g.: a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

**Substantial modification**

When a financial asset is modified, the Company assesses whether this modification results in derecognition. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants.

If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognized, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition.

The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition.

**Other modification**

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioral indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behavior following modification leading to a reversal of the previous significant increase in credit risk.
Where a modification does not lead to derecognition the Company calculates the modification gain/ loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

**Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to the Statement of Profit and Loss.

**Write Off**

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is 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 subject to the write off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**c) Financial liabilities**

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

**Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the Statement of Profit and Loss.

### d) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and

- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 - Revenue from Contracts with Customers.

### e) Derivative financial instruments

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts, currency swaps and interest rate swaps, to manage its borrowing exposure to foreign exchange and interest rate risks.
Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognized at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognized in Statement of profit and loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when fair value is negative.

### f) Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

**g) Debt Securities and other borrowed funds**

After initial measurement debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR)

**3.3 Cash and bank balances**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to 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, net of outstanding bank overdrafts if any, as they are considered an integral part of the Company's cash management.

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

**3.4 Property, plant and equipment**

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, 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 PPE outstanding at each balance sheet date arc disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

Subsequent expenditure related to the asset are added to its carrying amount or recognised 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.

**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:

| Description of the asset | Estimated Useful Life (Years) |
|---|---|
| Furniture and Fixtures | 10 |
| Electrical fittings | 10 |
| Computers (End use machines) | 3 |
| Plant and Machinery | 15 |
| Vehicles (Motorcycles, scooters and other mopeds) | 8 |
| Strong room - RCC Frame Structure | 60 |

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.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

### 3.5 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortization and cumulative impairment.

Intangible assets i.e., Software are amortized on written down value basis over the estimated useful life of 3 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognised.

### 3.6 Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of Profit and Loss.

### 3.7 Leases

The Company determines that a contract is or contains a lease if the contract conveys right to control the use of an identified asset for a period of time in exchange for a consideration.

**Company as a lessee**

At the inception of a contract which is or contains a lease, the Company recognizes lease liability at the present value of the future lease payments for non-cancellable period of a lease which is not short term in nature except for lease of low value items. The future lease payments for such non-cancellable period are discounted using the Company's incremental borrowing rate.

The Company elects to apply the practical expedient to not to separate non-lease component from lease component, in case of a contract containing lease. The Company accounts such contracts as a single lease component.

Lease payments include fixed payments, i.e., amounts expected to be payable by the Company under residual value guarantee, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease if the lease term considered reflects that the Company shall exercise termination option. The Company also recognizes a right of use asset which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Company and estimated dilapidation costs.

Right of use assets is amortized over the period of lease.

Payment made towards short term Leases (leases for which lease term is 12 months or lesser) and low value assets are recognized in the statement of Profit and Loss as rental expenses over the tenor of such leases.

**Company as a lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

### 3.8 Non-current asset held for sale

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Company's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in profit or loss. Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortized or depreciated.

### 3.9 Finance cost

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Financial instruments include bank term loans, non-convertible debentures, subordinated debts, interest expense on lease liabilities computed by applying the Company's incremental borrowing rate and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

### 3.10 Employee Benefits

**Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia/ bonus are recognized in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Long-term employee benefits**

**Defined contribution plans**

Defined contribution plans are the post-employment plans under which the Company pays a fixed contribution to a fund and the Company's liability is limited to payment of such fixed contributions. Contributions to defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

The Company provides benefits such as, provident fund and pension schemes (both managed by other than the Company) to its employees which are treated as defined contribution plans.

**Defined benefit plans**

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognized as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognizes related restructuring costs or termination benefits.

The major defined benefit plans of the Company are as follows:

**Gratuity**

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, in capacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company's gratuity scheme is unfunded. The Company recognizes the obligation of a defined benefit plan in its Balance Sheet as a liability.

Gains and losses through remeasurements of the net defined benefit liability / (asset) are recognized in other comprehensive income. The effects of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

**Compensated absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

### 3.11Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Any reimbursements with respect to liabilities/provisions are recognized only when there is a virtual certainty that the said amounts will be received.

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The provision in such cases will be recognized at lower of cost of fulfilling the contract and any expected compensation for not fulfilling the contract.

### 3.12Foreign Currency Translations

These financial statements are presented in Indian rupees, which is the functional currency of the Company. Transactions in foreign currencies, i.e., other than Indian rupees, are recorded at the exchange rate prevailing on the date of transaction.

Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognized in the statement of Profit and Loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs.

### 3.13Current and deferred tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in the statement of Profit and Loss except when they relate to items that are recognized outside profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit and loss, as appropriate. Current income taxes are determined based on respective taxable income based on tax rate enacted as at reporting date.
Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carryforwards and unused tax credits could be utilized.

Deferred tax assets and Liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### 3.14Contingent liabilities and contingent assets

A contingent liability is a possible obligation 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 company or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. It is disclosed in the financial statements. If the outflow of such obligation becomes probable, it is recognized as a provision.

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 company. Contingent assets are recognized only if there is a virtual certainty of realization. It is disclosed in the financial statements if it is probable only.

### 3.15Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years' presented.

### 3.16Statement of Cashflows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a 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.

### 3.17Segment Reporting

Operating segments are reported in manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The management assesses the financial performance and position of the Company and makes strategic decisions. The chief operating decision maker consists of the Directors of the Company.

The Company’s primary business segments are reflected based on the principal business carried out, i.e., financial. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments.

## 4 FIRST-TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

These financial statements of the Company for the year ended March 31, 2023 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101, First-Time Adoption of Indian Accounting Standards, with April 1, 2021 as the transition date from the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2023 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet and Statement of Profit and Loss, is set out in Note #4.2 below.

### 4.1 Exemptions availed on first-time adoption to Ind AS

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions:

**a. Property, plant and equipment and Intangible Assets**

On transition to Ind AS, Company has elected to continue with the carrying value of all its property plant and equipment and intangible assets existing as at April 1, 2021, measured as per previous GAAP and used that carrying value as the deemed cost of the property plant and equipment.

**b. Leases**

The Company elects to apply the criteria for identifying whether a lease is or contains a lease based on the facts and circumstances existed as at April 1, 2021. The lease liability on transition date is arrived at by computing the present value of remaining lease payments discounted using the Company's incremental borrowing rate.

Right of use asset at transition date is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease immediately prior the date of transition to Ind AS.

**c. Business combinations**

The Company elects to apply the requirements of Ind AS 103 from the date of transition, i.e., April 1, 2021 only.

### 4.2 Reconciliation between Previous GAAP and Ind AS

**(i) Equity reconciliation**

| Particulars | Note | March 31, 2022 | April 1, 2021 |
|---|---|---|---|
| As reported under previous GAAP | | 8,804.64 | 8,793.63 |
| Application of EIR method on financial assets | (a) | - | - |
| Application of EIR method on borrowings | (b) | (1.58) | - |
| Expected credit loss provision on loans | (e) | 80.66 | 21.06 |
| Depreciation on ROU assets | (c) | (438.61) | |
| Finance cost on lease liabilities | (c) | (435.00) | |
| Rent expenses | (c) | 537.73 | |
| Unwinding of discount on security deposits | (c) | 16.51 | |
| Employee benefits | (d) | - | |
| Deferred tax adjustments | (f) | 87.49 | (10.43) |
| Other adjustments | | (0.03) | |
| **Equity under Ind AS** | | **8,651.81** | **8,804.26** |

### (ii) Total comprehensive income reconciliation

| Particulars | Note | For the year ended March 31, 2022 |
|---|---|---|
| Net profit under previous GAAP | | 431.02 |
| Application of EIR method on loan assets | (a) | - |
| Unwinding of discount | (c) | 16.51 |
| Application of EIR method on borrowings | (b) | (1.58) |
| Interest expenses on lease liability | (c) | (435.00) |
| Depreciation on ROU assets | (c) | (438.61) |
| Expected loss provision on financial assets | (e) | 59.60 |
| Employee benefits | (d) | - |
| Rent expenses | (c) | 537.73 |
| Deferred tax adjustments | (f) | 97.92 |
| Other adjustments | | (0.04) |
| **Total comprehensive income under Ind AS** | | **267.55** |

### (iii) Reconciliation of Statement of cash flows

There are no material adjustments to the Statement of Cash flows as reported under the Previous GAAP.

**Notes to reconciliation between previous GAAP and Ind AS**

### (a) Application of effective interest rate method on loans and advances given

The Company has major portfolio of gold loan for which company is not collecting any transaction charges for each loans. Further, majority of the other loans are for a period less than 12 months.

Considering the above, since the amount involved is immaterial in nature, no effective interest adjustment is made for loan assets.

### (b) Application of effective interest rate method on borrowings

The Company had adjusted an amount of ₹1.58 lakhs as effective interest rate adjustment for the year ended March 31, 2022.

No EIR adjustment was required for opening balances as at April 1, 2021

### (c) Leases

As a transition adjustment, the Company had recognized right of use asset of ₹3,728.22 lakhs and there was an addition of ₹717.72 lakhs during the year 2021-22. The Company had also been recognized lease liability to the extent of ₹3,505.28 lakhs. Further lease liability has also created for ₹665.06 lakhs for the additions made during the said period.

The rent deposits of the Company has been discounted to its present value and difference of ₹222.94 lakhs on transition and ₹52.66 lakhs during 2021-22 had been taken while computing cost of ROU asset.

During the year 2021-22, depreciation of ₹438.61 lakhs has been provided on ROU assets. The interest on lease liability was ₹435.00 lakhs. As at year-end, the security deposit has been restated to its present value as at year-end. The unwinding of discount accounted for in 2020-21 in this regard was ₹16.51 lakhs.

The rent expenses incurred has been considered as the repayment of lease liability for the year.

**(d) Employee Benefits**

The Company had taken revised actuarial valuation reports for gratuity on transition date and there was no change in the valuation. During the year 2021-22, the Company had reclassified actuarial gain of ₹2.58 lakhs to the other comprehensive income.

**(e) Expected credit loss on financial assets**

The Company was creating provision on loans as per the income recognition and asset classification norms prescribed by RBI. On transition to Ind AS, Ind AS 109 gives specific guidance on accounting for impairment of financial assets. Consequently, RBI had directed that if the ECL provision requirements of Ind AS 109 to be recognised in the financial statements and any provision required in excess of ECL should be recognised by creating impairment reserve out of the profit or loss for the period.

Based on this, as part of transition, the Company had reversed provision created of ₹21.08 lakhs and a further reversal of ₹59.60 had been made during the year 2021-22.

**(f) Deferred tax adjustments**

Due to the transitional adjustments made, the Company had reversed the deferred tax asset amounting to ₹10.43 lakhs as at April 1, 2021. Further, due to the difference between the Previous GAAP and Ind AS, an additional benefit of ₹97.92 lakhs made in Profit or loss for the period ending on March 31, 2021. Deferred tax expense of ₹0.65 lakhs had made in other comprehensive income also.

**Note 5: Cash and cash equivalents** (₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| (a) Cash on hand | 424.31 | 279.10 | 119.67 |
| (b) Balances with banks | 371.14 | 279.62 | 333.01 |
| **Total** | **795.45** | **558.72** | **452.68** |

**Note 6: Bank balances other than cash and cash equivalents** (₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| (a)Term deposits with Banks | - | - | - |
| **Total** | **-** | **-** | **-** |

**Note 7: Receivables** (₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| ***(i) Trade receivables*** | - | - | - |
| | **-** | **-** | **-** |
| ***(ii) Other receivables - Interest receivables*** | | | |
| (a) Considered good – secured | 749.87 | 907.38 | 1,807.32 |
| (b) Considered good - unsecured | 20.68 | 17.51 | 71.95 |
| | **770.55** | **924.89** | **1,879.27** |
| Less: Allowance for impairment loss | **-** | **-** | **-** |
| **Total** | **770.55** | **924.89** | **1,879.27** |

**Note 8: Loans** (₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| **(A)** | | | |
| (i) Gold loan | 30,190.86 | 27,625.48 | 27,791.34 |
| (ii) GSL Accounts | 3,818.60 | 3,871.09 | 3,276.94 |
| (iii) Micro finance loans | 5,820.77 | 3,063.61 | 2,639.14 |
| (iv) Consumption loans | 501.47 | 533.12 | 430.95 |
| (v) Insta loans | 469.21 | 414.98 | - |
| | **40,800.91** | **35,508.28** | **34,138.37** |
| Less: Impairment allowance | (166.49) | (84.89) | (126.12) |
| | **40,634.42** | **35,423.39** | **34,012.25** |

| | | | |
|---|---|---|---|
| **(B)** | | | |
| ***(I) Secured by Tangible assets*** | | | |
| (i) Gold loan | 30,190.86 | 27,625.48 | 27,791.34 |
| (ii) Business loan | 3,818.60 | 3,871.09 | 3,276.94 |
| (iii) Personal loan | - | - | - |
| (iv) Loans to related parties | - | - | - |
| | **34,009.46** | **31,496.57** | **31,068.28** |
| Less: Impairment allowance | (77.10) | (65.33) | (88.82) |
| | **33,932.36** | **31,431.24** | **30,979.46** |
| ***(II) Unsecured*** | | | |
| (i) Gold loan | - | - | - |
| (ii) Business loan | - | - | - |
| (iii) Personal loan | 6,791.45 | 4,011.71 | 3,070.09 |
| (iv) Loans to related parties | - | - | - |
| | **6,791.45** | **4,011.71** | **3,070.09** |
| Less: Impairment allowance | (89.39) | (19.56) | (37.30) |
| | **6,702.06** | **3,992.15** | **3,032.79** |
| **(C)** | | | |
| ***(I) Loans in India*** | | | |
| i) Public sector | - | - | - |
| ii) Others | 40,800.91 | 35,508.28 | 34,138.37 |
| | **40,800.91** | **35,508.28** | **34,138.37** |
| ***(II) Loans outside India*** | - | - | - |
| | **40,800.91** | **35,508.28** | **34,138.37** |
| Less: Impairment allowance | (166.49) | (84.89) | (126.12) |
| **Total** | **40,634.42** | **35,423.39** | **34,012.25** |

**Note 9: Other financial assets** (₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | **March 31, 2023** | **March 31, 2022** | **April 1, 2021** |
| a) Rent deposits | 255.17 | 195.39 | 161.23 |
| b) Other security deposits | 13.07 | 10.57 | 10.57 |
| c) Other financial assets | 244.74 | 68.43 | 85.74 |
| **Total** | **512.98** | **274.39** | **257.54** |

**Note 10: Current tax assets (Net)** (₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| a) Current tax assets (net of provisions) | 350.08 | 174.07 | (28.33) |
| **Total** | **350.08** | **174.07** | **(28.33)** |

**Note 11: Deferred tax assets (Net)** (₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| a) Deferred tax assets | 1,403.02 | 1,127.32 | 971.35 |
| b) Deferred tax liabilities | (1,239.73) | (993.28) | (945.13) |
| **Total** | **163.29** | **134.04** | **26.22** |

**(A) The balance of deferred tax assets comprises temporary differences attributable to:**

*(₹ in lakhs)*

| Particulars | As at April 1, 2022 | Charged/ (credited) to profit or loss for the period | Recognised in Other Comprehensive Income | As at March 31, 2023 |
|---|---|---|---|---|
| Difference between book base and tax based in respect of PPE, ROU assets and intangible assets | (993.68) | (185.36) | - | (1,179.04) |
| Application of EIR on financial assets | 65.21 | 18.61 | - | 83.82 |
| Application of EIR on financial liabilities | 0.40 | (49.73) | - | (49.33) |
| Deferred tax on lease liabilities | 1,023.82 | 244.07 | - | 1,267.89 |
| Employee Benefits | 38.29 | 4.82 | (3.16) | 39.95 |
| Others | - | - | - | - |
| **Deferred tax assets (net)** | **134.04** | **32.41** | **(3.16)** | **163.29** |

| Particulars | As at April 1, 2021 | Charged/ (credited) to profit or loss for the period | Recognised in Other Comprehensive Income | As at March 31, 2022 |
|---|---|---|---|---|
| Difference between book base and tax based in respect of PPE, ROU assets and intangible assets | (945.13) | (48.55) | - | (993.68) |
| Application of EIR on financial assets | 56.11 | 9.10 | - | 65.21 |
| Application of EIR on financial liabilities | - | 0.40 | - | 0.40 |
| Deferred tax on lease liabilities | 882.28 | 141.54 | - | 1,023.82 |
| Employee Benefits | 32.96 | 5.98 | (0.65) | 38.29 |
| Others | - | - | - | - |
| **Deferred tax assets (net)** | **26.22** | **108.47** | **(0.65)** | **134.04** |

**Disclosure pursuant to Ind AS 12 Income Taxes**

*(₹ in lakhs)*

| Particulars | March 31,2023 | March 31,2022 |
|---|---|---|
| (a) Current tax | 101.63 | 184.06 |
| (b) Deferred tax | (32.40) | (108.47) |
| **Total tax expenses in the Statement of Profit and Loss** | 69.23 | 75.59 |
| Tax effect on other comprehensive income | (3.16) | (0.65) |
| Deferred tax credit recorded in equity | - | - |
| Tax losses on which deferred tax is not recognised | - | - |

**Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss:**

*(₹ in lakhs)*

| Particulars | March 31,2023 | March 31,2022 |
|---|---|---|
| Profit before tax | 149.41 | 341.21 |
| Applicable income tax rate | 25.17% | 25.17% |
| **Expected income tax expenses** | **37.61** | **85.88** |
| Adjustment on account of: | | |
| a) Expenses not allowable as per income tax | 5.07 | 5.86 |
| b) Effect of income exempt from tax | - | - |
| c) Non-creation deferred tax on temporary differences | - | - |
| d) Tax related to prior years | - | 0.55 |
| e) Deferred tax recognised in OCI | (3.16) | (0.65) |
| b) Others | 29.71 | (16.05) |
| **Tax expense recognised during the year** | **69.23** | **75.59** |

**Note 12: Property, plant and equipment**

(₹ in lakhs)

| Description | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2022 | Additions | Deletion | As at 31.03.2023 | As at 01.04.2022 | For the Year | Depreciation on sale/Woff of Assets | As at 31.03.2023 | As at 31.03.2023 | As at 31.03.2022 |
| Furniture & Fixtures | 701.54 | 449.46 | - | 1,151.00 | 185.09 | 138.23 | - | 323.32 | 827.68 | 516.45 |
| Plant & Equipment | 415.64 | 118.21 | (6.55) | 527.30 | 33.65 | 44.48 | (2.80) | 75.33 | 451.97 | 381.99 |
| Computer | 38.92 | 30.91 | - | 69.83 | 4.21 | 16.88 | - | 21.09 | 48.74 | 34.71 |
| Electrical Fittings | 45.24 | 0.06 | (0.01) | 45.29 | 14.70 | 7.35 | - | 22.05 | 23.24 | 30.54 |
| Vehicles | 12.31 | 15.29 | (0.42) | 27.18 | 1.60 | 1.77 | - | 3.37 | 23.81 | 10.71 |
| RCC Frame Structure | 411.25 | - | - | 411.25 | 7.22 | 7.66 | - | 14.88 | 396.37 | 404.03 |
| **Total** | **1,624.90** | **613.93** | **(6.98)** | **2,231.85** | **246.47** | **216.37** | **(2.80)** | **460.04** | **1,771.81** | **1,378.43** |

(₹ in lakhs)

| Description | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2021 | Additions | Deletion | As at 31.03.2022 | As at 01.04.2021 | For the Year | Deductions | As at 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| Furniture & Fixtures | 574.89 | 126.72 | (0.07) | 701.54 | - | 185.15 | (0.06) | 185.09 | 516.45 | 574.89 |
| Plant & Equipment | 378.97 | 50.44 | (13.77) | 415.64 | - | 39.39 | (5.74) | 33.65 | 381.99 | 378.97 |
| Computer | 19.74 | 23.45 | (4.27) | 38.92 | - | 7.86 | (3.65) | 4.21 | 34.71 | 19.74 |
| Electrical Fittings | 44.39 | 0.85 | - | 45.24 | - | 14.70 | - | 14.70 | 30.54 | 44.39 |
| Vehicles | 12.31 | - | - | 12.31 | - | 1.60 | - | 1.60 | 10.71 | 12.31 |
| RCC Frame Structure | 413.85 | - | (2.60) | 411.25 | - | 7.68 | (0.46) | 7.22 | 404.03 | 413.85 |
| **Total** | **1,444.15** | **201.46** | **(20.71)** | **1,624.90** | **-** | **256.38** | **(9.91)** | **246.47** | **1,378.43** | **1,444.15** |

**Notes:**

(i) There are no property, plant and equipment which are acquired through business combination during the year (previous year - nil)

(ii) The Company has not revalued any of the assets during the year (previous year - nil)

(iii) All immovable properties held are in the name of the Company.

**Note 13: Right-of-use asset**

(₹ in lakhs)

| Description | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2022 | Additions | Deletion | As at 31.03.2023 | As at 01.04.2022 | For the Year | Depreciation on sale/Woff of Assets | As at 31.03.2023 | As at 31.03.2023 | As at 31.03.2022 |
| Building | 4,445.94 | 1,261.83 | - | 5,707.77 | 438.61 | 539.71 | - | 978.32 | 4,729.45 | 4,007.33 |
| **Total** | **4,445.94** | **1,261.83** | **-** | **5,707.77** | **438.61** | **539.71** | **-** | **978.32** | **4,729.45** | **4,007.33** |

(₹ in lakhs)

| Description | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2021 | Additions | Deletion | As at 31.03.2022 | As at 01.04.2021 | For the Year | Depreciation on sale/Woff of Assets | As at 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| Building | 3,728.22 | 717.72 | | 4,445.94 | - | 438.61 | | 438.61 | 4,007.33 | 3,728.22 |
| **Total** | 3,728.22 | **717.72** | **-** | **4,445.94** | **-** | **438.61** | **-** | **438.61** | **4,007.33** | **3,728.22** |

**Notes:**

(i) There are no property, plant and equipment which are acquired through business combination during the year (previous year - nil)

**Note 14: Intangible Assets**

(₹ in lakhs)

| Description | GROSS BLOCK | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2022 | Additions | Deletion | As at 31.03.2023 | As at 01.04.2022 | For the Year | Depreciation on sale/Woff of Assets | As at 31.03.2023 | As at 31.03.2023 | As at 31.03.2022 |
| Computer Software | 30.11 | 4.75 | - | 34.86 | 8.06 | 7.22 | - | 15.28 | 19.58 | 22.05 |
| **Total** | **30.11** | **4.75** | **-** | **34.86** | **8.06** | **7.22** | **-** | **15.28** | **19.58** | **22.05** |

(₹ in lakhs)

| Description | GROSS BLOCK | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2021 | Additions | Deletion | As at 31.03.2022 | As at 01.04.2021 | For the Year | Depreciation on sale/Woff of Assets | As at 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| Computer Software | 30.11 | - | - | 30.11 | - | 8.06 | - | 8.06 | 22.05 | 30.11 |
| **Total** | 30.11 | **-** | **-** | **30.11** | **-** | **8.06** | **-** | **8.06** | **22.05** | **30.11** |

**Notes:**

(i) There are no property, plant and equipment which are acquired through business combination during the year (previous year - nil)

**Note 15: Capital work-in-progress** (₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| Capital work-in-progress (Refer Note | 151.66 | 109.59 | 20.62 |
| **Total** | **151.66** | **109.59** | **20.62** |

**Ageing of capital work-in-progress** (₹ in lakhs)

| Capital work-in-progress of branches: | Less than 1 year | 1-2 years | More than 2 years | Total |
|---|---|---|---|---|
| ***As at March 31, 2023*** | | | | |
| Tamil Nadu | 35.01 | - | - | 35.01 |
| Kerala | 5.93 | 3.58 | - | 9.51 |
| Karnataka | 102.37 | 2.65 | - | 105.02 |
| Maharashtra | 2.12 | - | - | 2.12 |
| **Total** | **145.43** | **6.23** | **-** | **151.66** |
| ***As at March 31, 2022*** | | | | |
| Tamil Nadu | 11.46 | - | - | **11.46** |
| Kerala | 29.51 | - | - | **29.51** |
| Karnataka | 68.62 | - | - | **68.62** |
| **Total** | **109.59** | **-** | **-** | **109.59** |
| ***As at April 1, 2021*** | | | | |
| Tamil Nadu | 13.48 | - | - | **13.48** |
| Kerala | 7.14 | - | - | **7.14** |
| **Total** | **20.62** | **-** | **-** | **20.62** |

***Note:*** *There is no cost of over-run and delay in completion from the original schedule for any of the above projects.*

**Note 16: Other non-financial assets** (₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| a) Prepaid expenses | 18.01 | 9.15 | 9.27 |
| b) Advance for expenses | - | 10.60 | 1.00 |
| c) Deposits with government authorities | 24.83 | 18.99 | 6.06 |
| e) Others | - | - | - |
| **Total** | **42.84** | **38.74** | **16.33** |

**Note 17: Debt Securities** (₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| ***At amortised cost*** | | | |
| Non-convertible debentures (Secured) | | | |
| - In India (Refer note (ii) below) | 10,247.75 | 4,957.43 | 6,689.04 |
| - Outside India | - | - | - |
| **Total** | **10,247.75** | **4,957.43** | **6,689.04** |

Note:
(i) There are no debt securities measured at fair value through profit or loss (FVTPL) or designated as FVTPL.
(ii) The bonds are secured by paripassu floating charge on current assets, book debts and loans and advances.

***Details of non-convertible debentures (secured)*** *(₹ in lakhs)*

| From Balance Sheet date | Interest rate range | As at | |
|---|---|---|---|
| | | March 31, 2023 | March 31, 2022 |
| Repayable on maturity: | | | |
| Maturing within 1 year* | Less than 30% | 1,797.19 | 4,363.84 |
| Maturing between 1 year to 2 years | Less than 13.50% | 4,299.10 | 507.24 |
| Maturing between 2 year to 3 years | Less than 13.50% | 1,405.92 | 150.50 |
| Maturing beyond 3 years | Less than 13.50% | 2,787.50 | - |
| **Total amortised cost** | | **10,289.71** | **5,021.58** |

| From Balance Sheet date | Interest rate range | As at |
|---|---|---|
| | | April 1, 2021 |
| Repayable on maturity: | | |
| Maturing within 1 year* | Less than 30% | 4,933.74 |
| Maturing between 1 year to 2 years | Less than 30% | 1,495.30 |
| Maturing between 2 year to 3 years | Less than 13.50% | 312.53 |
| Maturing beyond 3 years | Less than 13.50% | - |
| **Total amortised cost** | | **6,741.57** |

*including the matured debentures classified under other financial liabilities.

***Series Wise Details of non-convertible debentures (secured)***

***A) Issue on Private Placement***

(₹ in lakhs)

| Particulars | As at | |
|---|---|---|
| | **March 31, 2023** | **March 31, 2022** |
| NCD 2012/05 | - | 0.29 |
| NCD 2012/06 | - | 47.56 |
| NCD 2012/07 | - | 424.64 |
| NCD 2012/08 | - | 105.56 |
| NCD 2012/09 | 185.75 | 1,103.16 |
| **Sub Total** | **185.75** | **1,681.20** |
| NCD 2013/10 | 48.52 | 189.13 |
| **Sub Total** | **48.52** | **189.13** |
| NCD 2015/XIIIE | - | 3.00 |
| **Sub Total** | **-** | **3.00** |
| NCD 2016/XVA | - | 25.00 |
| NCD 2016/XVB | - | 55.00 |
| NCD 2016/XVC | - | 56.00 |
| NCD 2016/XVE | - | 50.00 |
| NCD 2016/XVF | - | 63.25 |
| **Sub Total** | **-** | **249.25** |
| NCD 2017/XVIB | 10.00 | 27.25 |
| NCD 2017/XVIC | - | 25.10 |
| NCD 2017/XVID | - | 74.50 |
| NCD 2017/XVIE | 18.50 | 23.50 |
| **Sub Total** | **28.50** | **150.35** |
| NCD 2018-19/17A | - | 15.00 |
| **Sub Total** | **-** | **15.00** |
| NCD 2019-20/18A | - | 320.00 |
| NCD 2019-20/18B | - | 57.00 |
| **Sub Total** | **-** | **377.00** |
| 19-20 –DEMAT - XVI | - | 47.10 |
| 19-20 –DEMAT - XVII | - | 13.00 |
| 19-20 –DEMAT - XXIII | - | 29.00 |
| 19-20 –DEMAT - XXIV | - | 32.70 |
| 19-20 –DEMAT - XXIX | - | 15.00 |
| 19-20 –DEMAT - XXX | - | 10.00 |
| **Sub Total** | **-** | **146.80** |
| 20-21- DEMAT -II | - | 20.00 |
| 20-21- DEMAT -III | - | 27.00 |
| 20-21- DEMAT -IV | 23.50 | 23.50 |
| 20-21 DEMAT-VI | - | 41.75 |
| 20-21 - DEMAT- VII | - | 30.00 |
| 20-21 –DEMAT - VIII | 29.00 | 29.00 |
| 20-21–DEMAT – IX | 6.00 | 6.00 |
| 20-21- DEMAT -XII | - | 39.00 |
| 20-21- DEMAT –XIII | - | 17.00 |
| 20-21- DEMAT -XIV | 37.00 | 37.00 |
| 20-21- DEMAT -XV | 10.00 | 10.00 |
| 20-21 DEMAT-XVII | - | 4.00 |
| 20-21 DEMAT-XVIII | - | 10.00 |
| 20-21 DEMAT-XIX | 20.00 | 20.00 |
| 20-21 DEMAT-XX | 7.45 | 7.45 |
| 20-21 DEMAT-XXII | 94.00 | 94.00 |
| 20-21 DEMAT -XXIII | - | 100.00 |
| 20-21 DEMAT-XXV | - | 25.00 |
| 20-21 DEMAT-XXVI | 35.00 | 35.00 |
| 20-21 DEMAT-XXVII | 12.00 | 12.00 |
| **Sub Total** | **273.95** | **587.70** |
| 21-22 DEMAT-I | - | 287.50 |
| 21-22 DEMAT-II | - | 34.00 |
| 21-22 DEMAT-III | 19.50 | 19.50 |
| 21-22 DEMAT-IV | 10.00 | 10.00 |
| 21-22 DEMAT-V | 21.50 | 21.50 |
| 21-22 DEMAT-VI | 7.00 | 7.00 |
| 21-22 DEMAT-VII | - | 372.50 |

| | | |
|---|---|---|
| 21-22 DEMAT-VIII | - | 72.50 |
| 21-22 DEMAT-IX | 27.50 | 27.50 |
| 21-22 DEMAT-X | 8.00 | 8.00 |
| 21-22 DEMAT-XI | 67.00 | 67.00 |
| 21-22 DEMAT-XII | 10.00 | 10.00 |
| 21-22 DEMAT-XIII | - | 128.00 |
| 21-22 DEMAT-XIV | - | 10.00 |
| 21-22 DEMAT-XV | 10.00 | 10.00 |
| 21-22 DEMAT-XVI | 7.00 | 7.00 |
| 21-22 DEMAT-XVII | 5.00 | 5.00 |
| 21-22 DEMAT -XVIII | - | 149.00 |
| 21-22 DEMAT- XIX | - | 23.00 |
| 21-22 DEMAT- XX | 17.00 | 17.00 |
| 21-22 DEMAT- XXI | 15.00 | 15.00 |
| 21-22 DEMAT -XXII | 14.00 | 14.00 |
| 21-22 Demat XXIII | - | 86.00 |
| 21-22 Demat XXIV | 135.00 | 135.00 |
| 21-22 Demat XXV | 11.00 | 11.00 |
| 21-22 Demat XXVI | 11.00 | 11.00 |
| **Sub Total** | **395.50** | **1,558.00** |
| 22-23 Demat I | 67.50 | - |
| 22-23 Demat II | 5.00 | - |
| 22-23 Demat III | 13.00 | - |
| 22-23 Demat IV | 7.20 | - |
| 22-23 Demat VI | 16.30 | - |
| 22-23 Demat V | 69.50 | - |
| 22-23 Demat VII | 11.00 | - |
| 22-23 Demat IX | 45.00 | - |
| 22-23 Demat X | 39.20 | - |
| 22-23 Demat VIII | 32.00 | - |
| **Sub Total** | **305.70** | **-** |
| **Total** | **1,237.92** | **4,957.43** |
| | | |
| NCD Matured but not paid | 41.96 | 64.15 |
| **Grand Total** | **1,279.87** | **5,021.58** |

***B) Issued on Public Offer***

(₹ in lakhs)

| Particulars | | As at | |
|---|---|---|---|
| **Series** | **ISIN_CODE** | **March 31, 2023** | **March 31,2022** |
| Series-1 | INE051307986 | 799.19 | - |
| Series-2 | INE051307978 | 2,226.22 | - |
| Series-3 | INE051307994 | 1,327.74 | - |
| Series-4 | INE051307AA0 | 1,061.79 | - |
| Series-5 | INE051307AB8 | 1,694.69 | - |
| Series-6 | INE051307AC6 | 629.98 | - |
| Series-7 | INE051307AD4 | 319.59 | - |
| Series-8 | INE051307AE2 | 1,163.49 | - |
| | **Total** | **9,222.69** | **-** |

**Note 18: Borrowings (Other than Debt Securities)** (₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| **(a) In India** | | | |
| ***At amortised cost*** | | | |
| i) Secured | | | |
| *Term loans* | | | |
| - From Banks (Refer note 53) | 660.77 | 1,039.72 | 207.99 |
| *Loans repayable on demand* | | | |
| - From Banks (Refer note 53) | 2,914.68 | 2,885.44 | 2,501.59 |
| ii) Unsecured | | | |
| - Unsecured loan from related parties | - | - | 57.00 |
| - Lease liabilities | 5,100.89 | 4,117.99 | 3,552.96 |
| **(b) Outside India** | - | - | - |
| **Total** | **8,676.34** | **8,043.15** | **6,319.54** |

**Note:**
(i) There is no borrowings measured at FVTPL or designated at FVTPL.

***Details of loans from Banks (Secured)*** *(₹ in lakhs)*

| From Balance Sheet date | Interest rate range | As at | | |
|---|---|---|---|---|
| | | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| ***A) Repayable on demand*** | | | | |
| Working capital facilities | Less than 12% | 2,914.68 | 2,885.44 | 2,501.59 |
| ***B) Repayable in instalments*** | | | | |
| Maturing within 1 year | Less than 12% | 332.77 | 375.72 | 168.00 |
| Maturing between 1 year to 3 years | Less than 12% | 328.00 | 664.00 | 39.99 |
| Maturing between 3 year to 5 years | | | | |
| Maturing beyond 5 years | | | | |
| **Total amortised cost** | | **3,575.45** | **3,925.16** | **2,709.58** |

**Note 19: Subordinated Liabilities** *(₹ in lakhs)*

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| ***At amortised cost*** | | | |
| i) Unsecured | | | |
| - Subordinated debts | 17,589.30 | 17,106.15 | 16,410.80 |
| **Total** | **17,589.30** | **17,106.15** | **16,410.80** |

***Details of Subordinated debts (Unsecured)*** *(₹ in lakhs)*

| From Balance Sheet date | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Interest rate range | Amount | Interest rate range | Amount |
| Repayable on maturity: | | | | |
| Maturing within 1 year* | 13.50 - 16.10% | 2,727.35 | 13.50 - 16.10% | 3,399.25 |
| Maturing between 1 year to 3 years | 13.50 - 30% | 7,744.85 | Up to 30% | 5,917.40 |
| Maturing between 3 year to 5 years | Up to 13.50% | 6,580.25 | Up to 30% | 7,106.45 |
| Maturing beyond 5 years | Up to 13.50% | 661.50 | Up to 13.50% | 854.60 |
| **Total amortised cost** | | **17,713.95** | | **17,277.70** |

| From Balance Sheet date | As at April 1, 2021 | |
|---|---|---|
| | Interest rate range | Amount |
| Repayable on maturity: | | |
| Maturing within 1 year* | 13.50 - 16.10% | 1,848.15 |
| Maturing between 1 year to 3 years | Up to 30% | 5,830.40 |
| Maturing between 3 year to 5 years | Up to 30% | 7,742.35 |
| Maturing beyond 5 years | Up to 13.50% | 1,039.00 |
| **Total amortised cost** | | **16,459.90** |

**including the matured subordinated debt classified under other financial liabilities.*

**Changes in the liabilities arising from financing activities** (₹ in lakhs)

| ***For the year ended March 31, 2023*** | **Opening balance** | **Cashflows** | **Non-cash changes** | **Closing balance** |
|---|---|---|---|---|
| Debt securities* | 5,021.58 | 5,268.13 | - | 10,289.71 |
| Borrowings | 8,043.15 | (531.71) | 1,164.90 | 8,676.34 |
| Subordinated liabilities* | 17,277.70 | 436.25 | - | 17,713.95 |
| **Total** | **30,342.43** | **5,172.67** | **1,164.90** | **36,680.00** |

| ***For the year ended March 31, 2022*** | | | | |
|---|---|---|---|---|
| Debt securities* | 6,741.57 | (1,719.99) | - | 5,021.58 |
| Borrowings | 6,319.54 | 1,058.55 | 665.06 | 8,043.15 |
| Subordinated liabilities* | 16,459.90 | 817.80 | - | 17,277.70 |
| **Total** | **29,521.01** | **156.36** | **665.06** | **30,342.43** |

**including matured debentures and liabilities classified under other financial liabilities*

**Note 20: Other financial liabilities** (₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| a) Interest accrued and due on borrowings | 124.06 | 105.49 | 120.02 |
| b) Interest accrued but not due on borrowings | 3,380.29 | 3,191.56 | 2,504.21 |
| c) Matured non-convertible debentures | 41.96 | 64.15 | 52.53 |
| d) Matured subordinated debt | 124.65 | 171.55 | 49.10 |
| e) Employee related payables | 22.92 | 9.80 | 146.69 |
| f) Retention money payables | 16.62 | 7.86 | 5.67 |
| g) Expense payables | 5.01 | 14.36 | 20.13 |
| h) Others | 669.82 | 495.04 | 511.61 |
| **Total** | **4,385.33** | **4,059.81** | **3,409.96** |

**Note 21: Provisions** (₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| a) Provision for employee benefits | | | |
| - Gratuity | 158.69 | 152.12 | 130.94 |
| b) Other provisions | | | |
| - for law suit | 8.00 | 8.00 | 8.00 |
| - for missing cash | 4.89 | 5.00 | - |
| **Total** | **171.58** | **165.12** | **138.94** |

**Note 22: Other non-financial liabilities** (₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| a) Statutory dues payable | 130.42 | 62.17 | 66.52 |
| **Total** | **130.42** | **62.17** | **66.52** |

**Note 23: Equity share capital** (₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| *Authorised:* | | | |
| 800.00 lakhs equity shares of ₹10 each | 8,000.00 | 8,000.00 | 8,000.00 |
| (March 31, 2022 - 800.00 lakhs; April 1, 2021 - 800.00 lakhs) | | | |
| 2.00 lakhs preference shares of ₹1,000 each | 2,000.00 | 2,000.00 | 2,000.00 |
| (March 31, 2022 - 2.00 lakhs; April 1, 2021 - 2.00 lakhs) | | | |
| **Total** | **10,000.00** | **10,000.00** | **10,000.00** |

| | | | |
|---|---|---|---|
| *Issued, subscribed, called-up and paid-up* | | | |
| 600.00 lakhs equity shares of ₹10 each, fully paid-up | 6,000.00 | 6,000.00 | 6,000.00 |
| (March 31, 2022 - 600.00 lakhs; April 1, 2020 - 600.00 lakhs) | | | |
| **Total** | **6,000.00** | **6,000.00** | **6,000.00** |

**a) Reconciliation of number of shares**

| Equity shares | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | No. of shares (in lakhs) | ₹ in lakhs | No. of shares (in lakhs) | ₹ in lakhs |
| Balance at the beginning of the year | 600.00 | **6,000.00** | 600.00 | 6,000.00 |
| Add: Issue during the year | - | - | - | - |
| Less: Buyback during the year | - | - | - | - |
| **Balance at the end of the year** | **600.00** | **6,000.00** | **600.00** | **6,000.00** |

| Equity shares | As at April 1, 2021 | |
|---|---|---|
| | No. of shares (in lakhs) | ₹ in lakhs |
| Balance at the beginning of the year | 600.00 | 6,000.00 |
| Add: Issue during the year | - | - |
| Less: Buyback during the year | - | - |
| **Balance at the end of the year** | **600.00** | **6,000.00** |

**(b) Rights, preferences and restrictions attached to shares**

The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

| Particulars | March 31, 2023 | March 31, 2022 | April 1, 2021 |
|---|---|---|---|
| **C.D. Boby** | | | |
| - Number of shares (in lakhs) | 514.33 | 513.83 | 512.93 |
| - Percentage of holding | 85.72% | 85.64% | 85.49% |
| **Chemmanur Gold Palace International Limited** | | | |
| - Number of shares (in lakhs) | 70.00 | 70.00 | 70.00 |
| - Percentage of holding | 11.67% | 11.67% | 11.67% |

**(d) Shares held by the Promoters**

| Particulars | March 31, 2023 | March 31, 2022 | April 1, 2021 |
|---|---|---|---|
| **C.D. Boby** | | | |
| - Number of shares (in lakhs) | 514.33 | 513.83 | 512.93 |
| - Percentage of holding | 85.72% | 85.64% | 85.49% |
| - Change in percentage of holding | 0.08% | 0.15% | - |

| | | | |
|---|---|---|---|
| **Jose Chakkappan** | | | |
| - Number of shares (in lakhs) | 0.55 | 0.55 | 0.55 |
| - Percentage of holding | 0.09% | 0.09% | 0.09% |
| **Smitha Boby** | | | |
| - Number of shares (in lakhs) | 0.55 | 0.55 | 0.55 |
| - Percentage of holding | 0.09% | 0.09% | 0.09% |
| **Jisso C Baby** | | | |
| - Number of shares (in lakhs) | 0.35 | 0.35 | 0.35 |
| - Percentage of holding | 0.06% | 0.06% | 0.06% |
| **Lijo Moothedan** | | | |
| - Number of shares (in lakhs) | 0.35 | 0.35 | 0.35 |
| - Percentage of holding | 0.06% | 0.06% | 0.06% |
| **Deena Lijo** | | | |
| - Number of shares (in lakhs) | 0.30 | 0.30 | 0.30 |
| - Percentage of holding | 0.05% | 0.05% | 0.05% |

**Note 24: Other equity**

(₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | **March 31, 2023** | **March 31, 2022** | **April 1, 2021** |
| *a) Reserve fund* | | | |
| Balance at the beginning of the year | 830.18 | 743.98 | 743.98 |
| Additions to / (transfers made) during the year | 16.04 | 86.20 | - |
| Balance at the end of the year | **846.22** | **830.18** | **743.98** |
| *b) Impairment reserve* | | | |
| Balance at the beginning of the year | 80.66 | 21.06 | - |
| Transition adjustments | - | - | 21.06 |
| Additions to / (transfers made) during the year | 4.42 | 59.60 | - |
| Balance at the end of the year | **85.08** | **80.66** | **21.06** |
| *c) Retained Earnings* | | | |
| Balance at the beginning of the year | 1,740.97 | 2,039.22 | 2,049.65 |
| Transition adjustments | - | - | (10.43) |
| Net profit/ (loss) for the year | 80.18 | 265.62 | - |
| Remeasurement gain/ (loss) on defined benefit plan | 9.40 | 1.93 | - |
| Dividend paid | - | (420.00) | - |
| Additions to / (transfers made) during the year | (20.46) | (145.80) | - |
| Balance at the end of the year | **1,810.09** | **1,740.97** | **2,039.22** |
| | | | |
| **Total (a) + (b) + (c)** | **2,741.39** | **2,651.81** | **2,804.26** |

***Description of the nature and purpose of Other Equity***

(a) Reserve Fund

Reserve fund represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The 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.

(b) Impairment reserve

The impairment reserve is created when the impairment allowance under Ind AS 109 is lower than the 'provisioning required under income recognition and asset classification norms. The difference between these will be appropriated to the impairment reserve from the net profit or loss after tax. This will not be reckoned for the purpose of regulatory capital and no withdrawal is permitted without any prior approval from RBI

(c) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception.
Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

**Note 25: Interest income**

(₹ in lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | **March 31, 2023** | **March 31, 2022** |
| *On financial instruments measured at amortised cost* | | |
| a) Interest on loans and advances | 7,343.97 | 6,794.80 |
| b) Interest income from investments | - | - |
| c) Interest income from term deposits from banks | 39.48 | 45.23 |
| d) Other interest income | 23.01 | 16.51 |
| **Total** | **7,406.46** | **6,856.54** |

*Note: There are no assets measured at FVTOCI/ FVTPL*

**Note 26: Rental income**

(₹ in lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | **March 31, 2023** | **March 31, 2022** |
| Rental income from sub-leasing | 91.53 | 91.53 |
| **Total** | **91.53** | **91.53** |

**Note 27: Fees and commission income**

(₹ in lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | **March 31, 2023** | **March 31, 2022** |
| a) Commission | 618.02 | 242.81 |
| b) Service Charge, Documentation Fee etc. | 197.36 | 151.13 |
| **Total** | **815.38** | **393.94** |

**Note 28: Other income**

(₹ in lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| a) Bad debts recovered | 1.32 | 6.16 |
| b) Provision written back | 5.61 | - |
| b) Miscellaneous income | 0.35 | 0.99 |
| **Total** | **7.28** | **7.15** |

**Note 29: Finance costs**

(₹ in lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| *On financial liabilities measured at amortised cost* | | |
| a) Interest on borrowings | 347.24 | 151.60 |
| b) Interest on debts securities | 517.78 | 700.90 |
| c) Interest on subordinated liabilities | 2,502.67 | 2,348.14 |
| d) Interest on lease liabilities | 524.21 | 435.00 |
| e) Other borrowing costs | 32.97 | 38.17 |
| **Total** | **3,924.87** | **3,673.81** |

**Note 30: Impairment of financial instruments**

(₹ in lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| *On financial instruments measured at amortised cost* | | |
| a) Bad debts written off | | |
| b) Loans | 81.60 | (41.23) |
| **Total** | **81.60** | **(41.23)** |

**Note 31: Employee benefit expenses**

(₹ in lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| a) Salaries and wages | 2,349.49 | 1,827.78 |
| b) Contribution to provident fund and other funds | 86.09 | 78.34 |
| c) Incentives | 164.41 | 127.67 |
| d) Gratuity | 38.61 | 35.45 |
| c) Other staff welfare expenses | 2.09 | 1.24 |
| **Total** | **2,640.69** | **2,070.48** |

**Note 32: Depreciation, amortisation and impairment**

(₹ in lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| a) Depreciation on property, plant and equipment | 216.37 | 256.38 |
| b) Amortisation of intangible assets | 7.22 | 8.06 |
| c) Depreciation on right-of-use assets | 539.71 | 438.61 |
| **Total** | **763.30** | **703.05** |

**Note 33: Other expenses**

(₹ in lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| Electricity | 76.42 | 64.32 |
| Annual maintenance charges | 24.62 | 15.29 |
| Software maintenance | 15.57 | 19.51 |
| Rent | 17.42 | 84.29 |
| Rates and taxes | 15.91 | 8.44 |
| Insurance | 7.05 | 6.44 |
| Repairs and maintenance | 43.23 | 26.08 |
| Advertising and sales promotion | 15.37 | 13.13 |
| Office expenses | 170.58 | 101.26 |
| Travelling and conveyance | 161.13 | 98.46 |
| Communication costs | 84.33 | 61.42 |
| Printing and stationery | 39.03 | 24.13 |
| Payment to auditors(refer note 35) | 9.50 | 4.20 |
| Legal and professional fees | 43.75 | 28.00 |
| Security charges | 8.49 | 8.05 |
| Provision for cash missing | 2.59 | 5.00 |
| Corporate social responsibility expenses | 20.00 | 23.30 |
| Loss on sale of fixed assets | 0.92 | 7.39 |
| Miscellaneous expenses | 4.87 | 3.13 |
| **Total** | **760.78** | **601.84** |

**Note 34: Earnings per share**

(₹ in lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| Profit/ (loss) for the year (₹ in lakhs) | 80.18 | 265.62 |
| Weighted average number of equity shares outstanding (in lakhs) | 600.00 | 600.00 |
| Basic and diluted earnings per share (₹) | 0.13 | 0.44 |
| Face value per equity share (₹) | 10.00 | 10.00 |

**Note 35: Payment to Auditors** (₹ in lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| For Statutory Audit | 7.50 | 4.20 |
| Certification | 2.00 | - |
| **Total** | **9.50** | **4.20** |

**Note 36: Contingent liabilities and Contingent assets** (₹ in lakhs)

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| a) Claims against the Company not acknowledged as debt | - | - | - |
| - Income tax matters (Refer note (i) and (ii) below) | 137.57 | 137.57 | 137.57 |
| - Others | 0.08 | 0.08 | 0.08 |
| b) Guarantees- Counter guarantees provided to Banks | - | - | - |
| c) Other money for which the company is contingently liable | - | - | - |
| **Total** | **137.65** | **137.65** | **137.65** |

(i) Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2012-2013. Appeal is filed by the company against the order under sec 143(3) of the Income Tax act 1961, issued by the income tax officer, ward1(2), Thrissur making an addition by disallowing various expenditures. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is Rs: 95.87 Lakhs.

(ii) Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2017-18. Appeal is filed by the company against the order under sec 143(3) of the Income Tax act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The total tax impact on the addition is Rs: 137.57 Lakhs. Against this demand company paid 10% of total demand amounting to Rs: 13.76 Lakhs and stay granted for the balance 90% of the demand till the disposal of the appeal by the commissioner of income tax(Appeals) .

**Note 37: Operating segments**

**Primary segment**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is revaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company has only one reportable business segment "Financial services".

**Secondary segment (by geography)**

The Company's economic environment is similar and it is having operations in India only. Therefore, the Company has only one reportable geographical segment. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended March 31, 2023 (previous year - nil)

**Note 38: Employee Benefits**

In accordance with Ind AS - 19 Employee Benefits, specified under Section 133 of the Companies Act, 2013 the following disclosures are made:
The Company recognised ₹86.09 lakhs (2021-22: ₹78.34 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**Defined Benefit Plans**

The Company has an unfunded gratuity plan for qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested,

it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Actuarial gains and losses in respect of defined benefit plans are recognised in the financial statements through other comprehensive income.

Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below:

***Interest risk:***
The plan liabilities are calculated using a discount rate set with references to government bond yields. Any decrease in interest rate will increase the plan liability.

***Longevity risk***
The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

***Salary risk***
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table set out the unfunded status of the defined benefit schemes and the amount recognised in financial statements.

**(a) Amount recognised in the Profit or loss for the period**

*(₹ in lakhs)*

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| Current service cost | 28.71 | 27.24 |
| Past service cost | - | - |
| Net interest on net defined benefit liability | 9.90 | 8.21 |
| **Amount recognised in Profit or loss for the year** | **38.61** | **35.45** |

**(b) Amount recognised in other comprehensive income**

*(₹ in lakhs)*

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| *Remeasurement (gains)/ losses* | | |
| a) Actuarial (gains)/losses arising from changes in | - | - |
| - Change in demographic assumptions | - | - |
| - Change in financial assumptions | (3.24) | (6.19) |
| - Experience adjustment | (9.32) | 3.61 |
| b) Return on plan asset excluding considered in net interest | - | - |
| **Amount recognised in other comprehensive income** | **(12.56)** | **(2.58)** |

**(c) Changes in present value of defined benefit obligation**

*(₹ in lakhs)*

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| Opening defined benefit obligation | 152.12 | 130.94 |
| Current service cost | 28.71 | 27.24 |
| Past service cost | - | - |
| Interest cost | 9.90 | 8.21 |
| Actuarial (gains)/losses | (12.56) | (2.58) |
| Benefits paid | (19.48) | (11.69) |
| **Closing defined benefit obligation** | **158.69** | **152.12** |

**(d) Net defined benefit liability/ (asset)**

*(₹ in lakhs)*

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | April 1, 2021 |
| Present value of defined benefit obligation | 158.69 | 152.12 | 130.94 |
| Fair value of plan assets | - | - | - |
| **Net defined benefit liability/ (asset)** | **158.69** | **152.12** | **130.94** |
| - Current | 23.08 | 22.08 | 12.99 |
| - Non-current | 135.61 | 130.04 | 117.95 |

**(e ) The Principal actuarial assumptions used in determining gratuity liability is as follows;**

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Discount rate | 7.16% | 6.96% |
| Salary increase | 5.00% | 5.00% |
| Employee turnover ratio (based on service period) | | |
| - Less than or equal to 4 years | 30.00% | 30.00% |
| - Above 4 years | 5.00% | 5.00% |
| Mortality Rate | IALM 2012-14 | IALM 2012-14 |

***Sensitivity analysis***

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate, future salary escalation rate and attrition rate. The following tables summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points. These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Discount rate | | |
| - 100 bps increase | (14.23) | (14.03) |
| - 100 bps decrease | 16.99 | 16.83 |
| Salary growth rate | | |
| - 100 bps increase | 17.19 | 17.00 |
| - 100 bps decrease | (14.62) | (14.40) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

The weighted average duration of the defined benefit obligation is estimated as 10.97 years (previous year – 11.41 years).
The payout pattern of defined benefit obligation (undiscounted) estimated as at year-end is given below:

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Expected cashflow due | | |
| - within 1 year | 23.08 | 22.07 |
| - 2 to 5 years | 43.70 | 41.33 |
| - 6 to 10 years | 54.10 | 50.18 |
| - More than 10 years | - | - |

**Note 39: Capital management**

The Reserve Bank of India vide its circular reference RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 outlined the regulatory guidance in relation to Ind AS financial statements from financial year 2019-20 onwards. This included guidance for computation of 'owned funds' , 'net owned funds' and 'regulatory capital'. Accordingly, effective from the current financial year, the 'regulatory capital' has been computed in accordance with these requirements read with the requirements of the Master Direction DNBR. PD.008/03.10.119/2016-17 dated September 01, 2016 (as amended).

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.

The company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

The Company has complied with all regulatory requirements related capital and capital adequacy ratios as prescribed by RBI.

***Regulatory capital and analytical ratios*** ₹ in lakhs

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **Capital Adequacy Ratios** | | |
| (a) Tier I capital | 8,558.52 | 8,495.72 |
| (b) Tier II capital (limited to Tier I capital) | 4,380.38 | 4,335.81 |
| (c) Total regulatory capital (a) + (b) | 12,938.90 | 12,831.53 |
| (d) Aggregate of Risk weighted assets | 47,705.07 | 41,174.64 |
| (e) Tier I capital ratio (a) / (d) | 17.94% | 20.63% |
| (f) Tier II capital ratio (b) / (d) | 9.18% | 10.53% |
| (g) Capital to risk-weighted assets ratio (c) / (d) | 27.12% | 31.16% |
| | | |
| **Liquidity coverage ratio** | | |
| (a) High Quality Liquid Assets | 795.45 | 558.72 |
| (b) Net cash outflows/(inflows) over the next 30 calendar days | (2,651.07) | (3,267.31) |
| **(c) Liquidity coverage ratio* (a) / (b)** | **(30.00)%** | **(17.10)%** |

**negative liquidity coverage ratio indicates that the Company has net inflows rather than net outflows.*

"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 subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"Owned fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

"Tier II capital" includes the following -

(a) Preference shares other than those which are compulsorily convertible into equity

(b) 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. 12 month expected credit loss (ECL) allowances for financial instruments i.e. where the credit risk has not increased significantly since initial recognition, shall be included under general provisions and loss reserves in Tier II capital within the limits specified by extant regulations. Lifetime ECL shall not be reckoned for regulatory capital (numerator) while it shall be reduced from the risk weighted assets

(c) Hybrid debt capital instruments; and

(d) Subordinated debt to the extend aggregate does not exceed Tier I capital.

Aggregate Risk Weighted Assets -
Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off- balance sheet assets. Hence, the value of each of the on-balance sheet assets and off-balance sheet assets 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

High Quality Liquid Assets-
"High Quality Liquid Assets (HQLA)" means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. It primarily consists of cash and cash equivalents, unencumbered bank deposits and government securities etc.

Net cash outflows/(inflows) over the next 30 calendar days -
The net cash outflows over the next 30 calendar days is computed by reducing the stressed cashflows (75% of normal cash outflows) from the stressed cash outflows (115% of the normal cash outflows) as per the computation methodology provided by the Reserve Bank of India.

**Note 40: Leases**

***I) Company as a Lessee***
As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises used for operating activities.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under AS 19 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right-of-use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

The weighted average incremental borrowing rate of 11.90% has been applied to lease liabilities recognized in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

The Company has followed modified retrospective approach for transition to Ind AS 116 wherein the Company had computed the Right of use asset at transition date at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease immediately prior the date of transition to Ind AS. Accordingly, as a transition adjustment, the Company had recognized right of use asset of ₹3728.22 lakhs and lease liability of ₹3,505.28 lakhs.

Expense relating to leases on which short-term lease exemption was availed is ₹17.42 (previous year: ₹84.29 lakhs). The expense relating to leases of low-value assets during the year ended March 31, 2023, is Nil (previous year Nil)

None of the lease contains any variable lease payments or taken under sale and leaseback arrangements.

**Movement in lease liabilities**

₹ in lakhs

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Opening balance | 4,117.99 | 3,552.96 |
| Add: Additions during the year | 1,164.90 | 665.06 |
| Add: Finance cost | 524.21 | 435.00 |
| Less: Repayment made during the period | (706.21) | (535.03) |
| Less: Termination/ modification adjustments | - | - |
| **Closing balance** | **5,100.89** | **4,117.99** |

**Maturity analysis of lease liabilities (undiscounted values)**

₹ in lakhs

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Up to 1 year | 854.90 | 719.41 |
| 1 year - 5 years | 3,617.82 | 3,425.40 |
| More than 5 years | 3,739.77 | 4,451.30 |
| **Total** | **8,212.49** | **8,596.11** |

**Note 41: Debenture Redemption Reserve**

The Company is not required to maintain the debenture redemption reserve since it is a NBFC. The Company is required to maintain debenture redemption investment to the tune of 15% of debentures maturing within 12 months from the beginning of the financial year in unencumbered deposits and/ or government securities. The Company had complied with the said requirement.

**Note 42: Pending Litigations**

The Company's pending litigations comprise of claims by the Company on the customers to recover its dues. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statements of the Company as at March 31, 2023 (previous year - nil)

**Note 43: Financial risk management framework**

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

Board of Directors of the Company have established Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies for its business. The credit risk is managed through credit norms established based on historical experience.

***Note 43.1: Market risk***

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

***a) Pricing risk***
The Company does not have any asset which is exposed to the pricing risk

***b) Currency risk***
The Company does not have any asset which is exposed to the currency risk since the Company does not deal in foreign currency

***c) Interest rate risk***
The company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates

***Note 43.2: Credit Risk Management***

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its retail and other loans primarily based on Days past due monitoring at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

**Credit Quality of Financial Loans and Investments**

The following table sets out information about credit quality of loans and investments measured at amortized cost primarily based on days past due information. The amount represents gross carrying amount.

(₹ in lakhs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Gross carrying amount of loans | | |
| 0 - 60 days past due | 40,070.94 | 33,956.72 |
| 61-90 days past due | 470.05 | 498.10 |
| Impaired (more than 90 days past due) | 259.91 | 1,053.20 |
| **Total** | **40,800.90** | **35,508.02** |

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the company is into retail lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

***Inputs considered in the ECL model***
In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorizes loan assets into stages primarily based on the Days Past Due status.
Stage 1 : 0-60 days past due
Stage 2 : 61-90 days past due
Stage 3 : More than 90 days past due

***Impact of COVID-19***

The COVID 19 pandemic had significantly increased the credit risk relating to the loans and advances from the historical loss expectations. The management had given due care and made forward looking estimates to ECL model so as to cover the additional risk due to the pandemic.

***Estimations and assumptions considered in the ECL model***

The Company has made the following assumptions in the ECL Model:

a) The Company is primarily engaged in the gold loan business and the average loan duration is less than 1 year also. Therefore, the Company does not make any segregation between 12 month ECL and life-time ECL while computing the ECL allowance and life-time ECL is provided for all loans irrespective of their tenure.

b) In case of non-performing assets which are not secured, the RBI provision rates were considered as a forward looking estimate for loss rate purpose since there was no historical information available for loss on such advances.

***Concentration of credit risk***

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.
In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.

***Note 43.3: Liquidity risk***

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The Company has well defined Asset Liability Management (ALM) framework with an appropriate organisational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity.

***Maturity pattern of financial liabilities***

(₹ in lakhs)

| Particulars | 0-12 months | Beyond 12 months | Total |
|---|---|---|---|
| **As at March 31, 2023** | | | |
| (a) Payables | - | - | - |
| (b) Debt securities | 1,755.23 | 8,492.52 | 10,247.75 |
| (c) Borrowings (Other than Debt Securities) | 3,247.45 | 328.00 | 3,575.45 |
| (d) Lease liabilities (at undiscounted values) | 854.90 | 7,357.59 | 8,212.49 |
| (e) Deposits | - | - | - |
| (f) Subordinated Liabilities | 2,602.70 | 14,986.60 | 17,589.30 |
| (g) Other financial liabilities | 2,185.40 | 2,199.93 | 4,385.33 |
| **Total** | **10,645.68** | **33,364.64** | **44,010.32** |
| **As at March 31, 2022** | | | |
| (a) Payables | - | - | - |
| (b) Debt securities | 4,299.69 | 657.74 | 4,957.43 |
| (c) Borrowings (Other than Debt Securities) | 3,261.16 | 664.00 | 3,925.16 |
| (d) Lease liabilities (at undiscounted values) | 719.41 | 7,876.70 | 8,596.11 |
| (e) Deposits | - | - | - |
| (f) Subordinated Liabilities | 3,227.70 | 13,878.45 | 17,106.15 |
| (g) Other financial liabilities | 1,843.24 | 2,216.57 | 4,059.81 |
| **Total** | **13,351.20** | **25,293.46** | **38,644.66** |

**Note 44: Financial instruments**

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3.2 to the financial statements.

***Note 44.1: Classification of financial assets and liabilities***

The fair values of the financial assets / liabilities represent the price that would be received to sell the financial asset or paid to transfer the financial liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:
1. Fair value of trade receivables, cash, loans, other financial assets, trade payables and other financial liabilities, approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these financial assets. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values of security deposits were calculated based on cash flows discounted using current lending rate. The fair values are classified as Level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The Company does not have any financial instruments which are held for trading and no financial instruments are required to be accounted using fair value through profit or loss. Further, the Company has no instruments which are accounted for using hedge accounting model as specified under Ind AS 109 Financial Instruments.

(₹ in lakhs)

| Particulars | Non-current | Current | Total |
|---|---|---|---|
| **As at March 31, 2023** | | | |
| *Financial assets at amortised cost* | | | |
| (a) Cash and cash equivalents | - | 795.45 | 795.45 |
| (b) Bank balances other than cash and cash equivalents | - | - | - |
| (c) Receivables | - | 770.55 | 770.55 |
| (d) Loans | 894.80 | 39,739.62 | 40,634.42 |
| (f) Investments | - | - | - |
| (g) Other financial assets | 219.91 | 293.07 | 512.98 |
| **Total** | **1,114.71** | **41,598.69** | **42,713.40** |
| *Financial liabilities at amortised cost* | | | |
| (a) Payables | - | - | |
| (b) Debt securities | 8,492.52 | 1,755.23 | 10,247.75 |
| (c) Borrowings (Other than Debt Securities) | 5,086.48 | 3,589.86 | 8,676.34 |
| (d) Deposits | - | - | - |
| (e) Subordinated Liabilities | 14,986.60 | 2,602.70 | 17,589.30 |
| (f) Other financial liabilities | 2,185.40 | 2,199.93 | 4,385.33 |
| **Total** | **30,751.00** | **10,147.72** | **40,898.72** |
| **As at March 31, 2022** | | | |
| *Financial assets at amortised cost* | | | |
| (a) Cash and cash equivalents | - | 558.72 | 558.72 |
| (b) Bank balances other than cash and cash equivalents | - | - | - |
| (c) Receivables | - | 924.89 | 924.89 |
| (d) Loans | 970.47 | 34,452.92 | 35,423.39 |
| (f) Investments | - | - | - |
| (g) Other financial assets | - | 274.39 | 274.39 |
| **Total** | **970.47** | **36,210.92** | **37,181.39** |
| *Financial liabilities at amortised cost* | | | |
| (a) Payables | - | - | - |
| (b) Debt securities | 657.74 | 4,299.69 | 4,957.43 |
| (c) Borrowings (Other than Debt Securities) | 4,537.53 | 3,505.62 | 8,043.15 |
| (d) Deposits | - | - | - |
| (e) Subordinated Liabilities | 13,878.45 | 3,227.70 | 17,106.15 |
| (f) Other financial liabilities | 1,843.24 | 2,216.57 | 4,059.81 |
| **Total** | **20,916.96** | **13,249.58** | **34,166.54** |

***Note 44.2: Fair value hierarchy***

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The fair value of loan assets has been arrived at by using level 3 inputs at initial recognition and subsequently measured using amortized cost model. There are no financial instruments which are carried at fair value as at the Balance Sheet date.

**Note 45: Corporate Social Responsibility (CSR) Disclosures**

Consequent to the requirements of Section 135 and Schedule VII of the Companies Act, 2013, the Company is required to contribute 2% of its average net profits during the immediately three preceding financial years.

The Company has constituted a CSR committee in accordance with the provisions of the Companies Act, 2013. The focus of CSR activities of the Company comprises promotion of healthcare and destitute care among underprivileged sections of society. The details of expenditure incurred towards CSR is provided below.

(₹ in lakhs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| (i) Amount required to be spent by the company during the year | 19.99 | 23.25 |
| (ii) Amount of expenditure incurred | 20.00 | 23.30 |
| (iii) Shortfall at the end of the year | - | - |
| (iv) Total of previous years shortfall | - | - |
| (v) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Ind AS | - | - |
| (vi) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year | NA | NA |

**Note 46: Leverage ratios**

(₹ in lakhs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Total Liabilities | 49,942.11 | 43,045.64 |
| Less: Share Capital | 6,000.00 | 6,000.00 |
| Less: Other equity | 2,741.39 | 2,651.81 |
| Less: Provisions (short-term)* | 287.55 | 200.62 |
| **Total Outside Liabilities (A)** | **40,913.17** | **34,193.21** |
| Share Capital | 6,000.00 | 6,000.00 |
| Reserves and Surplus | 2,741.39 | 2,651.81 |
| Less: Deferred revenue expenditure | 18.01 | 9.15 |
| Less: Intangible Asset | 19.58 | 22.05 |
| Less: Deferred Tax Assets | 163.29 | 134.04 |
| **Total Owned Funds (B)** | **8,540.51** | **8,486.57** |
| **Leverage Ratio (A) / (B)** | **4.79** | **4.03** |

**includes provision as per IRACP norms.*

**Note 47: Provision on Loans and Advances as per Income Recognition and Asset Classification Norms of RBI**

**As at March 31, 2023** ( ₹ in lakhs)

| Particulars | Gross Loan Outstanding | Provision For Assets | Net Loan Outstanding |
|---|---|---|---|
| **A. Gold Loan** | | | |
| Standard Assets | 30,136.26 | 75.34 | 30,060.92 |
| Sub Standard Assets | 0.25 | 0.03 | 0.22 |
| Doubtful Asset | - | - | - |
| Loss Asset | 54.35 | 54.35 | - |
| **Total** | **30,190.86** | **129.72** | **30,061.14** |
| **B. Other Loans** | | | |
| Standard Assets | 10,415.56 | 26.04 | 10,389.52 |
| Sub Standard Asset | 57.74 | 5.77 | 51.97 |
| Doubtful Asset | 136.75 | 90.04 | 46.71 |
| Loss Asset | - | - | - |
| **Total** | **10,610.05** | **121.85** | **10,488.20** |
| **C. Total- Gold and other Loans (A) + (B)** | | | |
| Standard Assets | 40,551.82 | 101.38 | 40,450.44 |
| Sub Standard Asset | 57.99 | 5.80 | 52.19 |
| Doubtful Asset | 136.75 | 90.04 | 46.71 |
| Loss Asset | 54.35 | 54.35 | - |
| **Grand Total - All Loans** | **40,800.91** | **251.57** | **40,549.34** |

**As at March 31, 2022** (₹ in lakhs)

| Particulars | Gross Loan Outstanding | Provision For Assets | Net Loan Outstanding |
|---|---|---|---|
| **A. Gold Loan** | | | |
| Standard Assets | 27,571.83 | 68.93 | 27,502.90 |
| Sub Standard Assets | 5.72 | 0.57 | 5.15 |
| Doubtful Asset | 11.87 | 5.69 | 6.18 |
| Loss Asset | 36.06 | 36.06 | - |
| **Total** | **27,625.48** | **111.25** | **27,514.23** |
| **B. Other Loans** | | | |
| Standard Assets | 7,552.61 | 18.88 | 7,533.73 |
| Sub Standard Asset | 315.97 | 31.60 | 284.37 |
| Doubtful Asset | 14.23 | 3.82 | 10.41 |
| Loss Asset | - | - | - |
| **Total** | **7,882.81** | **54.30** | **7,828.51** |
| **C. Total- Gold and other Loans (A) + (B)** | | | |
| Standard Assets | 35,124.44 | 87.81 | 35,036.63 |
| Sub Standard Asset | 321.69 | 32.17 | 289.52 |
| Doubtful Asset | 26.10 | 9.51 | 16.59 |
| Loss Asset | 36.06 | 36.06 | - |
| **Grand Total - All Loans** | **35,508.29** | **165.55** | **35,342.74** |

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Opening balance | 165.55 | 147.18 |
| Add: Provided during the year: | | |
| Provision for Standard asset & NPA | 86.02 | 18.37 |
| Less: Excess provision for standard Asset Reversed | - | - |
| Closing balance | 251.58 | 165.55 |

**Gross and Net Non performing assets**

₹ in lakhs

| Particulars | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | Amount in Rs Lakhs | % of Total Loans | Amount in Rs Lakhs | % of Total Loans |
| Gross Non performing Asset: | 249.09 | 0.61% | 383.85 | 1.08% |
| Less: Provision for Non performing Asset | 150.19 | | 77.74 | |
| Net Non performing Asset | 98.90 | 0.24% | 306.11 | 0.86% |

**Note 48: Loan to asset value**

₹ in lakhs

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Gold Loan | 30,190.86 | 27,625.48 |
| Total Assets | 49,942.11 | 43,045.64 |
| % of Gold Loan to total Assets | 60.45% | 64.18% |

**Note 49: Additional disclosures as required by circular no DNBS.CC.PD.No.356/03.10.01/2013-2014 dated September 16, 2013 issued by the Reserve bank of India**

Auction of Gold ornaments pledged as security in the defaulted loan accounts

| Particulars | Amount |
|---|---|
| Number of Loan Accounts | 549 |
| Principal Amount outstanding at the dates of auction (₹ in lakhs) | 139.75 |
| Interest Amount outstanding at the dates of auction (₹ in lakhs) | 35.30 |
| Total (₹ in lakhs) | 175.05 |
| Value fetched (₹ in lakhs) | 184.75 |
| Surplus (₹ in lakhs) | 11.98 |
| Deficit (₹ in lakhs) | 2.28 |

**Note:**
No sister concerns participated in the auctions during the year ended March 31, 2023

**Note 50: Instances of Fraud and misappropriation**

**(a) Cash embezzlement**

During the year there have been certain instances of fraud on the company by some employees at branches where misappropriations/cash embezzlements were observed. The fraud was identified by the management and immediate action was taken to recover the misappropriated amount. Out of the misappropriated cash amounting to Rs. 5 lakhs, (Outstanding as on 31/03/2022), in Kondotty Branch, Rs. 2.70 lakhs was recovered by the company during the FY 2022-2023. Additionally for an amount of Rs.2.59 lakhs was created during the current year against misappropriation of cash at Kolathupuzha branch.

**(b) Spurious Gold**

(₹ in lakhs)

| Number of cases | Loan amount | Spurious portion of Gold | Amount recovered | Amount to be recovered |
|---|---|---|---|---|
| 59 | 60.07 | 39.39 | 26.06 | 13.333 |

**Note 51: Additional disclosures required under Schedule III**

***Note 51.1: Loans and advances to promoters. KMPs, Directors and related parties***

Details of loans to promoters, KMPs, Directors and other related parties during the period are as follows:

| Type of borrower | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Amount outstanding | % of total | Amount outstanding | % of total |
| ***Repayment terms are fixed*** | | | | |
| a) Promoters | Nil | Nil | Nil | Nil |
| b) Directors | Nil | Nil | Nil | Nil |
| c) KMPs | Nil | Nil | Nil | Nil |
| d) Related parties | Nil | Nil | Nil | Nil |
| ***Repayable on demand*** | | | | |
| a) Promoters | Nil | Nil | Nil | Nil |
| b) Directors | Nil | Nil | Nil | Nil |
| c) KMPs | Nil | Nil | Nil | Nil |
| d) Related parties | Nil | Nil | Nil | Nil |
| ***without specifying any terms or period of repayment*** | | | | |
| a) Promoters | Nil | Nil | Nil | Nil |
| b) Directors | Nil | Nil | Nil | Nil |
| c) KMPs | Nil | Nil | Nil | Nil |
| d) Related parties | Nil | Nil | Nil | Nil |

***Note 51.2: Transactions related to Crypto-currency***

The company has not traded or invested in Crypto currency or Virtual Currency during the period (previous year - Nil)

***Note 51.3: Fund received from other persons/ entities for lending/ investing/ providing guarantee***

The company has not received any funds from any person/entities, for the purpose of directly or indirectly lending/investing/providing guarantee/security to another person/entity, by or on behalf of the person/entity from whom such amount is received during the period in contravention of the Act or RBI guidelines.

The company has not advanced/loaned/invested funds to any person/entity for the purpose of directly or indirectly lending/ investing/ providing guarantee/ security to a third person/entity, by or on behalf of the company in contravention of the Act.

***Note 51.4: Utilisation of borrowings***

The Company had utilised the borrowings availed during the period for the purposes specified.

***Note 51.5: Periodical reports submitted to bank on current assets***

The Company has taken loans from banks/ Financial Institutions (FI) on the basis of security of assets like loans receivable.

The periodic returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

***Note 51.6: Disclosure pursuant to section 186 of the Companies Act, 2013***

The Company has not given any loans/ advances/ guarantees to any related person/ entities in contravention of section 186 of the Companies Act, 2013.

***Note 51.7: Details of Corporate guarantees given by the Company***

The Company has not given any corporate guarantee in respect of any loan during the period

***Note 51.8: Revaluation of assets***

The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets)/ Intangible Assets during the period (previous year - Nil)

***Note 51.9: Property under the Benami Transactions (Prohibition) Act, 1988***

The company is not holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)

***Note 51.10: Willful defaulter***
The company is not wilful defaulters under guidelines on wilful defaulters issued by the Reserve Bank of India

***Note 51.11: Relationship with struck-off companies***
The company has no relationship and transactions with struck-off companies

***Note 51.12: Delay in registration of charges***
The company has not made any delay in registration of Charges during the period.

***Note 51.13: Layers of investment***
The company has complied with the number of layers prescribed under section 2(87) of the companies Act 2013

***Note 51.14: Compromises and Arrangements***
The company has not entered in scheme of arrangement under section 230 to 237 of Companies Act 2013 during the period.

***Note 51.15: Transactions not recorded in the books disclosed under income tax***
There are no transactions not recorded in the books of accounts, which are disclosed during the Income tax assessment/search/survey.

**Note 52: Related party disclosures**

**a) Name of related parties**

| **For the year ended March 31, 2023** | **For the year ended March 31, 2022** |
|---|---|
| **(I) Associates** | |
| 1) CDB 24 Karat Gold and diamonds Private limited. | 1) CDB 24 Karat Gold and diamonds Private limited. |
| 2) CDB 24 Karat International Jewellers Private Limited. | 2) CDB 24 Karat International Jewellers Private Limited. |
| 3) Chemmanur Gold Palace International Ltd | 3) Chemmanur Gold Palace International Ltd |
| 4) Boby Chemmanur (No.1) Chits Private Ltd | 4) Boby Chemmanur (No.1) Chits Private Ltd |
| 5) Boby Housing and Construction Private Limited | 5) Boby Housing and Construction Private Limited |
| 6) CD Boby Developers and Builders Private Ltd | 6) CD Boby Developers and Builders Private Ltd |
| 7) CDB Infrastructure Private Limited | 7) CDB Infrastructure Private Limited |
| 8) BDC Realty and Infra Private Limited | 8) BDC Realty and Infra Private Limited |
| 9) DBC Real Estate Developers Private Ltd. | 9) DBC Real Estate Developers Private Ltd. |
| 10) Boby Chemmanur Nidhi Limited | 10) Boby Chemmanur Nidhi Limited |
| 11) Boby Chemmanur International Developers LLP | 11) Boby Chemmanur International Developers LLP |
| 12) Boby Bazar Private Limited | 12) Boby Bazar Private Limited |
| 13) Phygicart e-Commerce Private Limited | 13) Phygicart e-Commerce Private Limited |
| 14) Chemmanur International Jewellers | 14) Chemmanur International Jewellers |
| 15) Chemmanur Bose Jewellers | 15) Chemmanur Bose Jewellers |
| 16) Chemmanur Fashion Jewellers, Manjery | 16) Chemmanur Fashion Jewellers, Manjery |
| 17) Chemmanur Fashion Jewellers, Sulthan Bathery | 17) Chemmanur Fashion Jewellers, Sulthan bathery |
| 18) Chemmanur International Holidays and Resorts Private Ltd | 18) Chemmanur International Holidays and Resorts Private Ltd |
| 19) Boby Chemmanur Entertainments Private Limited | 19) Boby Chemmanur Entertainments Private Limited |
| 20) Boby Chemmanur Enterprises private Limited | 20) Boby Chemmanur Enterprises private Limited |
| 21) Chemmanur International Jewellers LLP | 21) Chemmanur International Jewellers LLP |
| 22) Chemmanur International Info Solutions Pvt. Ltd. | 22) Chemmanur International Info Solutions Pvt. Ltd. |
| 23) Boby Chemmanur Airlines Private Ltd | 23) Boby Chemmanur Airlines Private Ltd |
| 24) Pushyaragam Jewellwers (Koyilandy) Pvt. Ltd | 24) Pushyaragam Jewellwers (Koyilandy) Pvt. Ltd |
| **(II) Key Managerial Personnel** | |
| 1) Mr.Boby.C.D (Chairman & MD) | 1) Mr.Boby.C.D. (Chairman & MD) |
| 2) Mrs.Anju Thomas (CS) | 2) Mrs.Anju Thomas (CS) |
| 3) Mr. Pramod.M (CFO) | 3) Mr. Pramod.M (CFO) |
| 4) Mr. T. K. Thomas (CEO) (w.e.f November 29, 2022) | |

**(III) Relatives of Key Managerial Personnel**

1) Mrs. Smitha Boby
2) Mrs. Bymi Joffy
3) Mrs.Maithri K.M
4) Mr. Nishanth David Thomas
5) Mrs.Anju Mathew
6) Mr.Nidhin George Thomas

1) Mrs. Smitha Boby
2) Mrs. Bymi Joffy
3) Mrs.Maithri K.M

## (b) Related Party Transactions During the Year

(₹ in lakhs)

| Particulars | Associates | | Key Management Personnel | | Relatives of Key Management Personnel | |
|---|---|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| **Loan Repaid** | - | | | | | |
| Loan Repaid to Mr.Boby.C.D (Chairman & MD) | - | - | - | 57.00 | - | - |
| **Interest Paid** | | | | | | |
| Boby.C.D (NCD and SD purchased from other Investors) | - | - | 0.92 | 4.98 | - | - |
| T.K Thomas | - | - | 0.39 | - | - | - |
| Maithri K.M | - | - | - | - | 1.58 | 1.47 |
| Bimy Joseph | - | - | - | - | 0.50 | - |
| Anju Mathew | - | - | - | - | 0.12 | - |
| Nidhin George Thomas | | | | | 0.75 | |
| **Non Convertible Debentures/Subordinated debt repayment** | | | | | | |
| Boby.C.D | - | - | 8.00 | 60.00 | - | - |
| Maithri KM | - | - | - | - | 7.50 | - |
| Nidhin George Thomas | | | | | 7.50 | |
| Anju Mathew | - | - | - | - | 2.00 | - |
| **Rent Paid** | | | | | | |
| Boby.C.D | - | - | 1.16 | 1.10 | - | - |
| **Commission Received** | | | | | | |
| Boby Chemmanur (No.1) Chits Private Ltd | - | 0.04 | - | - | - | - |
| **Chit Collection Received** | | | | | | |
| BobyChemmanur (No.1) Chits Private Ltd | 0.96 | 1.90 | - | - | - | - |
| **Chit Collection Repaid** | | | | | | |
| Boby Chemmanur (No.1) Chits Private Ltd | 0.96 | 1.90 | - | - | - | - |
| **Remuneration to chairman** | | | | | | |
| Boby.C.D | - | - | 108.00 | 84.00 | - | - |
| **Remuneration to Chief Executive Officer** | | | | | | |
| T.K Thomas | - | - | 10.07 | - | - | - |
| **Remuneration to Company secretary** | | | | | | |
| Anju Thomas | - | - | 8.24 | 8.56 | - | - |
| **Remuneration to Chief Financial** | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Officer** | | | | | | |
| Pramod .M | - | - | 15.93 | 15.32 | - | - |
| **Rent Received** | | | | | | |
| Chemmanur Gold Palace International Limited | 91.53 | 91.53 | - | - | - | - |
| **Purchase** | | | | | | |
| Boby Bazar Pvt Ltd | 1.78 | 0.51 | - | - | - | - |
| **NCD Issued(Private Placement)** | | | | | | |
| Maithri K.M | - | - | - | - | - | 6.50 |
| **NCD Issued(Public)** | | | | | | |
| T.K Thomas | - | - | 17.00 | - | - | - |
| Maithri K.M | - | - | - | - | 2.50 | - |
| Pramod .M | - | - | 5.80 | - | - | - |
| Nishanth David Thomas | - | - | - | - | 2.00 | - |
| **Subordinated Debt Issued** | | | | | | |
| Maithri K.M | - | - | - | - | 8.00 | - |

**(c) Related party Balances as at the end of the year**

(₹ in lakhs)

| Particulars | Associates | | Key Management Personnel | | Relatives of Key Management Personnel | |
|---|---|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| **Due To:** | | | | | | |
| **Mr.Boby.C.D (Chairman & MD):** | | | | | | |
| Non-Convertible Debenture | - | - | 2.55 | 10.55 | - | - |
| Subordinated Debt | - | - | 5.00 | 5.00 | - | - |
| **T.K Thomas** | | | | | | |
| Non Convertible Debenture-Public | - | - | 17.00 | - | - | - |
| **Nishanth David Thomas** | | | | | | |
| Non Convertible Debenture | - | - | - | - | 2.00 | - |
| **Maithri K.M** | | | | | | |
| Non Convertible Debenture(Public) | - | - | - | - | 8.30 | - |
| Non Convertible Debenture (Private Placement) | - | - | - | - | 8.95 | 16.45 |
| Subordinated Debt | - | - | - | - | 10.00 | 2.00 |
| **Bimy Joseph** | | | | | | |
| Subordinated Debt | - | - | - | - | 5.00 | 5.00 |
| **Anju Mathew** | | | | | | |
| Non Convertible Debenture-Private Placement | - | - | - | - | - | 2.00 |
| **Phygicart e- Commerce Private Limited** | 0.41 | 0.41 | - | - | - | - |
| **Due From:** | | | | | | |
| **Chemmanur Gold Palace International Limited** | 8.24 | 32.95 | - | - | - | - |
| **Boby Chemmanur (No.1) Chits Private Ltd** | 0.02 | 0.02 | - | - | - | - |

**(d) Maximum Outstanding during the year**

**(₹ in lakhs)**

| Particulars | Associates | | Key Management Personnel | | Relatives of Key Management Personnel | |
|---|---|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| **Loan taken and Repaid made** | | | | | | |
| Loan from Mr.Boby.C.D (Chairman & MD) | - | - | - | 57.00 | - | - |
| | - | - | - | - | - | - |
| **Non Convertible Debentures/Subordinated debt** | | | | | | |
| Boby.C.D | - | - | 10.55 | 60.00 | - | - |
| Maithri KM | - | - | - | - | 27.25 | 18.45 |
| Nidhin George Thomas | | | | | 7.50 | - |
| - | | | | | | |
| **Commission Receivable** | | | | | | |
| Boby Chemmanur (No.1) Chits Private Ltd | 0.02 | 0.02 | - | - | - | - |
| **Rent Receivable** | | | | | | |
| Chemmanur Gold Palace International Limited | 32.95 | 57.85 | - | - | - | - |
| **Payable** | | | | | | |
| Phygicart e- Commerce Private Limited | 0.41 | 0.41 | - | - | - | - |

**Note 53: Security Offered For Loans**

**(A). The Sanction of the Common Covid Emergency Credit Line(CCECL) limit in addition to the existing cash credit facilities availed by the company from State Bank of India**

1. PRIMARY SECURITY

Hypothecation of loan receivables to the extent of Rs 48.00 crs (both present & future) of the company.

2.COLLATERAL SECURITY

**(i)** 784.91 Cents Of Land In Sy No. 147/197/7 ,983/1P ,985/1 ,986/1p, 987/1p ,985/1p ,147/197/8 ,147/197/3 ,984/1p, In Ollukkara Village, Thrissur Taluk, Ollukkara SRO In The Name Of M/S C.D Boby Developers And Builders Pvt Ltd

**(ii)** 5.93 Cents Of Land In Sy No.984/3p In Ollukkara Village, ThrissurTaluk, Ollukkara SRO In The Name Of Boby Housing And Constructions Pvt Ltd

**(iii)** 25.26 Cents of Land and building measuring 278.81 sq m thereon in Sy No 205/4P of Aranattukara Village, Thrissur Taluk, Ayyanthole SRO, Thrissur District in the name of C D Boby

**(iv)** Extension of EM over 5.56 Ares of land comprised in Sy. No. 983/1 along the side of Thrissur – Palakkad NH, 6th Stone , Vattakkalu, Mulayam, Ollukara Village, Thrissur District – Ollukara SRO in the name of M/s CDB Infrastructure Pvt Ltd.

3. THIRD PARTY GUARANTEES

| | |
|---|---|
| **A.** | **Personal Guarantees Of** |
| 1 | Sri.C.D.Boby |
| 2 | Sri. LijoMoothedan |
| | |
| **B.** | **Corporate guarantees of** |
| 1 | M/S. C.D Boby Developers And Builders Pvt Ltd |
| 2 | M/S Boby Housing And Constructions Pvt Ltd |
| 3 | M/s CDB Infrastructure Pvt. Ltd |

Rate of Interest: 10.75% per annum

**(B). Sanction of Term Loan From Canara Bank**

1. PRIMARY SECURITY

Exclusive charge by hypothecation of loan receivables (Standard Asset) of specific branches of the company with 25% margin and minimum- security coverage of 1.33 at all the times during the currency of the loan, after obtaining NOC from debenture trustee/SBI

2. COLLATERAL SECURITY

**(i)** EM over 28.29 cents (11.45 ares) of land comprised in Re sy no: 101 1B 2 of Thazhekode Village , District Kozhikode (Mukkam) in the name of Mr C D Boby realizable valued Rs 0.87 Crore (85% of value of vacent land)

**(ii)** EM over flat no. G2 & G3, Hema apartments with undivided share on the land , Comprised in Re sy no.: 190 extent in 3.357 cents (UDS of land) of Kasaba village, District - Kozhikode in the name of Mr C D Boby, Valued Rs 0.85 Crore

**(iii)** EM over15.15 ares of land and Residential building comprised in Re sy : 120/1. (120/14 as per T.P A/c 4967, 120/13 (as per T.P A/c 4966) of Kuttikkattoor village, desm Velliparamba, District Kozhikode in the name of Mr C D Boby and Smt. Smitha Boby, Valued Rs 3.52 Crore

3. THIRD PARTY GUARANTEES

| | |
|---|---|
| **A.** | Personal Guarantees Of |
| 1 | Sri. C.D.Boby |
| 2 | Sri. LijoMoothedan |
| 3 | Mrs. Smitha Boby |

Interest Rate: 10.80% per annum

**(C). Sanction of Cash Credit from Dhanalaxmi Bank**

1. PRIMARY SECURITY

Exclusive charge on entire loan receivables of 5 branches of the company (mentioned below) with 25% margin and minimum security coverage of 1.5 times at all times during the currency of loan (DP to be computed on receivables that are not overdue for 90 days and above)

2. COLLATERAL SECURITY

**(i)** EM of 2.5399 hectares (627.5 cents) of Land in sy No : 147/161/2 and 1225/P of Ollukkara village, Mullakkara Desom, Thrissur taluk, Thrissur District in the name of DBC Real Estate Developers Pvt Ltd

**(ii)** EM of 11.2 cents of residential plot with 750 Sqft residential building U/Sy No. 985/1P in Ollukara village, Thrissur taluk and District in the name of BDC Realty and Infra (P) Ltd

3.THIRD PARTY GUARANTEES

| | |
|---|---|
| **A.** | Personal Guarantees Of |
| 1 | Sri. C.D.Boby |
| 2 | Sri. LijoMoothedan |
| | |
| **B**. | Corporate guarantees of |
| 1 | DBC Real Estate Developers Pvt Ltd |
| 2 | BDC Realty and Infra (P) Ltd |

Rate of Interest: 10.10% per annum

**Note 54: Liquidity Risk**

Public disclosure on Liquidity Risk For the year ended March 31, 2023 pursuant to RBI circular dated November 04,2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

**I. Funding Concentration based on significant counter party (both deposits and borrowings)**

| | | As on 31st March 2023 | | | As on 31st March 2022 | | |
|---|---|---|---|---|---|---|---|
| **Sl. No.** | **No of Significant Counter parties** | **Amount (₹ in lakhs)** | **% of Total Deposits** | **% of Total Liabilities** | **Amount (₹ in lakhs)** | **% of Total Deposits** | **% of Total Liabilities** |
| 1 | Nil | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |

**II. Top 20 Large Deposits:** Not Applicable

**III. Top 10 Borrowings**

(₹ in lakhs)

| | | | As on 31st March 2023 | | As on 31st March 2022 | |
|---|---|---|---|---|---|---|
| **Sl. No.** | **Name of parties/holders** | **Nature** | **Amount** | **As a % of Total borrowing** | **Amount** | **As a % of Total borrowing** |
| **1** | The State bank of India | Cash credit | 2503.91 | 7.92% | 2492.93 | 9.51% |
| **2** | The Canara Bank | Term loan | 678.03 | 2.15% | 1001.58 | 3.82% |
| **3** | The Dhanlaxmi Bank | Cash credit | 410.77 | 1.30% | 392.51 | 1.50% |
| **4** | Mr. Homi Farrok Kaka | NCD Public Issue | 200.00 | 0.63% | 0.00 | 0.00% |
| **5** | M/s.Thiruvathira Gold Palace LLP | NCD Public Issue | 144.00 | 0.46% | 0.00 | 0.00% |
| **6** | Mr. Perviz Farrok Kaka | NCD Private Placement | 125.00 | 0.40% | 225.00 | 0.86% |
| **7** | Mr.Muralidarar K R | Subordinated Debt | 119.00 | 0.38% | 69.00 | 0.26% |
| **8** | Mr. Siyaf M.V | Subordinated Debt | 80.00 | 0.25% | 97.00 | 0.37% |
| **9** | Mr.Devendhra H G | Subordinated Debt | 70.00 | 0.22% | 0.00 | 0.00% |
| **10** | Mr. John Abraham | Subordinated Debt | 61.00 | 0.19% | 93.00 | 0.35% |
| **11** | Ms.Kala S | Subordinated Debt | 60.00 | 0.19% | 0.00 | 0.00% |
| **12** | Ms.Rajeswari Amma Sarada | NCD Public Issue | 60.00 | 0.19% | 0.00 | 0.00% |
| **13** | Mr. Siyak M V | Subordinated Debt | 59.00 | 0.19% | 77.00 | 0.29% |
| **14** | Mr. Simpson Pennamma Chacko | Subordinated Debt | 0.00 | 0.00% | 58.00 | 0.22% |
| **15** | The State bank of India | Term loan | 0.00 | 0.00% | 39.72 | 0.15% |
| **TOTAL** | | | **4,570.71** | | **4,545.73** | |

**IV. Funding Concentration based on significant instrument/product**

| | | As on 31st March 2023 | | As on 31st March 2022 | |
|---|---|---|---|---|---|
| **SL** | **Name of the instrument/product** | **Amount (in lakhs)** | **% of Total Liabilities** | **Amount (in lakhs)** | **% of Total Liabilities** |
| **1** | Non convertible Debentures | 10,289.70 | 28.43% | 5,021.58 | 16.65% |
| **2** | Subordinated Debts | 17,713.95 | 48.95% | 17,277.70 | 57.29% |
| **3** | Bank Borrowings | 3,592.71 | 9.93% | 3,926.73 | 13.02% |
| **TOTAL** | | **31,596.35** | | **26,226.01** | |

**V. Stock Ratio:**

Other Short term liabilities of ₹2,137.06 lakhs as on 31st March 2023 (₹1,718.49 lakhs as on 31st March 2022) as a % of Total Public funds, Total Liabilities and Total Assets.

| | 31-03-2023 | | 31-03-2022 | |
|---|---|---|---|---|
| | Amount (₹ in lakhs) | Other Short Term Liabilities As a % Of | Amount (₹ in lakhs) | Other Short Term Liabilities As a % Of |
| Other Short term Liabilities: | 2,137.06 | | 1,718.49 | |
| Public Fund | 36,697.24 | 5.82% | 30,344.00 | 5.66% |
| Total Liabilities | 41,029.14 | 5.21% | 34,228.71 | 5.02% |
| Total Assets | 49,942.11 | 4.28% | 43,045.64 | 3.99% |

## Note 55: Comparison between provision required under IRACP and impairment loss under Ind AS 109

(₹ in lakhs)

| Asset classification as per RBI norms | Asset classification as per Ind AS 109 | Gross carrying amount | Loss allowance under Ind AS 109 | Net carrying amount | Provision required as per IRACP Norms | Difference between provision as per Ind AS 109 & IRACP Norms |
|---|---|---|---|---|---|---|
| ***As at March 31, 2023*** | | | | | | |
| **Performing assets** | | | | | | |
| Standard assets | Stage 1 | 40,081.87 | 6.05 | 40,075.82 | 100.21 | (94.16) |
| | Stage 2 | 469.95 | 1.39 | 468.56 | 1.17 | 0.22 |
| Sub-total | | **40,551.82** | **7.44** | **40,544.38** | **101.38** | **(93.94)** |
| **Non-performing assets** | | | | | | |
| Sub-standard | Stage 3 | 57.99 | 14.66 | 43.32 | 5.80 | 8.86 |
| Doubtful | | | | | | |
| - Up to 1 year | Stage 3 | 131.46 | 87.85 | 43.62 | 87.85 | - |
| - 1 year - 3 years | Stage 3 | 5.29 | 2.19 | 3.10 | 2.19 | - |
| - More than 3 years | Stage 3 | - | - | - | - | |
| Total doubtful | | | | | | |
| Loss assets | Stage 3 | 54.35 | 54.35 | - | 54.35 | - |
| Sub-total for NPA | | **249.09** | **159.05** | **90.04** | **150.19** | **8.86** |
| Other items | | - | - | - | - | - |
| Sub-total | | **40,800.91** | **166.49** | **40,634.42** | **251.57** | **(85.08)** |
| | | | | | | |
| **Total** | **Stage 1** | **40,081.87** | **6.05** | **40,075.82** | **100.21** | **(94.16)** |
| | **Stage 2** | **469.95** | **1.39** | **468.56** | **1.17** | **0.22** |
| | **Stage 3** | **249.09** | **159.05** | **90.04** | **150.19** | **8.86** |
| | **Total** | **40,800.91** | **166.49** | **40,634.42** | **251.57** | **(85.08)** |

(₹ in lakhs)

| Asset classification as per RBI norms | Asset classification as per Ind AS 109 | Gross carrying amount | Loss allowance under Ind AS 109 | Net carrying amount | Provision required as per IRACP Norms | Difference between provision as per Ind AS 109 & IRACP Norms |
|---|---|---|---|---|---|---|
| *As at March 31, 2022* | | | | | | |
| | | | | | | |
| **Performing assets** | | | | | | |
| Standard assets | Stage 1 | 34,626.30 | 5.26 | 34,621.04 | 86.57 | (81.31) |
| | Stage 2 | 498.14 | 2.38 | 495.76 | 1.25 | 1.13 |
| Sub-total | | **35,124.44** | **7.64** | **35,116.80** | **87.81** | **(80.17)** |
| **Non-performing assets** | | | | | | |
| Sub-standard | Stage 3 | 321.69 | 31.68 | 290.01 | 32.17 | (0.49) |
| Doubtful | | | | | | |
| - Up to 1 year | Stage 3 | 13.85 | 3.18 | 10.67 | 3.18 | - |
| - 1 year - 3 years | Stage 3 | 1.18 | 0.80 | 0.38 | 0.80 | - |
| - More than 3 years | Stage 3 | 11.06 | 5.53 | 5.53 | 5.53 | |
| Total doubtful | | | | | | |
| Loss assets | Stage 3 | 36.06 | 36.06 | - | 36.06 | - |
| Sub-total for NPA | | **383.84** | **77.25** | **306.59** | **77.74** | **(0.49)** |
| Other items | | - | - | - | - | - |
| Sub-total | | **35,508.28** | **84.89** | **35,423.39** | **165.55** | **(80.66)** |
| | | | | | | |
| **Total** | **Stage 1** | **34,626.30** | **5.26** | **34,621.04** | **86.57** | **(81.31)** |
| | **Stage 2** | **498.14** | **2.38** | **495.76** | **1.25** | **1.13** |
| | **Stage 3** | **383.84** | **77.25** | **306.59** | **77.74** | **(0.49)** |
| | **Total** | **35,508.28** | **84.89** | **35,423.39** | **165.56** | **(80.65)** |

**Note 56: Disclosure required as per RBI Circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 Dated April 19, 2022.**

**A) Exposure**

1) Sectoral Exposure

(₹ in lakhs)

| Sectors | Current Year | | | Previous Year | | |
|---|---|---|---|---|---|---|
| | Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Lakhs) | Gross NPAs (₹ Lakhs) | Percentage of Gross NPAs to total exposure in that sector | Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Lakhs) | Gross NPAs (₹ Lakhs) | Percentage of Gross NPAs to total exposure in that sector |
| **1. Agriculture and Allied Activities** | NA | NA | NA | NA | NA | NA |
| **2. Industry** | NA | NA | NA | NA | NA | NA |
| **3. Services** | - | - | - | - | - | - |
| **4. Personal Loans** | | | | | | |
| **Gold Loan** | 30,190.86 | 54.60 | 0.18% | 27,625.48 | 53.65 | 0.19% |
| **Other Loans** | 10,610.05 | 194.48 | 1.83% | 7,882.81 | 330.20 | 4.19% |
| **Total** | **40,800.91** | **249.08** | | **35,508.29** | **383.85** | |

**B) Disclosure of complaints**

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

| Sr. No | | Particulars | 2022-23 | 2021-22 |
|---|---|---|---|---|
| **Complaints received by the NBFC from its customers** | | | | |
| 1 | | Number of complaints pending at beginning of the year | Nil | Nil |
| 2 | | Number of complaints received during the year | 6 | 6 |
| 3 | | Number of complaints disposed during the year | 5 | 6 |
| | 3.1 | Of which, number of complaints rejected by the NBFC | Nil | Nil |
| 4 | | Number of complaints pending at the end of the year | 1 | 0 |

| **Maintainable complaints received by the NBFC from Office of Ombudsman** | | | | |
|---|---|---|---|---|
| 5.* | | Number of maintainable complaints received by the NBFC from Office of Ombudsman | Nil | 1 |
| | 5.1. | Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman | | |
| | 5.2 | Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman | | 1 |
| | 5.3 | Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC | | |
| 6.* | | Number of Awards unimplemented within the stipulated time (other than those appealed) | | Nil |

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.

* It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

2) Top five grounds of complaints received by the NBFCs from customers

| Grounds of complaints, (i.e. complaints relating to) (1) | Number of complaints pending at the beginning of the year (2) | Number of complaints received during the year (3) | % increase/ decrease in the number of complaints received over the previous year (4) | Number of complaints pending at the end of the year *(5)* | Of 5, number of complaints pending beyond 30 days (6) |
|---|---|---|---|---|---|
| | 2022-23 | | | | |
| Ground - 1 | - | - | - | - | - |
| Ground - 2 | - | - | - | - | - |
| Ground - 3 | - | - | - | - | - |
| Ground - 4 | - | - | - | - | - |
| Ground - 5 | - | 3 | - | - | - |
| Others | - | 3 | - | 1 | 1 |
| Total | - | 6 | - | 1 | 1 |
| | 2021-22 | | | | |
| Ground - 1 | - | - | - | - | - |
| Ground - 2 | - | - | - | - | - |
| Ground - 3 | - | - | - | - | - |
| Ground - 4 | - | - | - | - | - |
| Ground - 5 | - | 3 | | - | - |
| Others | - | 3 | 25 % Decrease | - | - |
| Total | - | 6 | 25 % Decrease | - | - |

**Note 57: Transition to Ind AS and interim unaudited results.**

The company listed its non convertible debentures on January 12, 2023. The financial statements of the Company for the year ended March 31, 2023 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101, First-Time Adoption of Indian Accounting Standards, with April 1, 2021 as the transition date from previous GAAP.

However, since the transition to Ind AS was done in last quarter of FY 2022-23, the unaudited results of 9 months ended December 31, 2022 and the comparative quarters was presented in accordance with Accounting Standards (IGAAP)notified under The Companies (Accounts) Rules, 2014 (as amended).Since the Ind AS adjustments were given effect in the final quarter of financial year 2022-23, the published unaudited results of the quarter/ nine months ending December 31, 2022 are not comparable with the audited results published for the year ended March 31, 2023.

**For and on behalf of the Board**

**As per our report of even date attached**

| | | | |
|---|---|---|---|
| **Boby CD** | **Lijo Moothedan** | **T.K. Thomas** | **For C.M. JOSEPH & ASSOCIATES,** |
| **Chairman and MD** | **Director** | **Chief Executive Officer** | **Chartered Accountants** |
| **DIN: 00046095** | **DIN: 00877403** | | **Firm Registration No. 006408S** |

| | | |
|---|---|---|
| **Pramod.M** | **Anju Thomas** | |
| **Chief Financial Officer** | **Company Secretary** | **C.M.JOSEPH** |
| | **M.No:43159** | **PARTNER** |
| | | **M.No: 202800** |
| **Place : THRISSUR,** | | **UDIN: 23202800BGTEYJ4057** |
| **Date : 18/09/2023.** | | |

**Schedule to the Balance Sheet of a Non-Banking Financial Company**

**(As required in terms of Paragraph 19 of Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016).**

(₹ in lakhs)

| | Particulars | Amount Outstanding | Amount Overdue |
|---|---|---|---|
| | **Liability Side :** | | |
| 1 | Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: | | |
| | (a) Debentures : Secured | 10,474.42 | Nil |
| | : Unsecured - Subordinate Debt | 21,016.32 | Nil |
| | (other than falling within the meaning of public deposit) | | |
| | (b) Deferred Credits | Nil | Nil |
| | (c) Term Loans | Nil | Nil |
| | (d) Inter – corporate loans and borrowings | Nil | Nil |
| | (e) Commercial Paper | Nil | Nil |
| | (f) public deposit | Nil | Nil |
| | (g) Other Loans (Specify nature) | Nil | Nil |
| 2 | Breakup of (i)(f) above (outstanding public deposit inclusive in interest accrued thereon but not paid) | | |
| | (a) in the form of unsecured debentures | Nil | Nil |
| | (b) in the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security | Nil | Nil |
| | (c) other public Deposits | Nil | Nil |
| | *See note 1 below | | |

| | Asset Side: | Amount Outstanding |
|---|---|---|
| 3 | Break-up of Loans and Advances including bills receivables[ other than those included in (4) below]: | |
| | (a) Secured | 34,009.46 |
| | (b) Unsecured | 6,791.45 |
| | | |
| 4 | Break-up of Leased Assets and stock on hire and other assets counting toward AFC activities | |
| | | |
| | **(i)** Lease assets including lease rentals under sundry debtors : | |
| | (a) Financial Lease | |
| | (b) Operating Lease | Nil |
| | | |
| | **(ii)** Stock on hire including hire charges under sundry debtors | |
| | (a) Asset on Hire | |
| | (b) Repossessed Assets | Nil |
| | | |
| | **(iii)** Other loans counting towards AFC activities | |
| | (a) Loans where assets have been repossessed | |
| | (b) Loans other than (a) above | Nil |
| | | |

| | | |
|---|---|---|
| 5 | Break up of Investments : | |
| | Current Investments: | Nil |
| | 1. Quoted: | Nil |
| | (i) Shares (a) Equity | |
| | (b) Preference | |
| | (ii) Debentures and Bonds | Nil |
| | (iii) Units of mutual funds | Nil |
| | (iv) Government Securities | Nil |
| | (v) Others (specify) | Nil |
| | | |
| | 2. Unquoted: | |
| | (i) Shares (a) Equity | Nil |
| | (b) Preference | Nil |
| | (ii) Debentures and Bonds | Nil |
| | (iii) Units of mutual funds | Nil |
| | (iv) Government Securities | Nil |
| | (v) Others (specify) | Nil |
| | | |
| | Long Term Investments | |
| | 1. Quoted: | |
| | (i) Shares (a) Equity | Nil |
| | (b) Preference | Nil |
| | (ii) Debentures and Bonds | Nil |
| | (iii) Units of mutual funds | Nil |
| | (iv) Government Securities | Nil |
| | (v) Others (specify) | Nil |
| | 2. Unquoted: | |
| | (i) Shares (a) Equity | Nil |
| | (b) Preference | Nil |
| | (ii) Debentures and Bonds | Nil |
| | (iii) Units of mutual funds | Nil |
| | (iv) Government Securities | Nil |
| | (v) Others (specify) | Nil |

| | | | | |
|---|---|---|---|---|
| 6 | Borrower group-wise classification of assets financed as in (3) and (4) above : | | | |
| | (see note 2 below) | | | |
| | Category | Amount net of provisions | | |
| | | Secured | Unsecured | Total |
| | 1. Related Parties | | | |
| | (a) subsidiaries | Nil | Nil | Nil |
| | (b) Companies in the same group | Nil | Nil | Nil |
| | (c) Other related parties | Nil | Nil | Nil |
| | 2. Other than related parties | 33,854.87 | 6,694.47 | 40549.34 |
| | **Total** | **33,854.87** | **6,694.47** | **40,549.34** |

| 7 | Investor group-wise classification of all investments(current and long term) in shares and securities (both quoted and unquoted);(see note 3 below) | | |
|---|---|---|---|
| | **Category** | **Market Value/ Break up or fair value or NAV** | **Book Value** |
| | | | **(Net of Provisions)** |
| | 1. Relate Parties | | |
| | (a) Subsidiaries | Nil | Nil |
| | (b) Companies in the same group | Nil | Nil |
| | (c) Other related parties | Nil | Nil |
| | 2. Other than related parties | Nil | Nil |
| | **Total** | **Nil** | **Nil** |

| 8 | Other Information | |
|---|---|---|
| | **Particulars** | **Amount** |
| | (i) Gross Non – Performing Assets | |
| | (a) Related Parties | Nil |
| | (b) Other than related parties | 249.09 |
| | | |
| | (ii) Net Non-Performing Assets | |
| | (a) Related Parties | Nil |
| | (b) Other than related parties | 98.90 |
| | (iii) Assets acquired in satisfaction of debt | Nil |

*Notes:
1. As defined in point xxv of paragraph 3 of Chapter -II of these Directions.

2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non – Deposit Accepting of Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

**For and on behalf of the Board**

**As per our report of even date attached**

**Boby CD** — **Chairman and MD** — **DIN: 00046095**

**Lijo Moothedan** — **Director** — **DIN: 00877403**

**T.K. Thomas** — **Chief Executive Officer**

**For C.M. JOSEPH & ASSOCIATES,**
**Chartered Accountants**
**Firm Registration No. 006408S**

**Pramod.M**
**Chief Financial Officer**

**Anju Thomas**
**Company Secretary**
**M.No:43159**

**C.M.JOSEPH**
**PARTNER**
**M.No: 202800**
**UDIN: 23202800BGTEYJ4057**

**Place : THRISSUR,**
**Date : 18/09/2023.**