KOSAMATTAM FINANCE LIMITED

Our Company was incorporated on March 25, 1987, as '*Standard Shares and Loans Private Limited*', a private limited company under the Companies Act, 1956 with a certificate of incorporation issued by Registrar of Companies, Kerala and Lakshadweep, at Kochi, ("**RoC**"). The name of our Company was changed to '*Kosamattam Finance Private Limited*' pursuant to a resolution passed by the shareholders of our Company at the EGM held on June 2, 2004 and a fresh certificate of incorporation dated June 8, 2004 issued by the RoC. Subsequently, upon conversion to a public limited company pursuant to a special resolution of the shareholders of our Company dated November 11, 2013, the name of our Company was changed to '*Kosamattam Finance Limited*' and a fresh certificate of incorporation was issued by the RoC on November 22, 2013. Our Company has obtained a certificate of registration dated December 19, 2013 bearing registration no. B-16.00117 issued by the Reserve Bank of India ("**RBI**") to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934. For details of changes in our name and registered office, see "*History and Certain Other Corporate Matters*" on page 116.

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

PUBLIC ISSUE BY KOSAMATTAM FINANCE LIMITED, ("COMPANY" OR "ISSUER") OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH ("NCDS"), AT PAR, AGGREGATING UP TO ₹ 20,000 LAKHS, HEREINAFTER REFERRED TO AS THE "BASE ISSUE" WITH AN OPTION TO RETAIN OVER-SUBSCRIPTION UP TO ₹ 20,000 LAKHS, AGGREGATING UP TO ₹ 40,000 LAKHS, HEREINAFTER REFERRED TO AS THE "OVERALL ISSUE SIZE" (THE "ISSUE"). 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, THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED AND THE SEBI OPERATIONAL CIRCULAR. THE ISSUE IS NOT PROPOSED TO BE UNDERWRITTEN.

PROMOTERS OF THE COMPANY

(i) Mathew K. Cherian, **Email:** md@kosamattam.com; **Tel:** 04812586401; (ii) Laila Mathew, **Email:** lailamathewkfl@gmail.com; **Tel:** 04812586400; and (iii) Jilu Saju Varghese **Email:** jiluhere@outlook.com; **Tel:** 04812586500. For further details, see "*Our Promoters*" on page 131.

GENERAL RISKS

For taking an investment decision, the investors must rely on their own examination of our Company and the Issue, including the risks involved. Specific attention of the investors is invited to "*Risk Factors*" on page 17 and "*Material Developments*" on page 135, before making an investment in such Issue. This Draft Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), Reserve Bank of India ("**RBI**"), the RoC, or any stock exchange in India.

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

For details relating to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, see "*Terms of the Issue*" on page 174. For details relating to eligible investors, see "*Issue Structure*" on page 167.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated 'IND A-/Stable', by India Ratings & Research Private Limited ("**India Ratings**") for an amount up to ₹40,000 lakhs *vide* their letter dated November 23, 2022. The rating of NCDs by India Ratings indicates that instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating provided by rating agency may be suspended, withdrawn or revised at any time by the assigning rating agency on the basis of new information etc., and should be evaluated accordingly. Please refer to page 309 for the rationale for the above rating.

PUBLIC COMMENTS

This Draft Prospectus has been filed with BSE on [●], pursuant to Regulation 27 of the SEBI NCS Regulations and shall be open for public comments for a period of 7 (seven) Working Days i.e. until 5 p.m. from the date of filing of this Draft Prospectus with the Designated Stock Exchange. All comments on this Draft Prospectus are to be forwarded to the attention of the Compliance Officer of our Company. Comments via post and mail shall be accepted, however please note that all comments by post must be received by the Issuer by 5:00 pm on the 7th Working Day from the date on which this Draft Prospectus is hosted on the website of the Designated Stock Exchange by 5:00 pm on [●].

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 this Issue from BSE *vide* their letter dated [●]. BSE shall be the Designated Stock Exchange for this Issue.

LEAD MANAGER TO THE ISSUE	DEBENTURE TRUSTEE*	REGISTRAR TO THE ISSUE
SMC CAPITALS LIMITED A-401/402, Lotus Corporate Park, Off Western Express Highway, Jai Coach Signal, Goregaon (East), Mumbai – 400063, Maharashtra, India **Telephone:** +91 22 66481818 **E-mail:** kfl.ncd2022@smccapitals.com **Website:** www.smccapitals.com **Contact Person:** Satish Mangutkar/ Bhavin Shah	**VISTRA ITCL (INDIA) LIMITED** The IL&FS Financial Centre, Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India **Telephone**: +91 22 2659 3333 **Email**: itclcomplianceofficer@vistra.com **Website**: www.vistraitcl.com **Contact Person**: Jatin Chonani – Compliance Officer	**KFIN TECHNOLOGIES LIMITED** Selenium Tower B, Plot 31&32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi - 500 032, Telangana, India **Telephone:** +91 40 6716 2222 **Fax**: +91 40 2343 1551 **Email:** kosamattam.ncdipo24@kfinech.com **Investor Grievance Email**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact Person**: M Murali Krishna

CREDIT RATING AGENCY	STATUTORY AUDITOR
INDIA RATINGS & RESEARCH PRIVATE LIMITED Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra (E), Mumbai-400 051 **Telephone:** +91-22-4000 1700 **E-mail:** infogrp@indiaratings.co.in **Website:** www.indiaratings.co.in **Contact Person:** Aishwary Khandelwal	**M/S. SGS & COMPANY, CHARTERED ACCOUNTANTS** X/657/B, CA-MED Tower, Pallikulam Road, Near Chakdean Centre, Thissur – 680001 **Telephone:** +91-487-2446109 **Email:** mail@sgsandcompany.com **Website:** sgsandcompany.com **Contact Person:** CA Sanjo. N.G, F.C.A, D.I.S.A. (ICAI)

ISSUE PROGRAMME**

ISSUE OPENS ON [●] DAY, [●]	ISSUE CLOSES ON [●], DAY [●] **

**Vistra ITCL (India) Limited, by its letter dated November 30, 2022, 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 Debentures issued pursuant to this Issue. For further details, see "General Information – Debenture Trustee" on page 39.*

*** Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date as may be decided by the Board of Directors of our Company or Committee thereof subject to receipt of necessary approvals. In the event of such early closure of the Issue, our Company shall ensure that notice of such early closure is given on or before such early date of closure or the initial Closing Date through advertisement/s in an English national daily newspaper and a regional daily newspaper in Kerala where the registered office is located, with wide circulation on or before such earlier date 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. For further details, see "General Information – Issue Programme" on page 44.*

A copy of the Prospectus shall be delivered to 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, see "Material Contracts and Documents for Inspection" beginning on page 304.

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Draft Prospectus to “the Issuer”, “our Company”, “the Company” or “KFL” or “we” or “us” or “our” are to Kosamattam Finance Limited, having its registered office at Kosamattam City Centre, Floor Number 4th & 5th, T.B Road, Kottayam - 686001, Kerala, India.

Unless the context otherwise requires the following terms shall have the following meanings ascribed thereto in this Draft Prospectus. Reference to any statutes, rule, regulations, guidelines and policies shall include amendments thereto, from time to time.

Company Related Terms

Term	Description
AoA/Articles/Articles of Association	Articles of Association of our Company, as amended.
Board/Board of Directors/BoD	The Board of Directors of our Company and includes any Committee thereof.
Compulsorily Convertible Preference Shares	Preference Shares of face value of ₹1,000 each of our Company, in the nature of Compulsorily Convertible Cumulative Preference Shares.
Debenture Committee	The committee re-constituted by the Board of Directors of our Company by a board resolution dated January 31, 2019.
Equity Shares	Equity shares of face value of ₹10 each of our Company.
Kosamattam Group/Group Companies	Entities that are ultimately promoted and controlled by Mathew K. Cherian, Laila Mathew or Jilu Saju Varghese including Kosamattam Ventures Private Limited, M/s Kosamattam Security Systems, Velampadikkal Enterprises LLP, Kosamattam Builders Private Limited, M/s. Kosamattam Builders (Partnership firm), Kosamattam Nidhi Limited and Kosamattam Traders LLP.
Limited Review Financial Statements / Limited Review Financial Results	The unaudited standalone interim financial results for the six month period ended on September 30, 2022 comprising of the statement of assets and liabilities as at September 30, 2022, the statement of financial results and the statement of cash flow for the six months period ended on September 30, 2022 including notes thereto, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting” prescribed under 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and presented in accordance with the requirements of the SEBI LODR Regulations
Limited Review Report	Report on the unaudited standalone financials of our Company for the six month period ended on September 30, 2022, dated November 12, 2022 prepared by the statutory auditors of our Company, M/s. SGS & Company, Chartered Accountants
Loan Assets	Assets under financing activities.
Memorandum/MoA/Memorandum of Association	Memorandum of Association of our Company, as amended.
Net Loan Assets	Assets under financing activities net of Provision for non-performing assets.
Promoters	Mathew K. Cherian, Laila Mathew and Jilu Saju Varghese.
Reformatted Financial Statements	The reformatted standalone statement of assets and liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, and the schedules forming part thereof; reformatted standalone statement of profits and losses for each of the years March 31, 2022, March 31, 2021 and March 31, 2020, and the schedules forming part thereof, and the reformatted standalone statement of cash flows for each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020, the statement of significant accounting policies, and other explanatory statements. The audited standalone financial statements of the Company as at and for the

	years ended March 31, 2022, March 31, 2021 and March 31, 2020 prepared in accordance with IND AS, form the basis for such Reformatted Standalone Financial Statements.
Reformatted Financial Report	The report dated November 24, 2022, on the Reformatted Financial Statements, prepared by the Statutory Auditor.
Registered Office	The registered office of our Company, situated at Kosamattam City Centre, Floor Number 4th & 5th, T.B Road, Kottayam - 686001, Kerala, India.
RoC/Registrar of Companies	The Registrar of Companies, Kerala and Lakshadweep.
Statutory Auditor(s)/Auditor(s)	The statutory auditor of our Company, being M/s. SGS & Company, Chartered Accountants.

Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of the Prospectus.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Allot/Allotment/Allotted	The issue and allotment of the NCDs to successful Applicants pursuant to the Issue.
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
Allottee(s)	The successful Applicant to whom the NCDs are being/ have been Allotted pursuant to the Issue.
Applicant/Investor	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of the Prospectus, the abridged Prospectus and the Application Form for the Issue.
Application/ ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account and will include application made by UPI Investors using UPI where the Application amount will be blocked upon acceptance of UPI Mandate Request by UPI Investors, which will be considered as the application for Allotment in terms of the Prospectus.
Application Amount	The aggregate value of NCDs applied for, as indicated in the Application Form for the Issue.
Application Form/ ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process and which will be considered as the Application for Allotment of NCDs and in terms of the Prospectus.
Application Supported by Blocked Amount/ASBA	The Application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorising the SCSB to block the bid amount in the specified bank account maintained with such SCSB.
ASBA Account	A bank account maintained with an SCSB by an Applicant, as specified in the Application Form submitted by the ASBA 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.
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process.
Banker(s) to the Issue	The banks, which are clearing members and registered with SEBI as bankers to the issue, with whom the Public Issue Accounts and/or Refund Account will be opened by our Company in respect of the Issue, and as specified in the Prospectus.
Base Issue	₹ 20,000 lakhs.
Basis of Allotment	The basis on which NCDs will be allotted to successful applicants under the Issue and which is described in "*Issue Procedure – Basis of Allotment for NCDs*" on page 209.
Bidding Centers	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchange, where Applicants can submit the

Term	Description
	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 respective websites of the Stock Exchange.
Business Days	All days excluding Second Saturdays, Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Collection Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs.
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered with the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI Operational Circular.
Collecting Registrar and Share Transfer Agents/CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of the SEBI Operational Circular.
Credit Rating Agency	For the present Issue, the credit rating agency, in this case being India Ratings & Research Private Limited.
CRISIL	CRISIL Limited.
Debenture Trust Deed	The trust deed to be executed by our Company and the Debenture Trustee for creating the security over the NCDs to be issued under the Issue.
Coupon Rate / Interest Rate	The aggregate rate of interest payable in connection with the NCDs in accordance with the Prospectus. For further details, see "*Issue Structure*" on page 167.
Debenture Trusteeship Agreement	Debenture Trusteeship Agreement dated November 30, 2022, entered into between our Company and the Debenture Trustee.
Debentures/NCDs	Secured, redeemable, non-convertible debentures issued pursuant to the Issue.
Deemed Date of Allotment	The date of issue of the Allotment Advice, or such date as may be determined by the Board or a duly constituted committee thereof, and notified to the Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on the NCDs shall be available to the investors from the Deemed Date of Allotment.
Demographic Details	The demographic details of an Applicant such as his address, bank account details, category, PAN, UPI ID, etc. for printing on refund/interest orders or used for refunding through electronic mode as applicable.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	National Securities Depository Limited (NSDL) and/or Central Depository Services (India) Limited (CDSL).
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time.
Designated CDP 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 and contact details of the CDPs are available on the website of the Stock Exchange and updated from time to time.
Designated Date	The date on which the Registrar to the Issue issues the instruction to SCSBs for unblocking of funds from the ASBA Accounts to the Public Issue Account in terms of the Prospectus and the Public Issue Account and Sponsor Bank Agreement and following which the Board, shall Allot the NCDs to the successful Applicants.
Designated Intermediaries	Collectively, the Lead Manager, the Syndicate Member/ Lead Brokers, Trading Members, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants, in the Issue. In relation to the ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.

Term	Description
	In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Manager, Members of the Syndicate, Trading Members and Stock Exchange where applications have been submitted through the app/web interface as provided in the SEBI Operational Circular.
Designated Stock Exchange/ DSE	BSE Limited.
Designated RTA Locations	Such centres of the CRTAs where Applicants can submit the Application Forms (including Application Forms by UPI Investors under the UPI Mechanism). The details of such Designated RTA Locations, along with the names and contact details of the CRTAs are available on the website of the Stock Exchange (www.bseindia.com) and updated from time to time.
DP/Depository Participant	A depository participant as defined under the Depositories Act.
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility.
Draft Prospectus/Draft Offer Document	The draft prospectus dated December 02, 2022, to be filed by our Company with the Designated Stock Exchange for receiving public comments, in accordance with the provisions of the Companies Act, 2013, as applicable and the SEBI NCS Regulations.
Existing Secured Creditors	Bank of Baroda, Canara Bank, Dhanlaxmi Bank Limited, The Karur Vysya Bank Limited, Punjab National Bank, State Bank of India, CSB Bank Limited, The South Indian Bank Limited, Union Bank of India, DCB Bank Limited, The Federal Bank Limited, Bank of Maharashtra, IDFC First Bank Limited, Tata Capital Financial Services Limited, Indian Bank, HDFC Bank Limited, ESAF Small Finance Bank Limited, Northern Arc Capital Limited, Bandhan Bank, Equitas Small Finance Bank, Vivriti Capital Private Limited and debenture holders of the secured non-convertible debentures issued by way of public issues.
Existing Unsecured Creditors	Debenture holders of the privately placed subordinated debts, debenture holders of the privately placed perpetual debt instruments (PDI) and debenture holders of the subordinated debts issued by way of public issues.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
Interest Payment Date / Coupon Payment Date	The dates on which interest/coupon on the NCDs shall fall due for payment which will be specified in the Prospectus.
Institutional Portion	Portion of Applications received from Category I of persons eligible to apply for the issue which includes Resident Public Financial Institutions as defined in Section 2(72) of the Companies Act 2013, Statutory Corporations including State Industrial Development Corporations, Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs, Provident Funds of minimum corpus of ₹2,500 lakhs, Pension Funds of minimum corpus of ₹2,500 lakhs, Systemically Important Non-Banking Financial Companies, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs, Venture Capital funds and/or Alternative Investment Funds registered with SEBI, Insurance Companies registered with the IRDA, National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India), Insurance funds set up and managed by the Indian Army, Navy or the Air Force of the Union of India or by the Department of Posts, India Mutual Funds, registered with SEBI.
Issue/ Issue Size	Public issue by our Company of NCDs aggregating up to ₹ 20,000 lakhs with an option to retain over-subscription up to ₹ 20,000 lakhs aggregating up to ₹ 40,000 lakhs, on the terms and in the manner set forth herein; Base Issue Size being ₹ 20,000 lakhs.
Issue Closing Date	[●]

Term	Description
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days during which prospective Applicants may submit their Application Forms
Lead Manager	SMC Capitals Limited.
Market Lot	1 (one) NCD.
Maturity Amount	In respect of NCDs Allotted to NCD Holders, the repayment of the face value of the NCD along with interest that may have accrued as on the redemption date.
Mobile App(s)	The mobile applications listed on the website of Stock Exchanges as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism.
NCD Holder/Debenture Holder	Any debenture holder who holds the NCDs issued in this Issue and whose name appears on the beneficial owners list provided by the Depositories.
Non-Institutional Portion	Category II of persons eligible to apply for the Issue which includes Companies falling within the meaning of Section 2(20) of the Companies Act 2013; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs, Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorised to invest in the NCDs, Trust Including Public/private charitable/religious trusts which are authorised to invest in the NCDs, Association of Persons, Scientific and/or industrial research organisations, which are authorised to invest in the NCDs, Partnership firms in the name of the partners, Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009), Resident Indian individuals and Hindu undivided families through the Karta aggregating to a value exceeding ₹10 lakhs.
Offer Document	This Draft Prospectus, the Prospectus, Application Form and abridged Prospectus read with any notices, corrigenda, addenda thereto.
Prospectus	The prospectus to be filed with the RoC in accordance with the SEBI NCS Regulations, containing *inter alia* the coupon rate for the NCDs and certain other information.
Public Issue Account	Account(s) opened with the Public Issue Account Bank to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI Mechanism) on the Designated Date.
Public Issue Account Bank	HDFC Bank Limited
Public Issue Account and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Registrar to the Issue, the Lead Manager, the Public Issue Account Bank, the Sponsor Bank in accordance with the SEBI Operational Circular for collection of the Application Amounts from ASBA Accounts under the UPI Mechanism and where applicable refunds of the amounts collected from the Applicants on the terms and conditions thereof.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 10 (ten) days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when stock exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made and as specified in the Prospectus.
Refund Bank	HDFC Bank Limited
Registrar to the Issue/Registrar	KFin Technologies Limited
Register of NCD Holders	The statutory register in connection with any NCDs which are held in physical form on account of rematerialisation, containing name and prescribed details of the relevant NCD Holders, which will be prepared and maintained by our Company/Registrar in terms of the applicable provisions of the Act.

Term	Description
RTAs/ Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue at the Designated RTA Locations.
SCSBs or Self Certified Syndicate Banks	The banks registered with SEBI, offering services in relation to ASBA and UPI, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes for ASBA and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
SEBI NCS Regulations/ NCS Regulations/ SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021, as amended from time to time.
SEBI Delisting Regulations	Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended from time to time.
SEBI Listing Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
SEBI Operational Circular	Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 issued by SEBI and as amended *vide* Circular no. SEBI/HO/DDHS/P/CIR/2021/0692 dated December 17, 2021, Circular no. SEBI/HO/DDHS/P/CIR/2021/031 dated March 22, 2022 and Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated April 13, 2022.
Security	The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of creating security over on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696/-), including book debts and receivables, cash and bank balances, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued.
Specified Locations	Collection centres where the Members of the Syndicate shall accept Application Forms, a list of which is included in the Application Form.
Sponsor Bank	The Banker to the Issue registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchange and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value up to ₹5,00,000 and carry out any other responsibilities in terms of the SEBI Operational Circular
Stock Exchange	BSE Limited.
Subordinated Debt	Subordinated Debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors, free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument shall be subjected to discounting as provided hereunder: Remaining maturity of the instruments - rate of discount (a) up to one year - 100% (b) more than one year but up to two years - 80% (c) more than two years but up to three years - 60% (d) more than three years but up to four years - 40% (e) more than four years but up to five years - 20% to the extent such discounted value does not exceed fifty percent of Tier I capital.
Syndicate ASBA	Applications through the Designated Intermediaries.
Syndicate ASBA Application Locations	Collection centers where the Designated Intermediaries shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at

Term	Description
	https://www.sebi.gov.in and at such other websites as may be prescribed by SEBI from time to time.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on https://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Tenor	Tenor shall mean the tenor of the NCDs which will be specified in the Prospectus.
Trading Member(s)	Individuals or companies registered with SEBI as “trading member(s)” under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, and who hold the right to trade in stocks listed on stock exchanges, through which investors can buy or sell securities listed on stock exchanges whose list is available on stock exchanges.
Transaction Registration Slip/TRS	The acknowledgement slip or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of upload of the Application on the application platform of the Stock Exchange.
Tripartite Agreement(s)	Agreements as entered into between our Company, Registrar and each of the Depositories under the terms of which the Depositories shall act as depositories for the securities issued by our Company.
Trustees/Debenture Trustee	Trustees for the holders of the NCDs, in this case being Vistra ITCL (India) Limited.
UPI	Unified Payments Interface, is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing and merchant payments into one hood. UPI allows instant transfer of money between any two person’ bank accounts using a payment address which uniquely identifies a person’s bank account.
UPI ID	ID created on Unfied Payment Interface (UPI) for single-window mobile payment system developed by the NCPI.
UPI Investor	An Applicant who applies with a UPI number whose Application Amount for NCDs in the Issue is up to ₹5,00,000.
UPI Mandate Request	A request (intimating the UPI Investors, by way of a notification on the UPI application and by way of an SMS directing the UPI Investor to such UPI application) to the UPI Investors using the UPI Mechanism initiated by the Sponsor Bank to authorise blocking of funds equivalent to the Application Amount in relevant ASBA Account through the UPI, and the subsequent debit of funds in case of Allotment.
UPI Mechanism	The optional bidding mechanism that may be used by UPI Investors to make Applications in the Issue, in accordance with SEBI Operational 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.
Web Interface	Web interface developed by Designated Stock Exchange wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism.
Wilful Defaulter	An issuer 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	Working Day(s) 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 India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs on the Stock Exchange, Working Days shall mean all trading days of Stock Exchange, excluding Sundays and bank holidays in Mumbai, as per the SEBI NCS Regulations, however, with reference to payment of interest/ redemption amount of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai.

Business/Industry Related Terms

Term	Description
AFC	Asset Finance Company
ALM	Asset Liability Management
ALCO	Asset Liability Committee
AMFI	Association of Mutual Funds in India
ATS	Average Ticket Size
AUM	Assets Under Management
Average Cost of Borrowing	Amount that is calculated by dividing the interest paid during the period by average of the monthly outstanding
CCPS	Compulsorily Convertible Preference Shares
CIC-ND-SI	Systemically Important Core Investment Company
CPI	Consumer Price Index
CRAR	Capital to Risk Weighted Assets Ratio
DPN	Demand Promissory Note
DSA	Direct Sales Agent
ECB	External Commercial Borrowing
FIR	First Information Report
GDP	Gross Domestic Product
GFCE	Government Final Consumption Expenditure
GFCF	Gross Fixed Capital Formation
GNPA	Gross Non Performing Asset
Gross Spread	Yield on the average minus the cost of funds
HFC	Housing Finance Company
IC	Investment Company
IFC	Infrastructure Finance Company
IND AS	Indian Accounting Standards
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
LC	Loan Company
Loan Book	Outstanding loans net of provisions made for NPAs
LTV	Loan to value
Master Directions	RBI's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended
MGC	Mortgage Guarantee Companies
MSME	Micro, Small and Medium Enterprise
NAV	Net Asset Value
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-ICC	NBFC – Investment and Credit Company
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-ND-SI	Systemically Important NBFC-ND, i.e. a non-banking financial company not accepting / holding public deposits and having total assets of ₹50,000 lakhs and above as per the last audited balance sheet
NHB	National Housing Bank
NOF	Net Owned Fund
NOFHC	Non-operative Financial Holding Company
NPA	Non-Performing Asset
NSO	National Statistical Office
OTR	One-Time Restructuring
PFCE	Private Final Consumption Expenditure
PMI	Purchasing Manager's Index
SBR	Scale Based Regulation
Secured Loan Book	Secured loan given against hypothecation of asset

Term	Description
SME	Small and Medium Enterprises
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 subsidiary and companies in the same group exceeding, in aggregate, ten percent of the owned fund and perpetual debt instruments issued by an NBFC-ND-SI 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: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt to the extent the aggregate does not exceed Tier-I capital; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent it does not exceed Tier-I Capital
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person’s bank account.
US	United States
WPI	Wholesale Price Index

Conventional and General Terms or Abbreviations

Term	Description
₹ or Rupees or Rs. or Indian Rupees or INR	The lawful currency of Republic of India
AGM	Annual General Meeting
AML	Anti-Money Laundering
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CGST Act	Central Goods and Services Tax Act, 2017
Companies Act, 1956	The Companies Act, 1956 to the extent in force
Companies Act/Companies Act 2013	The Companies Act, 2013 (to the extent notified) read with rules framed by the Government of India from time to time
DIN	Director Identification Number
DRR	Debenture Redemption Reserve
DT Circular	Circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 issued by SEBI on November 3, 2020, as amended from time to time
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FDI Policy	FDI in an Indian company is governed by the provisions of the FEMA read with the FEMA Regulations and the Foreign Direct Investment Policy
FEMA	Foreign Exchange Management Act, 1999
FEMA Non-Debt Regulations	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Debt Regulations	Foreign Exchange Management (Debt Instrument) Regulations, 2019
FFMC	Full Fledged Money Changer
Financial Year/FY	Financial Year ending March 31
FPI	Foreign Institutional Investors defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 registered with SEBI and as repealed by Foreign Portfolio Investors defined under the SEBI (Foreign Portfolio Investors) Regulations, 2019

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

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled "*Risk Factors", "Capital Structure", "Key Regulations and Policies", "History and Certain Other Corporate Matters", "Statement of Tax Benefits available to the Debenture Holders", "Our Management", "Financial Indebtedness", "Outstanding Litigation"* and "*Issue Procedure*" on beginning pages 17, 46, 248, 116, 60, 118, 136, 216 and 188, respectively will have the meanings ascribed to them in such sections**.**

PRESENTATION OF FINANCIAL, INDUSTRY AND OTHER INFORMATION

Certain Conventions

In this Draft Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to "Kosamattam", "Issuer", "we", "us", "our" and "our Company" are to Kosamattam Finance Limited. Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus.

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

Financial Data

Our Company publishes its financial statements in Rupees. Our Company's Limited Review Financial Statements for the six month period ended as on September 30, 2022 and the financial statements for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 are prepared in accordance with Ind AS, as applicable standards and guidance notes specified by the ICAI including the applicable provisions of the Companies Act, 2013. With effect from April 1, 2019, as per the roadmap issued by the MCA under the Companies (Indian Accounting Standards) Rules, 2015, for Non-Banking Finance Companies, for financial reporting purposes, the Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 and/or Rule 7 of the Companies (Indian Accounting Standard) Rules, 2015 ("**Ind AS**"), as applicable.

The Limited Review Financial Statements of our Company for the six months ended September 30, 2022 along with Limited Review Report submitted to the Stock Exchange pursuant to the requirements of SEBI LODR Regulations ("***Limited Review Financial Results***") are in this Draft Prospectus, in the chapter titled "*Financial Statements*" beginning on page 134.

The Reformatted Financial Statements and the examination report on the Reformatted Financial Information as issued by our Company's Statutory Auditors, M/s. SGS & Company, Chartered Accountants, are included in this Draft Prospectus in the chapter titled *"Financial Statements"* beginning on page 134.

Unless stated otherwise, the financial data used in this Draft Prospectus is derived from our Company's Limited Review Financial Statements for the six month period ended September 30, 2022 and Financial Information for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 prepared in accordance with Ind AS, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards prescribed by the Institute of Chartered Accountants of India, Companies Act and other applicable statutory and / or regulatory requirements.

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.

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

Unless stated otherwise or unless the context requires otherwise, the financial data used in this Draft Prospectus is on a standalone basis.

Currency and units of Presentation

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

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

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although our Company believes that industry data used in this Draft Prospectus is reliable, it has not been independently verified. Also, data from these sources may not be comparable. Similarly, internal reports, while believed by us to be reliable, have not been verified by any independent sources. 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 "CRISIL Research – Industry report on gold loans", dated November, 2022, prepared and issued by CRISIL. Please refer to "*Industry Overview*" on page 71 for further details.

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.

General Risk

Investment in NCDs involve a degree of risk and investors should not invest any funds in NCDs 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 NCDs or Investor's decision to purchase such securities.

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 including, without limitation, the following:

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

2. Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;

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

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

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

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

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

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

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

10. Changes in the value of Rupee and other currency changes;

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

12. The rate of growth of our loan assets;

13. Potential mergers, acquisitions or restructurings;

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

15. Availiability of adequate debt and equity financing at commercially acceptable terms;

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

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

For further discussion of factors that could cause our actual results to differ from our expectations, please refer to the chapter titled "*Risk Factors*" and chapters titled "*Industry Overview*" and "*Our Business*" beginning on pages 17, 71 and 96, respectively.

By their nature, certain market risk disclosures are only estimates 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, we 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 the Lead Manager, our Company, its Directors and its officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI NCS Regulations, our Company will ensure that investors in India are informed of material developments between the date of filing this Draft Prospectus with the Stock Exchange and the date of the Allotment.

SECTION II - RISK FACTORS

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 96 and "Financial Statements" on page 134, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown or now deemed immaterial, if materialise, may have a material adverse effect on our business, financial condition and results of operations in the future. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment including interest thereon.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This 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 Reformatted Financial Statements.

Internal Risk Factors

1. ***Spread of COVID-19 pandemic could have a significant effect on our results of operations and could negatively impact our business, revenues, financial condition and result of operations.***

   The rapid outbreak of the COVID-19 Pandemic, has severely impacted the physical and financial health of the people across the globe and our business could be materially and adversely affected by the outbreak of the present public health epidemics. To prevent the contagion in the country, 4 phase of nationwide lockdown was announced by the Government of India. As a result, the demand of our Company's products and services has seen a drastic slowdown.

   The spread of COVID-19 may impact our Company's operations. The COVID-19 outbreak and the related preventive and protective actions had impacted our business through the temporary closure of all our branches. Pursuant to the government mandated lockdown we had to temporarily close all of our branch offices for approximately two months between March 2020 to May 2020. As a result, there was no customer traffic to our banches, which significantly reduced our sales and cash flows during the period. We continue to monitor developments closely as the COVID-19 pandemic develops. The impact of the COVID-19 pandemic on our business will depend on a range of factors which we are not able to accurately predict, including the duration, severity and scope of the pandemic, the geographies impacted, the impact of the pandemic on economic activity in India, and the nature and severity of measures adopted by governments. Amongst various measures announced to mitigate the economic impact from the COVID -19, the Reserve Bank of India issued circulars dated March 27, 2020, April 17, 2020 and May 23, 2020 (the "**RBI circulars**") allowing lending institutions to offer a moratorium to customers on payment of instalments falling due between March 1, 2020 and August 31, 2020. Given that the COVID-19 and its impact remain a rapidly dynamic situation, the actual impact on our Company's loans and advances will depend on future developments, including, among other things, any new information concerning the severity of the COVID - 19 and any action to contain its spread or mitigate its impact.

   Further, the emergence of second wave of COVID-19 Pandemic has created concern all over the country and has resulted in fresh restrictions in across the country, including free movement of people, closure of offices and banking channels or working on the limited capacities, thereby hampering businesses and day to day functioning of companies. To combat this COVID 19 Pandemic, presently, various state governments of India, after assessing the situation of COVID-19 Pandemic in India, has recently again imposed partial lockdown or full lockdown and have taken several initiatives so far for social distancing in various parts of the states of the country, barring certain essential services.

   Given that the COVID -19 Pandemic and its impact remain a rapidly dynamic situation, the actual impact on our Company's loans and advances will depend on future developments, including, among other things, any new information concerning the severity of the COVID -19 Pandemic and any action to contain its spread or mitigate its impact. While, our Company continue to monitor the developments of the COVID-19 Pandemic situation closely, assess and respond proactively to minimize any adverse impacts on the financial position, cash flows and operating results of our Company, it is possible that the Company's business, financial condition and results of operations could be adversely affected due to the COVID-19 Pandemic. If the COVID-19 Pandemic situation persists or worsens, it may adversely impact our Company's business and the financial condition.

As these are unforeseen circumstances, it may give rise to risks that we may not have anticipated. If the outbreak of any of these pandemic or other severe pandemic, continues for an extended period, occur again and/or increases in severity, it could have an adverse effect on economic activity worldwide, including India, and could materially and adversely affect our business, cash flows, financial condition and results of operations.

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

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

During the course of finalization of inspection, regulatory authorities share their findings and recommendations with us and give us an opportunity to provide justification and clarifications. Further, such regulatory authorities also seek certain clarifications and share their findings in the ordinary course of business. We have responded to observations made by such authorities and addressed them, however we cannot assure you that these authorities will not find any deficiencies in future inspections or otherwise/ the authorities will not make similar or other observations in the future. For instance, an inspection of our Company was conducted with reference to its financial position as on March 31, 2019, which was conducted during the period from September 16, 2019 to September 28, 2019 by RBI under Section 45N of the RBI Act. RBI has observed certain major supervisory concerns which inter alia include (i) divergence in the classification of NPAs and inadequate provision kept for rental loans and staff loan; (ii) Not fully complying with the income recognition and asset classification norms of RBI; (iii) non adherence of loan policy; (iv) mortgaged loans were extended without obtaining security; (v) sanctioned demand (business) loans for a period of 36 months, without recording any specific reasons, in contravention of Para (11)(2)(ii) of 'Master Direction – NBFC – NDSI' dated September 1, 2016; and (vi) the Company had obtained the membership from all the four credit information companies, but it was uploading the credit information only with CIBIL. Our Company *vide* its letter dated December 10, 2019 responded to RBI's observation and provided further compliances. Further, RBI *vide* its letter dated January 15, 2020 bearing reference number DoS(NBFC) (T) No/ 503/ 02.19.017/2019-20 directed our Company to submit further compliance along with documentary evidence in respect of its observations pursuant to the inspection. Our Company has *vide* its letter dated February 10, 2020 responded to RBI's observation and provided further compliance along with documentary evidence. Thereafter, RBI has provided further observation in response to our Company's reply filed on February 10, 2020 *vide* its letter dated February 27, 2020 stating that compliance on pending queries. Subsequently, RBI *vide* its letter dated March 05, 2020, advised our Company to open a separate escrow account for crediting the outstanding auction surplus amounts. Our Company *vide* it's letter dated May 08, 2020 responded to RBI's observation and provided further compliance along with the documentary evidence. RBI has provided further observation in response to our Company's reply filed on May 08, 2020 *vide* its letter dated May 21, 2020, advising to submit further compliance along with documentary evidence in respect of the pending observation. Subsequently, our Company *vide* it's letter dated June 18, 2020, responded to RBI's observation and provided further compliance. Thereafter, RBI provided further observation in response to our Company's reply *vide* its email dated July 02, 2020 stating that the compliance on the queries are pending. Our Company *vide* it's letter dated August 04, 2020 again responded to RBI's observation and provided further compliance along with the documentary evidence. Thereafter, our Company has received further queries from RBI *vide* it's email dated August 12, 2020. Subsequently, our Company *vide* its letter dated August 29, 2020, responded to RBI's observation and provided further compliance. In response of our letter dated August 29, 2020, RBI vide its email dated December 21, 2020 provided raised further queries and provided observation. Our Company *vide* it's letter dated January 20, 2021, responded to RBI's observation and provided further compliance. Thereafter, our Company has received further queries from

RBI *vide* it's email dated February 09, 2021. Our Company *vide* it's letter dated March 10, 2021, responded to RBI's observation and provided further compliance**.** Further, RBI has *vide* its various letters provided observations and provided further compliance to which our Company has duly filed replies to the queires as and when raised by RBI.

Further, an inspection of our Company by RBI was conducted on December 05, 2019 with reference to its money changing business. Pursuant to which RBI *vide* its letter dated January 09, 2020 bearing reference number KOC.FED.FMID.912/57.04.001/2019-20 noted major observation which, *inter alia,* include (i) There was no record for having filed monthly STR/CTR, if any, to FIU-lND or Nil reports on STR/CTR as applicable for each month; (ii) Statutory Auditors certificate as on March 31, 2019 on compliance to KYC/AML/CFT guidelines, Concurrent audit system and internal control systems were not available for verification; (iii) There were changes in the board of directors of the company in 2018 and 2019 consequent upon resignation of a director and appointment of an additional director respectively which were not found reported to FED, RBl, Kochi. Futher, RBI also reported some observations on the operations of head office branch. Our Company *vide* its letter dated January 30, 2020 responded to RBI's observation and provided further compliances. Our Company had *vide* its email dated July 24, 2020 submitted the confirmation along with the supporting document with respect to the updation of the software to RBI.

Further, an inspection of our Company by RBI was conducted based on the financials of the Company as on March 31, 2022 and RBI issued the inspection report ("**Inspection Report**"), accordingly. Our Company *vide* its letter dated November 9, 2022 responded to the Inspection Report and provided further compliance along with documentary evidence.

While our Company strives to address all the concerns raised by RBI in relation to its inspection and observations made thereunder, any adverse action taken by RBI with regard to such inspections could adversely affect our business and operations. There can be no assurance that in the future the RBI will not pass any orders levying penalty, on our Company, on the basis of its periodical inspection of our Company, which may in turn adversely affect our reputation, business, operations and profitability.

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

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

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

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

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

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

While our Company strives to address all the concerns raised by CDSL, there can be no guarantee that CDSL shall be satisfied with our Company's responses and that the CDSL shall not take any adverse action pursuant to such inspections. Any such actions by CDSL could adversely affect our business and operations.

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

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

For further details in this regard, including approvals obtained from our lenders for this Issue, please refer chapter "*Financial Indebtedness*" on page 136.

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

The NCDs proposed to be issued under this Issue for an amount of up to ₹40,000 lakhs was also assigned with 'IND A-/Stable' rating. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any, downgrade of our credit ratings would increase borrowing costs and constrain our access to debt and bank lending markets and, thus, would adversely affect our business. In addition, downgrading of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements. For details regarding ratings received by our Company, please refer to "*Our Business - Our Borrowings and Credit Ratings*" on page 113.

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

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

"*Outstanding Litigations*" beginning on page 216.

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

Certain documents supporting the information included in this Draft Prospectus with respect to previous work experience of the directors, disclosed in the sections titled "*Our Management*" on page 117 may not be available. Accordingly, reliance has been placed on declarations and undertakings furnished by such director to us and the Lead Manager to disclose details of their previous work experience in this Draft Prospectus. We and the Lead Manager have been unable to independently verify these details prior to inclusion in this Draft Prospectus. Further, there can be no assurances that our Director will be able to trace the relevant documents pertaining to their previous work experience in future, or at all.

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

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

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

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

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

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

We derive majority of our revenue from our 978 branches situated in southern India out of 997 of our total branches as on October 31, 2022. As a result, we are exposed to risks including any change in policies relating to these states, any localised social unrest, any natural disaster and any event or development which could make business in such states less economically beneficial. Any such risk, if materialises, could have a material adverse effect on the business, financial position and results of operations of our Company. For further details of our branch network within India, please refer to the chapter titled "*Our Business - Branch Network*" on page 108.

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

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

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

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

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

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

A significant portion of our debt matures each year. Out of the total amount of our outstanding NCDs, ₹ 2,46,208.67 lakhs, issued by our Company as of September 30, 2022, NCDs amounting to ₹ 20,406.76 lakhs will mature on or before March 31, 2023. In order to retire these instruments, we either will need to refinance this debt, which could be difficult in the event of volatility in the credit markets, or raise equity capital or generate sufficient cash to retire the debt.

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

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

Our results of operations are substantially dependent upon the level of our Net Interest Margins. Income from operations is the largest component of our total income, and constituted 99.48%, 99.44%, 99.32% and 96.92% for the six months ended September 30, 2022 and Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020, respectively. Interest rates are sensitive to many factors beyond our control, including the RBI's monetary policies, domestic and international economic and political conditions and other factors.

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

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

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

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

We have had negative net cash flows from our operating, investing and financing activities in the six months period ended September 30, 2022 and the last three fiscal years ended March 31, 2022, March 31, 2021 and March 31, 2020, the details of which are summarised below:

(in ₹ lakhs)

Particulars	September 30, 2022 *(Unaudited)*	Fiscal 2022	Fiscal 2021	Fiscal 2020
Net cash generated from/ (used in) operating activities	(28,251.95)	(37,899.93)	(41,903.57)	(34,676.45)
Net cash generated from/ (used in) investing activities	(4,308.38)	(8,900.58)	(6,045.42)	(1,513.27)
Net cash generated from/ (used in) financing activities	(45,856.75)	37,743.62	60,814.66	27,802.92

Any negative cash flows in the future may adversely affect our results of operations and financial condition. For further details, please see the sections titled "*Financial Statements*" on page 134.

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

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

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

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

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

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

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

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

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

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

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

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

Our income from operations increased from ₹ 49,923.42 lakhs in the Financial Year ended March 31, 2020 to ₹ 62,464.65 lakhs in the Financial Year ended March 31, 2022, thereby achieving compounded annual growth rate ("**CAGR**") of 11.87%. In this same period, the loan book increased from ₹ 2,97,247.02 lakhs for the Financial Year ended March 31, 2020 to ₹ 4,00,725.00 lakhs for the Financial Year ended March 31, 2022 at a CAGR of 16.11%.

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

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

19. 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 as of the six month period ended September 30, 2022 and for the financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 were ₹ 6,114.74 lakhs, ₹ 5,742.29 lakhs, ₹ 4,642.11 lakhs and ₹ 4,330.32 lakhs, respectively.

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

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

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

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

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

There are restrictive covenants in the agreements we have entered into with our lender. These restrictive covenants require us to seek the prior permission of these banks/financial institutions for various activities, including, amongst others, to declare dividend, for any change in the management/constitution, takeovers/mergers etc. or any expansion, new project/investment/acquiring assets under lease/enter into borrowing arrangements, to undertake any new project, or diversification, modernisation, amend or modify its Memorandum and Articles of Association/Bye Laws/Trust Deeds etc. For details of these restrictive covenants, see the chapter titled "*Financial Indebtedness*" beginning on page 136.

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

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

As a systemically important non-deposit taking NBFC, our Company is required to maintain a capital adequacy ratio of at least 15.00% of our aggregate risk-weighted assets of our balance sheet (on-balance sheet and of risk adjusted value of off balance sheet items) on an ongoing basis. Our Company's capital adequacy ratio was 18.65% as of March 31, 2022. If we continue to grow our Total Credit Exposure and asset base, we will be required to raise additional capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, which could result in non-compliance with applicable capital adequacy ratios and may adversely affect the growth of our business. Further, our Tier I capital comprising of 14.45% as of March 31, 2022. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios and Tier I capital requirements with respect to our business of Gold Loans. There can be no assurance that we will be able to maintain adequate capital adequacy ratio or Tier I capital by raising additional capital in the future on terms favourable to us, or at all. Failure to maintain adequate capital adequacy ratio or Tier I capital may adversely affect the growth of our business.

Moreover, under the amendment, the threshold for defining systemic significance for NBFCs-ND has been revised in the light of the overall increase in the growth of the NBFC sector. NBFCs-ND-SI will henceforth be those NBFCs-ND which have asset size of ₹50,000 lakhs and above as per the last audited balance sheet. Moreover, as per the requirements of the Master Directions, all NBFCs-ND with assets of ₹50,000 lakhs and above, irrespective of whether they have accessed public funds or not, shall comply with prudential requirements as applicable to NBFCs-ND-SI. We cannot assure you that the Master Directions and its applicability to us will not have a material and adverse effect on our future financial conditions and results of operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29. ***Exchange rate fluctuations may adversely affect our results of operations.***

We provide foreign exchange services to our customers. Accordingly, we are exposed to risks associated with foreign exchange fluctuation. Any adverse fluctuation in foreign exchange rates could affect our results of operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We have entered into transactions with several related parties, including our Promoters Directors and Group Companies. We cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Furthermore, it is likely that we will enter into related party transactions in the future. The transactions we have entered into and any future transactions with our related parties could potentially involve conflicts of interest. For details in relation to transactions with related parties as per Accounting Standard 18 issued under the Companies Accounting Standard Rules entered into by us, see "*Financial Information - Transactions with Related Parties*" beginning on page 134.

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

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

39. ***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.

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

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

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

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

As on October 31, 2022, we had a total of 997 branches in 8 states and 1 union territory. Except 2 branches which are owned by us, the remaining are located on leased premises. If any of the owners of these premises does not renew an agreement under which we occupy the premises, attempts to evict us or seeks to renew an agreement on terms and conditions non-acceptable to us, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations.

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

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

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

Our Company has also entered into agreements for its money transfer business with EBIX Money Express Private Limited ("**EBIX**") to act in the capacity of a sub representative to offer money transfer services. Our Company also holds a FFMC license and carries on money changing activities through its branches authorised by RBI. As on October 31, 2022, we had 1 head office and 61 authorised branches. Our currency operations include sale and purchase of foreign exchange at different authorised branches.

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

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

As at September 30, 2022, our financial statements disclosed and reflected the following contingent liabilities:

Particulars	**₹ in lakhs**
Income Tax Demand for the period 2011-2012	(468.02)
Income Tax Demand for the period 2014-2015	713.49
Income Tax Demand for the period 2015-2016	1,469.92
Income Tax Demand for the period 2016-2017	(16.55)
Kerala Value Added Tax demand for the period 2014-2015	83.36
Total contingent liabilities	**1,782.20**

Contingent liabilities based on the last audited financials:

(₹ in lakhs)

Particulars	**As at March 31, 2022**
(I) Contingent Liabilities	-
(a) Claims against the company not acknowledged as debt	-
(i) Income Tax Demands	1,698.84
(ii) Sales Tax Demands	83.36
Total contingent liabilities	**1,782.20**

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

44. ***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.

RISKS PERTAINING TO THIS ISSUE

45. ***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.

46. ***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 67. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. The utilization details of the proceeds of the Issue shall be adequately disclosed as per applicable law. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

47. ***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.

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 to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.***

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

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

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

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

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

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, and, (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

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 the NCDs will rank pari passu with other secured creditors and to that extent, may reduce the amounts recoverable by the Debenture Holders upon our Company's bankruptcy, winding up or liquidation***

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

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

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

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

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

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

54. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the NBFC and Gold Loan industries contained in this 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 71. 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

55. 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.

56. 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.

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

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

58. 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. India's sovereign rating decreased from Baa2 with a "negative" outlook to Baa3 with a "negative" outlook by Moody's and from BBB with a "stable" outlook to BBB with a "negative" outlook (Fitch) in June 2020; and from BBB "stable" to BBB "negative" in May 2020. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact on our business and financial performance, our ability to raise financing for onward lending and the price of our NCDs.

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

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

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

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

SECTION III - INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated on March 25, 1987, as '*Standard Shares and Loans Private Limited*', a private limited company under the Companies Act, 1956 with a certificate of incorporation issued by the RoC. The name of our Company was changed to *'Kosamattam Finance Private Limited'* pursuant to a resolution passed by the shareholders of our Company at the EGM held on June 2, 2004 and a fresh certificate of incorporation dated June 8, 2004 issued by the RoC. Subsequently, upon conversion to a public limited company pursuant to a special resolution of the shareholders of our Company dated November 11, 2013, the name of our Company was changed to '*Kosamattam Finance Limited*' and a fresh certificate of incorporation was issued by the RoC on November 22, 2013. For details of changes in our name and registered office, see "*History and Certain Other Corporate Matters*" on page 116.

NBFC Registration

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

FFMC Registration

Our Company has obtained a full-fledged money changers license bearing license number FE. CHN.FFMC.40/2006 dated February 7, 2006 issued by the RBI, which is valid up to February 28, 2023.

Depository Participant Registration

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

Corporate Insurance Agency Registration

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

LEI Registration

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

Registered Office

Kosamattam City Centre,
Floor Number 4th & 5th, T.B Road,
Kottayam - 686001,
Kerala, India
Email: cs@kosamattam.com
Tel.: +91 481 258 6400
Fax: +91 481 258 6500
Website: www.kosamattam.com
CIN: U65929KL1987PLC004729

Board of Directors

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

Name	Designation	DIN	Address
Mathew K. Cherian	Chairman and Managing Director	1286073	354A, Kosamattam House, Manganam P.O., Kottayam - 686 018, Kerala, India.
Laila Mathew	Whole-Time Director	1286176	354A, Kosamattam House, Manganam P.O., Kottayam – 686 018, Kerala, India.
Jilu Saju Varghese	Non-Executive Director	03621643	Parayil House, West Othera P.O., Thiruvalla, Kuttoor, Pathanamthitta – 689 551, Kerala, India.
Paul Jose Maliakal	Independent Director	07218120	Chethalan Deepthi, Convent Road, Chalakudy – 680 307, Kerala, India.
C. Thomas John	Independent Director	02541626	Chirappurath House, Kollad. P.O., Kottayam - 686 029, Kerala, India
Sebastian Kurian	Independent Director	09416863	Puthiyaparampil, Pampady, Poothakuzhy, Vaikom, Kottayam - 686 521, Kerala, India

For further details of Directors of our Company, see *"Our Management"* on page 118.

Chief Financial Officer

Annamma Varghese C.
Kosamattam Finance Limited
Kosamattam City Centre,
Floor Number 4th & 5th, T.B Road,
Kottayam - 686001,
Kerala, India
Tel.: +91 481 258 6451
E-mail: cfo@kosamattam.com

Company Secretary and Compliance Officer

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

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

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

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

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

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

Registrar of Companies, Kerala and Lakshadweep

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

Lead Manager to the Issue

SMC Capitals Limited
A-401/402, Lotus Corporate Park,
Off Western Express Highway,
Jai Coach Signal,
Goregaon (East), Mumbai – 400063
Maharashtra, India
Tel: +91 22 66481818
E-mail: kfl.ncd2022@smccapitals.com
Website: www.smccapitals.com
Contact Person: Satish Mangutkar/ Bhavin Shah
SEBI Registration No: INM000011427

Legal Counsel to the Issue

M/s. Crawford Bayley & Co.
4th Floor, State Bank Buildings
N.G.N. Vaidya Marg, Fort
Mumbai 400 023
Maharashtra, India
Telephone: +91 22 2266 3353
Email: sanjay.asher@crawfordbayley.com
Contact Person: Sanjay Asher

Debenture Trustee

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

Vistra ITCL (India) Limited has pursuant to Regulation 4(4) of SEBI NCS Regulations, by its letter dated November 30, 2022, 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 to be sent to the holders of the NCDs issued pursuant to this Issue.

All the rights and remedies of the Debenture Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the Debenture Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company pro tanto from any liability to the Debenture Holders. For details on the terms of the Debenture Trust Deed, please refer to the section titled "*Issue Related Information*" on page 167.

Registrar to the Issue

KFINTECH

Kfin Technologies Limited
Selenium Tower B, Plot 31&32,
Gachibowli, Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi - 500 032,
Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
Toll free number: 1800 3454 001
Email: kosamattam.ncdipo24@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221

Credit Rating Agency

India Ratings & Research

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

Statutory Auditors of our Company

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

Public Issue Account Bank, Banker to the Issue, Sponsor Bank and Refund Bank

HDFC Bank Limited
Lodha, I Think Techno Campus O-3 Level,
Next to Kanjurmarg Railway Station,
Knajurmarg (East), Mumbai – 400 042
Tel: +91 22 30752929/ 2928/ 2914

Email: siddharth.jadhav@hdfcbank.com, sachin.gawade@hdfcbank.com, vikas.rahate@hdfcbank.com, eric.bacha@hdfcbank.com, tushar.gavankar@hdfcbank.com
Contact Person: Vikas Rahate, Eric Bacha, Siddharth Jadhav, Sachin Gawade, Tushar Gavankar
Website: www.hdfcbank.com
SEBI Registration No: INBI00000063

Syndicate Member

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

Bankers to our Company

Canara Bank
Mid Corporate Branch,
Metro Station Complex 3rd Floor,
MG Road, Ernakulam,
Kerala – 682035
Tel: +91 484 4864333
Email: cb14333@canarabank.com
Contact Person: R Sundaramoorthy
Website: www.cananrabank.com

DCB Bank Limited
No.6, Rajaji Road,
Nungambakkam,
Chennai – 600 034
Tel: +91 44 40500355
Email: muralik@dcbbank.com
Contact Person: K. Murali
Website: www.dcbbank.com

The South Indian Bank Limited
SIB House, TB Road, Mission Quarters,
Thrissur – 680 001, Kerala, India
Tel: +91 4872420020/0420/0058
Email: br0037@sib.co.in
Website: www.southindianbank.com
Contact Person: Binu Philip

The Federal Bank Limited
Commercial Banking Dept., Federal Bank,
Kottayam Zonal Officer, S H Mount P.O.,
Kottayam – 686 006
Tel: +91 8156904423
Email: philipjohn@federalbank.co.in
Website: www.federalbank.co.in
Contact Person: Philip John

CSB Bank Limited
St Thomas Building, Shastri Road,
Kottayam, Kerala, India
Tel: +91 9769593461/ 9048520332
Email:
jimmyjohnson@csb.co.in/kottayam@csb.co.in
Website: www.csb.co.in
Contact Person: Jimmy Johnson

Bank of Baroda
Madeena Tower, Baker Junction,
C M S College Road,
Kottayam – 686 001
Tel: +91 481 2564577
Email: kottay@bankofbaroda.com
Website: www.bankofbaroda.com
Contact Person: Joseph Raju A

Dhanlaxmi Bank Limited
M G Road Branch, Building No. 66/6600,
Malankara Centre, Opp Shenoys Theatre,
MG Road, Ernakulam - 682011
Tel: +91 484 2355064
Email: dlb.ifbekm@dhanbank.co.in
Website: www.dhanbank.com
Contact Person: Jimmy P

The Karur Vysya Bank Limited
577, 2nd Floor,
Oppanakkara Street, Coimbatore - 641 001
Tel: +91 422 2392986
Email: cbucoimatore@kvbmail.com;
haridastk@kvbmail.com
Website: www.kvb.co.in
Contact Person: Haridas T K

Punjab National Bank
No. 1057, Jaya Enclave, Avinashi Road,

State Bank of India
Sree Ganesh Kripa, Thyeaud, Thiruvananthapuram

Coimbatore - 641 018
Tel: +91 422 2240190
Email: bo104410@pnb.co.in
Website: www.pnbindia.in
Contact Person: P Marithevar

Union Bank of India
Mid Corporate Branch, 1st Floor,
Union Bank Bhavan, MG Road, Kochi – 682035
Tel: +91 484 2355351/ 2385217/8
Email: ubin0551929@unionbankofindia.bank
Website: www.unionbankofindia.co.in
Contact Person: Deepthi Anandan

IDFC First Bank Limited
Residency Building, Plot No. 79,
Residency Road, Richmond Town, 560025
Tel: +91 97411 73400
Email: sojan.jacob@idfcfirstbank.com
Website: www.idfcfirstbank.com
Contact Person: Sojan Jacob

HDFC Bank Limited
1st Floor, S L Plaza, Palarivattom,
Cochin, Kerala – 682025
Tel: +91 484 4433204
Email: Cenoi.Kurian@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Cenoi Kurian

Equitas Small Finance Bank Limited
4th Floor, Spencer Plaza, No. 769,
Phase II, Anna Salai, Chennai – 600002
Tel: +9144 4299 5000
Email: cs@equitasbank.com
Website: www.equitasbank.com
Contact Person: Ramanathan N

Tel: +91 471 2339925
Email: sbi.04350@sbi.co.in
Website: www.sbi.co.in
Contact Person: Sreegith G L

Bank of Maharashtra
Door No. 62/661A, Ground Floor, Durbar Hall Road,
Ernakulam - 68206
Tel: +91 484 2374343/ 94451 95616
Email: bom379@mahabank.co.in
Website: www.bankofmaharashtra.in
Contact Person: Philip Joseph Morris

Indian Bank
Mid Corporate Branch, 3rd Floor, Khivraj Complex,
480 Anna Salai, Nandanam, Chennai – 600035
Tel: +91 44 24344114
Email: mcb.tnagar@indianbank.co.in
Website: www.indianbank.in
Contact Person: Prasanta Kumar Sahu

ESAF Small Finance Bank Limited
Building No VII/83/8, ESAF Bhavan,
Mannuthy, Thrissur – Palakkad NH,
Thrissur – 680651, Kerala
Tel: +91 487 7123456
Email: vinodg.thampi@esafbank.com
Website: www.esafbank.com
Contact Person: Vinod G Thampi

Bandhan Bank Limited
Madhapur Branch (1873) Plot No -31,
Door No -1-118/31, Ground Floor, Rohini Layout,
Opposite – Cyber Tower, Madhapur,
Hyderabad, Telangana – 500081
Tel: +91 9949999146
Email: satish.g@bandhanbank.com
Website: www.bandhanbank.com
Contact Person: Satish Kumar G

Self-Certified Syndicate Banks

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

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

Syndicate SCSB Branches

In relation to Applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the

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

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

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

Broker Centres/ Designated CDP Locations/ Designated CRTA Locations

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

CRTAs / CDPs

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

Impersonation

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

"Any person who:

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

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

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

shall be liable for action under Section 447"

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

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. In the event of non-receipt of minimum subscription, all blocked application money shall be unblocked forthwith, but not later than eight working days from the date of closure of the issue or such time as may be specified by the Board. In case such application money is not unblocked within such period, the issuer shall pay interest at the rate of fifteen percent per annum for the delayed period.

Arrangers to the Issue

There are no arrangers to the Issue.

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated 'IND A-/Stable', by India Ratings for an amount up to ₹40,000 lakhs *vide* their letter dated November 23, 2022. The rating of NCDs by India Ratings indicates that instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. Please refer to page 309 for the rationale for the above rating and press release.

Consents

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

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds please refer to the chapter titled "*Objects of the Issue*" on page 67 of this Draft Prospectus.

Underwriting

This Issue is not underwritten.

Expert Opinion

Except the (i) Statutory Auditor's report on our reformatted audited financials for the Financial Year ending March 31, 2022, March 31, 2021 and March 31, 2020, issued by M/s. SGS & Company., Chartered Accountants dated November 24, 2022 and (ii) Statement of Tax Benefits Available to the Debenture Holders issued by M/s. SGS & Company., Chartered Accountants dated November 24, 2022.

Issue Programme:

ISSUE OPENS ON	**[●]**
ISSUE CLOSES ON	**[●]***

** The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during banking hours for the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board/ Debenture Committee, as the case maybe, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through advertisements in an English national daily newspaper and a regional daily newspaper in Kerala where the registered office is lodated with wide circulation on or before such earlier date of Issue Closure or initial date of Issue closure, as the case may be. On the Issue Closing Date Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

*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, "**IST**") ("**Bidding Period**") during the Issue Period as mentioned above by the (a) by the Designated Intermediaries at the Bidding 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(s). It is clarified that the Applications not uploaded in the Stock Exchange(s) Platform will 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 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

Details of share capital

The following table lays down details of our authorised, issued, subscribed and paid up share capital and securities premium account as on September 30, 2022:

Particulars	Amount in ₹
Authorised share capital	
50,00,00,000 Equity Shares of face value ₹10 each	5,00,00,00,000
5,00,000 preference shares of face value ₹1,000 each	50,00,00,000
Total authorised share capital	**5,50,00,00,000**
Issued, subscribed and paid up share capital	
21,68,79,302 Equity Shares of ₹10 each	2,16,87,93,020
Total issued subscribed and paid up share capital	**2,16,87,93,020**
SECURITIES PREMIUM ACCOUNT	
Securities Premium Account before the Issue	**70,68,65,834**

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

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

2. **Equity Share capital history of our Company for the last three years preceding the date of this Draft Prospectus is set forth below:**

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

1. *Allotment of 15,625 Equity Shares to Accamma Mathew, 18,750 Equity Shares to Elsie John, 31,250 Equity Shares to Sarojiniamma K G, 15,625 Equity Shares to Mani K A,15,625 Equity Shares to Sreekala R,15,625 Equity Shares to Sunil M S, 31,250 Equity Shares to Thomas C K, 15,625 Equity Shares to Asharaf A K, 15,625 Equity Shares to Reetha Georathi, 18,750 Equity Shares to Rincy Kuriakose, 15,625 Equity Shares to Binsy Thomas Kannanathu, 31,250 Equity Shares to Aju John , 53,125 Equity Shares to Jessy Joseph, 15,625 Equity Shares to John Varghese,15,625 Equity Shares to Lincy Anto, 25,000 Equity Shares to Sreeja Manoj, 15,625 Equity Shares to Rachel Koshy, 31,250 Equity Shares to Shibin Joy, 31,250 Equity Shares to Abraham John, 21,875 Equity Shares to Jerin J Malayil, 78,125 Equity shares to K X Thomas, 15,625 Equity Shares to Aswani Thomas,15,625 Equity Shares to Williams K Mathai, 15,625 Equity Shares to Mary Jose, 15,625 Equity shares to Shinu Thomas, 15,625 Equity Shares to Varghese Perumpoikayil Abraham, 15,625 Equity Shares to Pearlu Augustine, 15,625 Equity Shares to K C Koruthu, 15,625 Equity Shares to Leelamma George, 15,625 Equity Shares to Jessy Paul, 29,700 Equity Shares to Divya S, 53,125 Equity shares to Alice Kuruvilla, 59,375 Equity Shares to T K Mukesh Kumar, 15,625 Equity Shares to Aby T Varghese, 31,250 Equity Shares to Indiradevi, 15,625 Equity Shares to Thampi K V, 15,625 Equity Shares to Varughese V George, 25,000 Equity Shares to Viswanathan, 15,625 Equity Shares to Sanju George Joseph, 15,625 Equity shares to Jesvin Ben Bentrock, 15,625 Equity Shares to Kadavil Easony Joy, 78,125 Equity Shares to Cecily Thomas, 15,625 Equity Shares to Jaya T P, 15,625 Equity Shares to Niravathu Varkey Mary, 15,625 Equity Shares to Nimmu Maria Thomas, 25,000 Equity Shares to Mahadevan Pillai, 15,625 Equity Shares to Renji Alex, 15,625 Equity Shares to Moothezhath Dayanandan Dijesh, 31,250 Equity shares to Omana Amma, 21,875 Equity Shares to Jayasankar S, 15,625 Equity Shares to Jincy Thomas, 15,625 Equity Shares to James Mathew, 15,625 Equity Shares to Minimol James, 15,625 Equity Shares to T P Skaria, 31,250 Equity Shares to Sameepan Thomas, 15,625 Equity Shares to Jerry George John, 25,000 Equity Shares to Sarasamma, 25,000*

Equity Shares to Albert P John, 15,625 Equity Shares to Anil George, 15,625 Equity Shares to Biby John, 31,250 Equity Shares to Jaacs Job Pottas, 15,625 Equity Shares to Xavier Mathai,15,625 Equity Shares to Biby Chacko, 15,625 Equity Shares to Bigimol Philip, 15,625 Equity Shares to Fr George Vathyakary, 46,875 Equity Shares to Sukumaran A K, 21,875 Equity Shares to Chellappan Haridas, 23,450 Equity Shares to Asha Renjith, 31,250 Equity shares to Vinu Kumar S, 15,625 Equity Shares to Sherly Mary John, 15,625 Equity Shares to Reji Jacob Varghese, 15,625 Equity Shares to Ruby Maria Chacko, 15,625 Equity Shares to Gracyamma Thomas, 15,625 Equity Shares to Valsamma Cherupuzhathu Thomas, 15,625 Equity Shares to Alex Eapen, 31,250 Equity Shares to Shine Soney, 15,625 Equity Shares to Kesia Jaimon Joseph, 15,625 Equity Shares to Deepak K S, 15,625 Equity Shares to Shaji K P, 31,250 Equity Shares to Agna Mariya, 15,625 Equity Shares to Jose Kannampilly Antony, 15,625 Equity Shares to Anna Maria Jose, 15,625 Equity Shares to Aleyamma Scaria, 15,625 Equity Shares to Scaria K A, 15,625 Equity Shares to Paulose Scaria, 15,625 Equity Shares to Samuel Cherian, 15,625 Equity Shares to Anto K J, 15,625 Equity Shares to John Thomas, 15,625 Equity Shares to Leelamma Thomas, 15,625 Equity Shares to Vinod George, 31,250 Equity Shares to Carol Philip, 40,625 Equity shares to Sunu Jomon, 15,625 Equity Shares to Sreekumar Krishnan, 15,625 Equity Shares to Ritty Joseph, 18,750 Equity Shares to K I Lilly, 21,875 Equity Shares to Sophyamma Mathew on rights issue basis.

2. *Allotment of 7,500 Equity Shares to Chinnu Susan Cherian,7,500 Equity Shares to Jose Pulickal Auguste,7,500 Equity Shares to Renjith Kumar D, 7,500 Equity Shares to Mohanraj Thamarasseril Kuttanpillai, 25,000 Equity Shares to George Cheriankunju, 25,000 Equity Shares to Thankamani Cherian, 10,000 Equity Shares to Sosamma Theckinathu John, 7,500 Equity Shares to Seetha Aley Thomas, 15,000 Equity Shares to Abraham K Thomas,10,000 Equity Shares to Kuruvilla Joseph, 7,500 Equity Shares to Aleena Thomas, 15,000 Equity Shares to Blessan K, 7,500 Equity Shares to Rosamma Thomas, 10,000 Equity Shares to Gopalakrishna Pillai, 7,500 Equity Shares to Gracy Issac, 37,500 Equity Shares to Shaji Kurian, 10,000 Equity Shares to Moncy Samuel, 7,500 Equity Shares to Johnson Thomas, 7,500 Equity Shares to Joel T George, 7,500 Equity Shares to Elaine Sarah George, 8,750 Equity Shares to Mathew M Thomas, 7,500 Equity Shares to Susamma Kuranjoor Abraham, 12,500 Equity Shares to K M Joseph, 10,625 Equity Shares to Sophiamma, 7,500 Equity Shares to Thomas Cherian, 7,500 Equity Shares to Thresiamma Joy, 7,500 Equity Shares to Joshymon Jacob, 12,500 Equity Shares to Manju Mathew, 15,000 Equity Shares to Juby Varghese, 8,750 Equity Shares to Jayakumar A K, 10,000 Equity Shares to Anu Chandy, 7,500 Equity Shares to Elikkutty Poulose, 7,500 Equity Shares to Jufin George, 7,500 Equity Shares to P C Annamma, 12, 500 Equity Shares to Anu Gibi, 12,500 Equity Shares to Susan Gibi, 12,500 Equity Shares to Anna Gibi, 12,500 Equity Shares to Madathil Scariah Babuissac, 20,000 Equity Shares to Beena Sam, 7,500 Equity Shares to Paul Alex, 12,500 Equity Shares to Valsa George, 7,500 Equity Shares to Lissy Anderson, 2,500 Equity Shares to Chinnappan Rose Puthenpurakkal, 7,500 Equity Shares to Dileep Kumar B, 7,500 Equity Shares to Vinod Kumar P S, 7,500 Equity Shares to Manjumariya, 7,500 Equity Shares to Biju Thomas, 25,000 Equity Shares to Meghna Ann Thomas, 7,500 Equity Shares to Binu Kuttivilayil George, 15,000 Equity Shares to Leelavathy, 7,500 Equity Shares to Aleyamma Joseph, 17,500 Equity Shares to Jacob Abraham, 12,500 Equity Shares to Mathew Sebastian, 7,500 Equity Shares to Sabu Mathew, 8,750 Equity Shares to Cyriac Mathew, 10,000 Equity Shares to Radhamani N B, 12,500 Equity Shares to Chinnu Maria Babu, 7,500 Equity Shares to Jancy Mathew, 13,750 Equity Shares to Marilyn Jacob, 7,500 Equity Shares to Keerthi T C, 7,500 Equity Shares to Rose Thomas, 12,500 Equity Shares to John Mathew Chirayil, 7,500 Equity Shares to Swathy V S, 7,500 Equity Shares to Febin Mathew, 7,500 Equity Shares to Vishnu Chandran C, 7,500 Equity Shares to Sarath Chandran C, 12,500 Equity Shares to Geethu S Nair, 25,000 Equity Shares to Alex Pulimoottil Abraham, 50,000 Equity Shares to Reeba Grace Thomas, 12,500 Equity Shares to Binoy Thomas, 7,500 Equity Shares to Lizy Kurian, 7,500 Equity Shares to K C Salichan, 8,750 Equity Shares to Ritamma Mathew, 7,500 Equity Shares to Beena Laly, 12,500 Equity Shares to Fr George Vathyakary, 10,000 Equity Shares to Ponnamma, 7,500 Equity Shares to Prasannakumari S, 7,500 Equity Shares to Paul Nicholson, 21,250 Equity Shares to Zeenath Salim, 7,500 Equity Shares to Jyothi Chandran, 12,500 Equity Shares to Parthasarathy Suriyanarayanan, 7,500 Equity Shares to Thomas Vempany Joseph, 12,500 Equity Shares to Shruti V Nair, 7,500 Equity Shares to Kavya Sasidharan, 7,500 Equity Shares to Mariamma Samuel Varghese, 7,500 Equity Shares to N K James, 7,500 Equity Shares to Mathew Chacko, 7,500 Equity Shares to Shoukathali, 37,500 Equity Shares to Vinesh Joyce, 7,500 Equity Shares to Reetha Sunny, 7,500 Equity Shares to Sunu Soman, 10,000 Equity Shares to Bincy K Edakkalathur, 7,500 Equity Shares to Priyanka, 12,500 Equity Shares to Sanju Kavalakat, 7,500 Equity Shares to Kavalakat Iyppunny Thomas, 7,500 Equity Shares to Shali Kurian, 12,500 Equity Shares to A K Baburajan on rights issue basis.*
3. *Allotment of 10,375 Equity Shares to Denny Philip Thomas, 10,000 Equity Shares to John Thomas, 7,500 Equity Shares to Joyamma Varghese, 10,375 Equity Shares to Kamalayam Koshy Thomas, 10,000 Equity Shares to Abraham Madavilayil Koshy, 10,000 Equity Shares to Meena Mary Mathew, 12,500 Equity Shares to George V M, 7,500 Equity Shares to V M Babu, 7,500 Equity Shares to Babu Jose K, 12,500 Equity Shares to Ramani Rajan, 12,500 Equity Shares to Lalitha Samuel, 7,550 Equity Shares to Mariamma David, 7,500 Equity Shares to Thomas Mathew, 18,900 Equity Shares to Anu Abraham, 13,750 Equity Shares to Binu Yohannan, 5,000 Equity Shares to Leelamma Varghese, 12,500 Equity Shares to T N Sadasivan Nair,7,500 Equity Shares to Suma Rajan, 7,500 Equity Shares to Susan Baby, 26,875 Equity Shares to Alexander T, 12,500 Equity Shares to Lintu T Michel, 12,500 Equity Shares to P Syamalakumary, 12,500 Equity Shares to Tania Anna Baby, 25,000 Equity Shares to Aliyamma Josaph, 8,750 Equity Shares to Bebins Thomas, 4,375 Equity Shares to Jaya Moncy, 8,750 Equity Shares to Mathews Padarathil Mathai, 2,500 Equity Shares to V K Babu, 2,500 Equity Shares to Aleyamma Palanilkunnathil Thomas, 6,250 Equity Shares to Arunkumar, 5,000 Equity Shares to Jaisen Chirakal Oommen, 5,000 Equity Shares to P S Thomas, 12,500 Equity Shares to Varughese Arakkanattil George, 7,500 Equity Shares to Narayana Pillai Vikraman, 5,000 Equity Shares to Yohannan Abraham, 15,000 Equity Shares to Jessy Sam, 7,500 Equity Shares to Jolly Mathew, 6,250 Equity Shares to Josekutty C, 10,000 Equity Shares to K Thomas, 9,000 Equity Shares to Manju, 7,500 Equity Shares to Mathew P Samuel, 15,100 Equity Shares to Silpa G Soman, 28,350 Equity Shares to Susan Mathew, 19,000 Equity Shares to Aleyamma Shaji, 10,625 Equity Shares to Aneesh S, 12,500 Equity Shares to Jessy Daniel, 2,500 Equity Shares to Purushothaman T V, 10,000 Equity Shares to Leelamma Thankamma, 3,775 Equity Shares to Soumya Soman, 2,500 Equity Shares to T M Krishna Pillai, 10,000 Equity Shares to*

Joseph Varghese, 7,500 Equity Shares to Mohan Varkey, 10,000 Equity Shares to Benson Baby, 5,000 Equity Shares to Geevarghese D, 8,750 Equity Shares to Jeeney Jeyo Mathew, 25,000 Equity Shares to Jiji George, 8,000 Equity Shares to Saramma David, 12,500 Equity Shares to Saraswathiamma Parukutty Amma, 5,000 Equity Shares to Sharon Jose, 13,125 Equity Shares to Susan Thomas, 25,000 Equity Shares to Syam C Kunjumon, 18,750 Equity Shares to Thomaskutty M, 8,000 Equity Shares to Wilson P G, 2,825 Equity Shares to Jyothi Kumari, 7,875 Equity Shares to K G Kunjumon, 5,750 Equity Shares to Rillin Rajan, 25,000 Equity Shares to Sally Ann Mathew, 5,000 Equity Shares to Vinitha Vijayan, 5,000 Equity Shares to Beena Raju, 16,250 Equity Shares to Jacob Puthenpura Thomas, 10,000 Equity Shares to Koodathil Mathew Kurian, 8,750 Equity Shares to Rajasree V R, 8,750 Equity Shares to Vilasakumari V P, 9,450 Equity Shares to Uthaman K, 12,500 Equity Shares to Bindhu B, 2,500 Equity Shares to Athul Rajan, 2,825 Equity Shares to George, 5,750 Equity Shares to Rajan Chellappan, 2,825 Equity Shares to Jincy Annamma Chacko, 12,500 Equity Shares to Raji Thainilkunnathil Gopalan, 2,500 Equity Shares to Remya Reghunathan, 11,250 Equity Shares to Sajan Varghese, 8,750 Equity Shares to Shiju Joshua, 25,000 Equity Shares to Karunakaran Gangadharan, 20,000 Equity Shares to Jospheena Mathew, 25,000 Equity Shares to Rev K V Abraham, 15,000 Equity Shares to Mathew Chacko, 21,950 Equity Shares to Saly Mathew, 18,900 Equity Shares to Vengal Chacko Varghese, 2,825 Equity Shares to Jinomol, 7,500 Equity Shares to Mary Kutty Joshua, 5,750 Equity Shares to C P Mathew, 7,500 Equity Shares to George M Daniel, 7,875 Equity Shares to Thomas Daniel M, 32,500 Equity Shares to Anish Kumar, 19,900 Equity Shares to Bindu G Pillai, 2,500 Equity Shares to Jessy Varghese, 12,500 Equity Shares to Marykutty A C, 15,000 Equity Shares to Marykutty Thomas, 7,500 Equity Shares to P S Sivan Pillai, 10,000 Equity Shares to Reena Annie Rajan, 25,000 Equity Shares to Sona Sunny, 25,000 Equity Shares to Valsamma Baby, 7,500 Equity Shares to Abraham Varughese, 7,500 Equity Shares to Joseph Zachariah, 3,775 Equity Shares to Leela Varghese, 10,000 Equity Shares to Lizzy Varghese, 22,500 Equity Shares to P K Raju, 7,500 Equity Shares to Philip T Mathew, 2,500 Equity Shares to Ponnamma Daniel, 13,750 Equity Shares to Toby Abraham, 2,500 Equity Shares to Syama Krishna, 7,500 Equity Shares to Alexandar Chacko, 37,500 Equity Shares to Rosamma Samuel, 5,000 Equity Shares to Sukumarakurup M K, 7,500 Equity Shares to Valsa Alex, 12,500 Equity Shares to Babu Abraham, 7,500 Equity Shares to T O John, 2,500 Equity Shares to Aleyamma Kalayil Thomas, 8,250 Equity Shares to Jeena Susan Mathew, 12,500 Equity Shares to Lillikutty Jacob, 12,500 Equity Shares to Marykutty, 15,000 Equity Shares to Anita Tom Kurian, 5,000 Equity Shares to Gracy David, 42,500 Equity Shares to John Thankachan, 7,500 Equity Shares to Jose Thankachan, 10,000 Equity Shares to Justin John Koshy, 9,500 Equity Shares to Letha Joseph, 20,000 Equity Shares to Mini Ponnachan, 12,500 Equity Shares to Monison Ommen, 13,750 Equity Shares to Nini Jacob Varghese, 12,500 Equity Shares to Prema G Pillai, 10,000 Equity Shares to R Rohith, 16,250 Equity Shares to Richu Elin Abraham, 5,000 Equity Shares to Sajan Sam, 5,000 Equity Shares to Sreekumar G, 10,000 Equity Shares to T G Pappan, 7,500 Equity Shares to Jomon Abraham, 12,500 Equity Shares to John Vargheese, 7,500 Equity Shares to Leelabhai Jagathamma, 16,250 Equity Shares to Sujatha Kumari, 10,000 Equity Shares to Kochuveettil Aleyamma Pappachan, 18,900 Equity Shares to Saji Varughese, 5,000 Equity Shares to Pradeep Kamalasanan, 10,000 Equity Shares to Rahim C M, 9,425 Equity Shares to Rajan Thomas, 12,500 Equity Shares to Sosamma, 15,000 Equity Shares to Lizy Mathews, 37,500 Equity Shares to Aleyamma Mathew, 12,500 Equity Shares to John Thomas, 25,000 Equity Shares to Moolamannil Oommen Koshy , 12,500 Equity Shares to Abraham John, 7,500 Equity Shares to Aleyamma Roch, 8,750 Equity Shares to Babu Moolayil Cherian, 62,500 Equity Shares to Jessy John, 12,500 Equity Shares to Lijo Mathew Samuel, 7,500 Equity Shares to Mariamma K C, 7,500 Equity Shares to Mariamma Varghese, 12,500 Equity Shares to Rency P Joshua, 10,000 Equity Shares to Sajitha S, 12,500 Equity Shares to Sinoj Samuel, 7,500 Equity Shares to Wilson T K, 7,500 Equity Shares to Yohannan Koshy, 11,250 Equity Shares to Kevin Jacob, 7,500 Equity Shares to Panicker Rajendran V K, 37,500 Equity Shares to Thomas Eappen, 2,500 Equity Shares to Josmy Joseph, 2,625 Equity Shares to Mariamma Sajan, 3,750 Equity Shares to P G Mathukutty, 3,750 Equity Shares to Shaji George, 2,500 Equity Shares to Sharlet P Samuel, 2,500 Equity Shares to Sharon P Samuel, 10,000 Equity Shares to Annamma Ponnachan, 20,000 Equity Shares to Cherian P J, 12,500 Equity Shares to Elizabeth Philip, 12,500 Equity Shares to Jacob Abraham Palakunnathu, 3,750 Equity Shares to Jaya Mathew, 5,000 Equity Shares to Mary Abraham, 15,000 Equity Shares to Mathew V G, 12,500 Equity Shares to Molly Mammen, 8,750 Equity Shares to Sobha Biju, 2,500 Equity Shares to T E John, 7,500 Equity Shares to Thomas Samuel, 10,000 Equity Shares to P G Varghese, 2,500 Equity Shares to Andrews Vadakkathil Philipose, 12,500 Equity Shares to Elizabeth Idiculla, 25,000 Equity Shares to Mariamma V Mathew, 12,500 Equity Shares to Oommen Ray Varghese, 5,000 Equity Shares to Riya Mary Peter, 5,675 Equity Shares to Susamma Rajan, 5,000 Equity Shares to Henry Johnson, 6,250 Equity Shares to James George, 10,000 Equity Shares to Nayanakrishnan, 12,500 Equity Shares to Silvy Sebastian, 12,500 Equity Shares to Aju John, 5,675 Equity Shares to Shiney Varghese, 5,000 Equity Shares to Leelamma Rebekka James, 9,450 Equity Shares to Toney K Joy, 15,000 Equity Shares to Elizabeth Reji Johnson, 12,500 Equity Shares to George Abraham K, 7,500 Equity Shares to Graceamma Thomas, 20,000 Equity Shares to Jose George, 7,500 Equity Shares to M V Varughese, 22,500 Equity Shares to Susan Varghese, 3,750 Equity Shares to K J Joseph, 25,000 Equity Shares to Silvimole James, 7,500 Equity Shares to Leelamma Varghese, 10,000 Equity Shares to Oommen Varghese, 18,900 Equity Shares to Roshan V Thomas, 14,000 Equity Shares to Sheeja Roy, 20,000 Equity Shares to Abraham John, 3,750 Equity Shares to Bivin Thomas Varghese, 3,750 Equity Shares to Chris Easow Joseph, 10,000 Equity Shares to George Thomas, 12,500 Equity Shares to Roy Kandalloor Ittyavira, 5,000 Equity Shares to arughese P T, 30,000 Equity Shares to Molamma, 17,500 Equity Shares to Saidas Babu Pillai, 3,775 Equity Shares to Soosamma Raju, 22,500 Equity Shares to Thulasi Vikraman Pillai, 5,000 Equity Shares to Annamma Pappachen, 12,500 Equity Shares to Annamma Thomas, 10,000 Equity Shares to Ashwin Joseph Raju, 37,500 Equity Shares to Binu Koshy, 10,000 Equity Shares to Chacko George, 7,500 Equity Shares to Hridya Mariyam Mathew, 3,875 Equity Shares to Jacob George, 4,750 Equity Shares to Lilly Yohannan, 2,500 Equity Shares to Lizy K Joy, 5,675 Equity Shares to P G Manoharan, 12,500 Equity Shares to P K Mathew, 6,250 Equity Shares to Raju Varghese, 3,750 Equity Shares to Reena Mary Abraham, 7,750 Equity Shares to Renjith Chandran Nair, 10,000 Equity Shares to Rosamma George, 4,750 Equity Shares to Savish V Dan, 5,000 Equity Shares to Shajan K S, 2,825 Equity Shares to Thomas Idicula Nilakalkizhakethil, 7,500 Equity Shares to Thomaskutty, 7,500 Equity Shares to Varughese T M, 2,500 Equity Shares to

Asha Rajan, 18,900 Equity Shares to Jeenamma Joy, 5,100 Equity Shares to Kunjumol Mathew, 7,550 Equity Shares to P C Mathai, 11,250 Equity Shares to Suja Mohan, 21,250 Equity Shares to Annamma Kurian, 7,500 Equity Shares to Chellamma Ninan George, 3,750 Equity Shares to James Mathethu Varghese, 15,000 Equity Shares to Mathew T Koshy, 12,500 Equity Shares to Neethu Susan Abis, 2,500 Equity Shares to Rachel Mohan, 2,500 Equity Shares to Ramachandran Pillai, 12,500 Equity Shares to Sanju Jacob Thomas, 2,500 Equity Shares to Saul Mathai, 10,000 Equity Shares to Sherly Jacob, 3,750 Equity Shares to K George Mathai, 10,000 Equity Shares to K Kurian Varghese, 7,500 Equity Shares to Laila Zachariah, 3,750 Equity Shares to Mervin Varghese Abraham, 11,250 Equity Shares to Molly Abraham, 15,000 Equity Shares to Saramma Kurian, 11,250 Equity Shares to Susamma Kuranjoor Abraham, 8,750 Equity Shares to Thomas Skaria, 2,825 Equity Shares to Geetha Kumari, 3,775 Equity Shares to K G S Pillai, 9,450 Equity Shares to Thomas David Muttathu, 5,675 Equity Shares to John Joseph, 6,600 Equity Shares to Juby Manoj, 7,500 Equity Shares to Arya Jose, 6,250 Equity Shares to Bijeesh Mathew, 13,750 Equity Shares to Johnson P K, 7,500 Equity Shares to Sneha Thomas, 12,500 Equity Shares to Aleena Tresa Christopher, 12,500 Equity Shares to Jaimol, 3,750 Equity Shares to Jameskutty K C, 5,000 Equity Shares to Kumari Nair, 3,775 Equity Shares to Lissy George, 9,450 Equity Shares to Shalet Perumpanany Sebastian, 17,500 Equity Shares to Sherly George, 5,675 Equity Shares to Tino Mathews, 9,450 Equity Shares to Victoriya, 2,500 Equity Shares to M F Joseph, 6,750 Equity Shares to Rajamma Cherian Kappayil, 12,500 Equity Shares to Skaria Thomas, 5,000 Equity Shares to Balappan Nair K G, 13,750 Equity Shares to G Sarasamma, 3,125 Equity Shares to Gopi Rajanparikkanilathu, 11,250 Equity Shares to Victor Rajan, 12,500 Equity Shares to James Mathew, 5,000 Equity Shares to Minimol James, 2,500 Equity Shares to Aleyamma Chacko, 2,500 Equity Shares to Balakrishnan Cherthedath Kesavamallan, 15,000 Equity Shares to Eapen, 2,500 Equity Shares to Joseph Mathai Thachuparampathu Mathai, 2,500 Equity Shares to Santhi Bai Damodaraprabhu, 9,450 Equity Shares to Sibychen C Joseph, 20,000 Equity Shares to Pradeep Chacko, 5,675 Equity Shares to Aleyamma Uthup, 22,500 Equity Shares to Blessen Mathew Joseph, 9,450 Equity Shares to Jainamma Philip, 7,500 Equity Shares to George K V, 7,500 Equity Shares to Gracy Varghese, 25,000 Equity Shares to Mathai Kuriakose, 6,250 Equity Shares to Gopakumar M S, 4,150 Equity Shares to Elizabeth Francis, 6,875 Equity Shares to K C Georgekutty, 12,500 Equity Shares to Leelamma Jacob, 12,500 Equity Shares to Vadakedath Issac Sabu, 7,550 Equity Shares to Jithu K Sam, 20,000 Equity Shares to Abraham Eapen, 25,000 Equity Shares to Annu Korah, 17,500 Equity Shares to Jagadeesh Chandran, 7,550 Equity Shares to C V Philipose, 9,450 Equity Shares to Reshma Elsa Reji, 8,500 Equity Shares to Subash K G, 5,000 Equity Shares to Mathewkutty Scaria, 7,500 Equity Shares to Ratheesh C S, 12,500 Equity Shares to Rekha Prasad, 2,500 Equity Shares to Rajan P Kuruvila, 25,000 Equity Shares to Abraham Vaidyan, 7,500 Equity Shares to Anjana Raju, 9,450 Equity Shares to Elsy Thomas, 7,500 Equity Shares to Gangadharan P K, 15,000 Equity Shares to Jacob N J, 12,500 Equity Shares to Jayasree Raju, 11,325 Equity Shares to Laly Kurian, 7,500 Equity Shares to Persis John, 5,750 Equity Shares to Raju Jacob George, 12,500 Equity Shares to Davy Naissery Peter, 7,500 Equity Shares to Selina K P, 12,500 Equity Shares to Sreekumar P V, 6,250 Equity Shares to Aliamma E V, 12,500 Equity Shares to Annie Baby, 12,500 Equity Shares to Baby K V, 10,000 Equity Shares to Malini A, 5,000 Equity Shares to Unnikrishnan C K, 7,500 Equity Shares to Varkey Vareeth, 12,275 Equity Shares to Ratheesh Kollezhathu Prabhakaran, 10,000 Equity Shares to Ancy Antony, 12,500 Equity Shares to Kunjamma Joseph, 3,775 Equity Shares to Mariamma, 12,750 Equity Shares to Ambika, 7,000 Equity Shares to V M Haridas, 5,675 Equity Shares to Latha Narayanan Namboori, 10,000 Equity Shares to Parvathy Ammal R, 12,500 Equity Shares to Devayani, 3,000 Equity Shares to Seena Sheny, 2,500 Equity Shares to Annamma Saju, 15,000 Equity Shares to Joby Joseph, 7,500 Equity Shares to Benny Skariah, 25,000 Equity Shares to Elizebeth Sunny, 12,500 Equity Shares to Susanna Varghese, 5,000 Equity Shares to P C Annamma, 7,500 Equity Shares to Priya Merine Mathew, 7,500 Equity Shares to V S Somasekharan, 7,500 Equity Shares to Grace Jose, 7,500 Equity Shares to Padmanabhan Nair D, 12,500 Equity Shares to Saibu Sebastian, 12,500 Equity Shares to Bindu Suraj, 5,000 Equity Shares to Jacob Thomas, 12,500 Equity Shares to Jessy Tony, 2,500 Equity Shares to Kasim Nizar P M, 12,500 Equity Shares to Lawrence George, 7,500 Equity Shares to Mariamma Ninan, 6,250 Equity Shares to Mathews Eapen, 20,000 Equity Shares to Sreekala Sudhakaran, 10,000 Equity Shares to Teenu Tony, 2,500 Equity Shares to Susan Varghese, 12,500 Equity Shares to Avarachan K V, 20,000 Equity Shares to Sabu Chemmazhikattu Kurian, 10,000 Equity Shares to Hema V, 17,500 Equity Shares to Joseph Daniel, 8,750 Equity Shares to Thomas M V, 13,225 Equity Shares to Babitha Joseph, 7,500 Equity Shares to Chellappan Haridas, 12,500 Equity Shares to K T Paul, 7,500 Equity Shares to Merin Paul, 7,500 Equity Shares to Adookkattil Mathai Johny, 5,000 Equity Shares to Akhil Paul, 37,500 Equity Shares to Ammini Sleeba, 3,750 Equity Shares to Babumon K C, 3,750 Equity Shares to Chackappan, 10,000 Equity Shares to Chinnamma Adookattil Mathai, 2,500 Equity Shares to John I V, 7,500 Equity Shares to Jaims Punnackattu George, 12,500 Equity Shares to Karuthedath George Saju, 15,000 Equity Shares to Mariamma Saju, 10,000 Equity Shares to Mathai K K, 5,000 Equity Shares to Nancy Peter Vazhappillil, 25,000 Equity Shares to Paliyeth Kuriako George, 8,750 Equity Shares to Biju V J, 10,000 Equity Shares to Cicily K K, 2,500 Equity Shares to Davees V D, 33,750 Equity Shares to Jose Thomas, 2,500 Equity Shares to Lissy K P, 10,000 Equity Shares to Sebastian Pynadath Stephen, 3,750 Equity Shares to Somy Sebastian T, 7,500 Equity Shares to Soumya Somanathan, 9,450 Equity Shares to Leyoni Jacob, 7,500 Equity Shares to Sharat Thomas, 7,500 Equity Shares to Shiny Martin, 5,000 Equity Shares to Anila Manoj, 12,500 Equity Shares to Godly Varghese, 2,500 Equity Shares to Jithin P George, 7,500 Equity Shares to Susan Mathew P, 7,500 Equity Shares to Bindhu Manoj, 15,000 Equity Shares to Sunny Vargheese, 7,500 Equity Shares to J S A George, 5,000 Equity Shares to Dovelet Beena, 7,500 Equity Shares to Santhosh Kumar J, 8,500 Equity Shares to Aravindakshan Pillai B, 12,500 Equity Shares to Krishna Priya S, 9,450 Equity Shares to Badarudeen, 5,000 Equity Shares to Gopinathan Pillai V, 7,500 Equity Shares to Sherly Roy, 10,000 Equity Shares to Nainan Johny, 5,000 Equity Shares to Philipose Babu, 12,500 Equity Shares to Riya Varghese, 2,500 Equity Shares to Santhamma B, 11,325 Equity Shares to Sarojini Amma, 17,925 Equity Shares to Tisha Susan Thomas, 2,500 Equity Shares to Krishnapillai Gomatheyamma Vijayakumariamma 5,675 Equity Shares to Mariyamma, 10,000 Equity Shares to Varghese Chacko, 30,000 Equity Shares to Geo Babu, 5,000 Equity Shares to Vijaya Sree N S, 18,750 Equity Shares to Sivankutty Paramu, 25,000 Equity Shares to Sadanandan Sahadevan, 5,000 Equity Shares to Janiffer Mendez, 7,500 Equity Shares to Rabeena Noushad, 25,000 Equity Shares to

Radhakrishnan Kumaraswamy, 2,500 Equity Shares to Ralitzine Mendez, 5,000 Equity Shares to Robin Mendez, 7,500 Equity Shares to Rushendraprabha, 5,000 Equity Shares to S Kannan, 37,500 Equity Shares to Aleyamma Varghese, 5,000 Equity Shares to Annamma Chacho, 2,500 Equity Shares to George C, 2,500 Equity Shares to Jacob Panicker K N, 7,500 Equity Shares to Jevin Varghese Cherian, 7,500 Equity Shares to Jibin Abraham, 2,500 Equity Shares to John T G, 5,000 Equity Shares to Kunchacko Panicker Chonazhikom Varghese, 2,500 Equity Shares to Lukose Panicker, 2,500 Equity Shares to Raveendran Madhavan, 7,500 Equity Shares to Kochumman Sajimoan, 3,000 Equity Shares to Thankachan Samuel, 2,500 Equity Shares to Thomas John, 2,500 Equity Shares to Susamma Jacob, 3,750 Equity Shares to Leelamma Koshy, 10,000 Equity Shares to Merry Rajan, 10,000 Equity Shares to Raju George, 19,000 Equity Shares to P C Lekha, 5,000 Equity Shares to Johnson D, 12,500 Equity Shares to Biju M R, 6,250 Equity Shares to Gopikuttanpilla, 13,750 Equity Shares to Omana Samuel, 50,000 Equity Shares to Prasad A, 12,275 Equity Shares to G Vijayan Pillai, 20,000 Equity Shares to Lathakumari O G, 7,500 Equity Shares to Parvathy Vijayasree jayanpillai, 5,000 Equity Shares to Reshmi Raveendranpillai, 10,000 Equity Shares to Sasidharan Pillai, 17,500 Equity Shares to Shaji S P, 9,450 Equity Shares to Shaji Dayanandan, 5,000 Equity Shares to V G Muraleedharan, 13,250 Equity Shares to Yamuna Vijayan, 12,500 Equity Shares to A S Deepa, 6,250 Equity Shares to Neethu Manukrishnan, 7,500 Equity Shares to Rani Varghese, 18,900 Equity Shares to Sindhukumary B, 12,500 Equity Shares to Sreelatha L, 2,500 Equity Shares to Ajitha C, 12,500 Equity Shares to Suseela J Fernandez, 7,500 Equity Shares to Bridget Albert, 18,630 Equity Shares to Peter Thomas, 2,500 Equity Shares to Yohannankutty, 8,750 Equity Shares to Moly Zackariya, 10,000 Equity Shares to Sasidharan Pillai Narayanan Pillai, 5,000 Equity Shares to Seethalekshmi R, 5,000 Equity Shares to T S Sreelatha, 7,500 Equity Shares to Aby Abraham, 25,000 Equity Shares to Elizabeth Rejimon Mathew, 12,500 Equity Shares to Gayathry Umesh, 7,500 Equity Shares to Joseph E P, 7,500 Equity Shares to Rajanimol N R, 6,250 Equity Shares to Aneeta Mariyam Johnson, 5,675 Equity Shares to Annamma Koshy, 2,500 Equity Shares to Baby John, 12,500 Equity Shares to Daisy Maichael Michael, 18,900 Equity Shares to Samuel George P, 5,675 Equity Shares to Somasekharan P, 7,500 Equity Shares to Susamma Koshy, 3,775 Equity Shares to Babukutty Thomas, 9,450 Equity Shares to Jilumol Jacob, 2,500 Equity Shares to K Ravindranadhan Nair, 3,775 Equity Shares to Valsamma Kuzhiyuzhathil Varghese, 7,500 Equity Shares to Cheriyan Thomas, 15,000 Equity Shares to Manju, 10,000 Equity Shares to Muraleedharan Nair, 6,250 Equity Shares to T O Koshy, 2,500 Equity Shares to Saramma Koshy, 7,750 Equity Shares to Teena Thomas, 10,000 Equity Shares to Abraham Lukose, 8,750 Equity Shares to Anjaly Mathew, 12,500 Equity Shares to Ansamma Jose, 7,500 Equity Shares to Babu Valliamttumkuzhyil Mathew, 50,000 Equity Shares to Biju Pushpakathu John, 17,500 Equity Shares to Geetha Ramesh, 3,775 Equity Shares to Jino Gigy Sebastian, 10,200 Equity Shares to Lukose Joseph, 10,000 Equity Shares to Mohanakumar V D, 5,675 Equity Shares to Padmakumari Nair, 18,900 Equity Shares to Pailo Kalarickal Shaji, 12,500 Equity Shares to Philip Sebastian, 5,000 Equity Shares to Radhakrishnan Parayil Narayanan, 7,500 Equity Shares to Roy Suresh, 25,000 Equity Shares to Roymon Varghese, 14,500 Equity Shares to Santhakumari, 6,275 Equity Shares to Santhosh Kumar P S, 1,25,000 Equity Shares to Sindhumol Nanappan, 11,250 Equity Shares to Thomas Kutty Kalloth Abraham, 20,725 Equity Shares to Vimala Devi, 5,000 Equity Shares to Radhika S, 10,000 Equity Shares to Usha Kumari K, 25,000 Equity Shares to Neerackal Joseph Georgekutty, 3,000 Equity Shares to Ouseph C D, 2,500 Equity Shares to Nimmy Alexander, 12,500 Equity Shares to Jagan Mathews, 15,000 Equity Shares to John Eapen, 12,500 Equity Shares to John Mathew Chirayil, 50,000 Equity Shares to Sucy Abraham, 10,000 Equity Shares to Aneeta Christopher, 2,500 Equity Shares to Dheenamma Thazchayil Samuel, 9,450 Equity Shares to Lini Thomas, 6,250 Equity Shares to Thomas Varghese, 17,500 Equity Shares to Jenifer Jacob, 12,500 Equity Shares to Kunnumpurathu Binoi Thomas, 7,500 Equity Shares to Radhika Vinod, 2,500 Equity Shares to Ambikadevi Pankajakshi Amma, 5,000 Equity Shares to Anie John, 8,750 Equity Shares to Anila Ann Johny, 13,225 Equity Shares to P D Mathew, 7,500 Equity Shares to Shajan A, 3,775 Equity Shares to Ammukutty Prasad, 7,500 Equity Shares to Annamma Baby, 2,500 Equity Shares to Arjun A, 6,400 Equity Shares to Isac George, 3,775 Equity Shares to Mathew Kattuparampil Cherian, 10,000 Equity Shares to Liya Sara Kurien, 17,000 Equity Shares to Mariamma Seelas, 5,000 Equity Shares to Thomas Daniel, 12,500 Equity Shares to Anila, 12,500 Equity Shares to Devapalan, 12,500 Equity Shares to Indira, 25,000 Equity Shares to Kavya Sasidharan, 15,000 Equity Shares to Leelamma Joy, 7,500 Equity Shares to Mariamma Koshy, 18,750 Equity Shares to Mercy Molamma George, 12,500 Equity Shares to Mohanan Pillai, 5,800 Equity Shares to Rosamma Baby, 25,000 Equity Shares to Shylaja A, 9,450 Equity Shares to Umayamma Gopinath, 12,500 Equity Shares to Lana Joseph, 7,500 Equity Shares to Reetha P R, 5,000 Equity Shares to Joseph, 12,500 Equity Shares to Cherian Chacko, 10,000 Equity Shares to Cyriac Joseph, 12,500 Equity Shares to Joseph Rojan, 7,500 Equity Shares to Reji Joseph, 3,750 Equity Shares to Lilly Jose, 7,500 Equity Shares to Scaria Joseph, 2,500 Equity Shares to Sreelatha K Nampoothiri, 10,000 Equity Shares to Baiju Thottathil Sadasivan, 7,500 Equity Shares to Blesson Varghese, 5,000 Equity Shares to Jincy K Philip, 5,000 Equity Shares to Reji Pottathara Varkey, 7,500 Equity Shares to Beena Joseph, 7,500 Equity Shares to Betsy Sebastian, 7,500 Equity Shares to Christin Joseph, 3,750 Equity Shares to Febin Mathew, 2,500 Equity Shares to Jinumol Joseph, 5,000 Equity Shares to Shaji Thomas, 7,500 Equity Shares to Varghese, 2,500 Equity Shares to Binu K Idiculla, 2,500 Equity Shares to Iype M J, 13,750 Equity Shares to Ammini Abraham, 3,750 Equity Shares to Annieamma Chandy, 3,775 Equity Shares to Anil Mathew Elanjickalveliyathu, 15,125 Equity Shares to Cherukara Venzhiyi Mathew, 6,875 Equity Shares to Josephine Abraham, 5,000 Equity Shares to Mohan Dass, 6,875 Equity Shares to Sindhu, 47,500 Equity Shares to Sonia Suresh, 12,500 Equity Shares to Dasan M Jorge, 5,000 Equity Shares to Easo Vanmelil Kurian, 12,500 Equity Shares to Jolly Philip, 8,750 Equity Shares to K Sadasivan, 6,250 Equity Shares to Mary Mathew, 25,000 Equity Shares to Mathew Sunny Kutty, 13,750 Equity Shares to Mathews P Easo, 7,000 Equity Shares to Ninan K Easo, 7,500 Equity Shares to P Kurian, 25,000 Equity Shares to Rinu Anna Koshy, 6,250 Equity Shares to Susan Kurian, 2,500 Equity Shares to Usha Kumary Sadasivan, 5,000 Equity Shares to P T Markose, 5,000 Equity Shares to Ramanpillai Ramakrishnan Nair, 12,500 Equity Shares to Suvarna P Nair, 12,500 Equity Shares to Jacob Thondukandathil Chacko, 7,500 Equity Shares to Varghese M M, 7,500 Equity Shares to Anandavalli Amma, 17,500 Equity Shares to A T Abraham, 2,500 Equity Shares to Elizabeth John, 15,000 Equity Shares to Mariamma Abraham Thekkeparambil, 7,500 Equity Shares to Anish Abraham Punnoose, 20,000 Equity Shares to Alias Kollethu Chummar, 10,000 Equity Shares to Fincykutty Mathew, *14,625 Equity Shares to John Veluthedathu Parampil Varkey, 5,000 Equity Shares to Skaria P M, 62,500 Equity Shares to Tessymol Philip, 12,500 Equity Shares to Thulasi Pisharasiar N, 7,500 Equity Shares to Lislin Luka, 7,500 Equity Shares to Lizy Kurian, 12,500 Equity Shares to P P Joseph, 12,500 Equity Shares to Aniyamma Punnooran, 10,000 Equity Shares to Baby John, 10,000 Equity Shares to Chandran R, 8,750 Equity Shares to Daisy Cheeran Thomas, 11,250 Equity Shares to John Kuriakose Thayil, 6,600 Equity Shares to Roy Devasia, 8,750 Equity Shares to Bhagyalekshmi, 2,500 Equity Shares to Dilip Varghese, 3,775 Equity Shares to Mathew Kuncheria, 12,500 Equity Shares to Rincymole Roy, 5,000 Equity Shares to Rosna Ann Varghese, 5,000 Equity Shares to Thomas Chacko, 10,850 Equity Shares to Treesa James, 5,000 Equity Shares to Amminiyamma, 3,775 Equity Shares to Aravindan Velu, 5,000 Equity Shares to Biji Jagadamma, 2,500 Equity Shares to Gopalapillai Ramachandran Nair, 1,875 Equity Shares to Indira B, 3,750 Equity Shares to Kaladharan Plathanathu Vasudevan Nair, 2,500 Equity Shares to Omanakutty K S, 5,250 Equity Shares to Ponnamma, 22,500 Equity Shares to Shaji, 14,000 Equity Shares to Sreekumar Harisankar, 42,500 Equity Shares to Sreeletha B, 7,500 Equity Shares to Sushama Panicker, 5,000 Equity Shares to Reena Mathew, 3,775 Equity Shares to Gokul S Pillai, 2,500 Equity Shares to S Gomathy Ammal, 2,500 Equity Shares to Indira T, 5,250 Equity Shares to Krishnambal G, 8,775 Equity Shares to Radha Krishnan S, 7,500 Equity Shares to Santha Kumari Amma, 3,775 Equity Shares to Siji Mathew, 2,825 Equity Shares to Sosamma Alexander, 3,775 Equity Shares to Sreejith R, 8,775 Equity Shares to Sushamma Rajan, 6,250 Equity Shares to Syamala B Pillai, 3,750 Equity Shares to Varghese George, 11,325 Equity Shares to Bibin Jacob, 15,000 Equity Shares to C C Raghavan, 6,750 Equity Shares to K M George, 10,000 Equity Shares to Immanuel V, 17,500 Equity Shares to Gopalakrishnan A, 10,000 Equity Shares to Jose P O, 15,125 Equity Shares to Annamma Rajan, 7,750 Equity Shares to Athin Abraham, 9,450 Equity Shares to Daniel Kunju Kottapurathu George, 17,850 Equity Shares to Indiradevi, 5,000 Equity Shares to Indira J, 3,750 Equity Shares to Gopalakrishnan Nair, 5,000 Equity Shares to Mariamma Alex, 3,750 Equity Shares to N K James, 10,000 Equity Shares to Sayana Samuel, 9,375 Equity Shares to Sheeja John, 12,500 Equity Shares to M P Philip, 4,375 Equity Shares to Mary M Swaraj, 5,000 Equity Shares to Mariamma Varghese, 17,000 Equity Shares to Indiramma, 9,450 Equity Shares to Rajalekshmi T, 12,500 Equity Shares to Puthngadu Cyniac Kurian, 7,500 Equity Shares to Sudhi Pushkaran, 15,000 Equity Shares to Venkita Raman Pollayode, 5,750 Equity Shares to Ashokan N K, 12,500 Equity Shares to Rajan V V, 22,500 Equity Shares to Jayagopan A P, 7,500 Equity Shares to Sreenivasan T P, 7,500 Equity Shares to Francis Xavier A V, 17,500 Equity Shares to Geethanjali Ranjith A, 8,500 Equity Shares to Reena Valsaraj T, 12,500 Equity Shares to Snehaprabha, 15,000 Equity Shares to Sujatha E T, 7,500 Equity Shares to Leelamma Thomas, 7,500 Equity Shares to Thomas P V, 7,500 Equity Shares to Jayaprasanna, 7,500 Equity Shares to Sankaran Nair P E, 8,750 Equity Shares to Yusuf Thazhathethil, 25,000 Equity Shares to Chacko P D, 10,000 Equity Shares to Gracy P U, 7,500 Equity Shares to Abdul Majeed E K, 18,750 Equity Shares to Rajesh K P, 3,750 Equity Shares to K P Chandramohan Pillai, 12,500 Equity Shares to Sudikshina, 6,500 Equity Shares to Deepa Mathew, 12,500 Equity Shares to Elsy Kalampukattu George, 37,500 Equity Shares to Girija C N, 10,000 Equity Shares to Cecily Thomas, 4,000 Equity Shares to Gigi Mathew, 5,000 Equity Shares to Alice, 7,500 Equity Shares to Ammini Ulahannan, 12,500 Equity Shares to Baby Ulahannan, 13,250 Equity Shares to Bindu Salus, 7,500 Equity Shares to Georgekutty Mathew, 8,250 Equity Shares to Jithu Elsy Jose, 10,000 Equity Shares to Lucy Johnson, 21,250 Equity Shares to Mary A A, 11,325 Equity Shares to Ennolikkara Mathew Mary, 3,775 Equity Shares to Ennolikkara Philip Mathew, 7,500 Equity Shares to Mercy Sunny, 27,500 Equity Shares to Preethy Baby, 7,500 Equity Shares to Saramma Skaria, 13,225 Equity Shares to Sinju Joy, 12,500 Equity Shares to Sony M Baby, 7,500 Equity Shares to Suja Paul Peter, 19,275 Equity Shares to Tissy Sunny, 25,000 Equity Shares to Vismaya James, 3,750 Equity Shares to Chembakam Vadakath, 2,500 Equity Shares to Kasturi P Rao, 3,000 Equity Shares to Nagappa Pushkara Rao, 7,500 Equity Shares to Raphael K G, 6,250 Equity Shares to Rekha P, 5,750 Equity Shares to Saseendran V, 12,500 Equity Shares to Antony K O, 15,000 Equity Shares to Divya Sensalavos, 10,000 Equity Shares to Jose T V, 12,500 Equity Shares to Daniel John Oorutharayil, 17,500 Equity Shares to Antony C T, 3,775 Equity Shares to Paul Joseph, 7,500 Equity Shares to Remi Boney Mary Monicka, 9,450 Equity Shares to Suma Rajeev, 11,250 Equity Shares to Brijit Charuvelil Joseph, 7,500 Equity Shares to K N Balakrishnan Nair, 7,500 Equity Shares to Sabu Mathai, 12,500 Equity Shares to Swapna Charath Syamalan, 7,500 Equity Shares to Varakukalayil Sanku Thampi, 5,000 Equity Shares to Alexander Chandy, 5,000 Equity Shares to Benny M I, 12,500 Equity Shares to Eldhose Kurian, 75,000 Equity Shares to Kadavil Joy Robin, 7,500 Equity Shares to Dileep Kumar B, 12,500 Equity Shares to John Zachariah, 15,000 Equity Shares to K J Peter, 15,000 Equity Shares to Sruthy Varghese, 50,000 Equity Shares to Leena George Puthooran, 37,500 Equity Shares to Puthooran Markose George, 12,500 Equity Shares to Rajan Vavachan, 12,500 Equity Shares to Sheela Rajan, 3,200 Equity Shares to Achamma Thomas, 17,500 Equity Shares to Gopalakrishnan Nair, 2,500 Equity Shares to Likhitha M, 17,500 Equity Shares to Pushpavally Nair, 2,500 Equity Shares to Felix P J, 2,500 Equity Shares to Jejy, 7,500 Equity Shares to Aleyamma Varkey, 12,500 Equity Shares to Jenson M V, 10,000 Equity Shares to Mantharayil Thomas Varkey, 12,500 Equity Shares to Pearly Saira Chacko, 25,000 Equity Shares to Shreejesh Sasidharan, 7,500 Equity Shares to Varkey Abraham Palliparambil, 7,500 Equity Shares to Rohith Varma, 7,500 Equity Shares to Saji K Kuzhiyelil, 3,775 Equity Shares to Kochu Thresya, 11,350 Equity Shares to Vignesh S Banerji, 11,350 Equity Shares to Vinayak Surendranath Banerji, 10,000 Equity Shares to Amritha Veliyath Lonappan, 10,000 Equity Shares to Annie Vazhappilly Devassey, 10,000 Equity Shares to Remya Veliyath Lonappan, 10,000 Equity Shares to Joby K J, 18,750 Equity Shares to Raghavan Kanhinghat, 7,500 Equity Shares to Shyjan Odatt Gangadharan, 9,450 Equity Shares to Anandan A P, 12,500 Equity Shares to Antony P L, 7,500 Equity Shares to C R Bhanumathy, 19,000 Equity Shares to Feby John Chiramel, 12,500 Equity Shares to Joy P A, 12,250 Equity Shares to Kamattathil S Thilakan, 7,500 Equity Shares to O K Sugathan, 12,500 Equity Shares to Sija Shiju Nambyadan, 12,500 Equity Shares to Hrishikesh Patinharapat, 7,500 Equity Shares to V P Davy, 15,000 Equity Shares to Parappilly Vincent, 7,550 Equity Shares to Lekha Parameshwara Kaimal Kurumuzhickal, 7,500 Equity Shares to Lissy P R, 7,500 Equity Shares to R P Praseetha, 13,750 Equity Shares to Shoukathali, 7,500 Equity Shares to Suseela Prasad, 37,500 Equity Shares to A B Abhilash, 7,500 Equity Shares to Poruthikkottu Chirakkil Kumaran, 7,500 Equity Shares to K Rohini, 9,500 Equity Shares to Ajitha Chemmannur Antony, 5,000 Equity Shares to T J John, 12,500 Equity Shares to Annie Purattukara Porinchu, 18,750*

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

4. *Allotment of 30,00,000 Equity Shares to Mathew K. Cherian pursuant to conversion of 1,20,000 Compulsorily Convertible Cumulative Preference Shares.*

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

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

4. **Shareholding pattern**

The following table sets forth the shareholding pattern of our Company as on the September 30, 2022:

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of partly paid-up Equity Shares held (V)	No. of shares underlying depository receipt (VI)	Total nos. shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total nos. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)			No of underlying outstanding convertible securities (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								No. of Voting Rights									
								Class – Equity	Total	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	**Promoter and Promoter Group**	8	19,47,26,557	0	0	19,47,26,557	89.79	19,47,26,557	19,47,26,557	89.79	0	0		0		0	19,47,26,557
(B)	**Public**	1,408	2,21,52,745	0	0	2,21,52,745	10.21	2,21,52,745	2,21,52,745	10.21	0	0		0		0	2,21,52,745
(C)	**Non-Promoter Non-Public**	0	0	0	0	0	0	0	0	0	0	0		0		0	0
(C1)	**Shares underlying DRs**	0	0	0	0	0	0	0	0	0	0	0		0		0	0
(C2)	**Shares held by Employee Trusts**	0	0	0	0	0	0	0	0	0	0	0		0		0	0
	Total (A)+(B)+(C)	**1,416**	**21,68,79,302**	**0**	**0**	**21,68,79,302**	**100.00**	**21,68,79,302**	**21,68,79,302**	**100.00**	**0**	**0**		**0**		**0**	**21,68,79,302**

5. **List of top ten holders of Equity Shares of our Company as on September 30, 2022 is as below:**

Sr. No.	Name of Shareholders	Number of Equity Shares held	Number of shares in demat form	Total shareholding as % of total no of Equity Shares
1.	Mathew K. Cherian	12,84,52,270	12,84,52,270	59.22
2.	Kosamattam Ventures Private Limited	3,60,00,200	3,60,00,200	16.60
3.	Laila Mathew	3,01,48,300	3,01,48,300	13.90
4.	Cecily Thomas	1,50,625	1,50,625	0.07
5.	K X Thomas	1,25,000	1,25,000	0.06
6.	Sindhumol Nanappan	1,25,000	1,25,000	0.06
7.	Sadanandan Sahadevan	1,03,125	1,03,125	0.05
8.	Saju Varghese John	93,850	93,850	0.04
9.	O. A. Abraham	93,750	93,750	0.04
10.	Aleyamma Varghese	93,750	93,750	0.04

6. **List of top ten debenture holders of our Company as on September 30, 2022:**

Unlisted privately placed secured redeemable non-convertible debentures:

Sr. No.	Name of Holders	Address	Number of Instruments Held	Face value per Debenture (In ₹)	Amount (In ₹)
1.	K K Padmanabhan	Sundarabhavan, Puzhavathu, Changanacherry, Kottayam 686 101	38,650	100	38,65,000
2.	Preethy Jose	Nedumpaikulathu Veedu, Kundara, Kollam, PIN 691501	2,500	100	2,50,000
3.	Hanna Mariam Jose	Nedumpaikulathu, Veedu, Kundara, Kollam, PIN 691501	2,500	100	2,50,000
4.	Jojo C Varghese	Chittilappilly House, Near Society, Parappur, Thrissur 680552	1,400	100	1,40,000
5.	C J Varghese	Chittilappilly House, Near Society, Parappur, Thrissur 680552	1,100	100	1,10,000

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

Sr. No.	Name of the holder	Address	Number of instruments held	Face value per debenture (In ₹)	Amount (In ₹)
1.	Aleyamma Jacob	Chennakkatukalangamari House, Kadayirippu P.O., Kolenchery, Perumbavoor, Ernakulam – 682311	1,50,000	1,000	15,00,00,000
2.	P P Yohannan	1403/3 Shalom Arcade,Floor No.5, Terece Floor, Door, Near HDFC Bank, Kasavanahalli, Bengaluru, Karnataka – 560035	30,500	1,000	3,05,00,000
3.	Aleyamma M Vadakel	Vadakkel House,Oliyappuram Post,Koothattukulam,Ernakulam Kerala – 686662	17,527	1,000	1,75,27,000
4.	Joseph Simon E	Elengical House,Putheya Road,Kaloor,Ernakulam, Kerala – 682017	17,000	1,000	1,70,00,000
5.	Jubymon P M	Palliyazhikathu Veedu,Vettithitta P O, Piravanthoor, Kollam, Kerala –	13,850	1,000	1,38,50,000

Sr. No.	Name of the holder	Address	Number of instruments held	Face value per debenture (In ₹)	Amount (In ₹)
		689696			
6.	C R Jayasree Gopinathan	H No 68/2233, 12 B, Katticaran, Jmj Residency, Ernakulam, Ernakulam Kerala – 682018	12,000	1,000	1,20,00,000
7.	P Gopinathan	68/2233 12b Katticaran, Jmj Residency, Ernakulam North P O, Ernakulam, Kerala – 682018	12,000	1,000	1,20,00,000
8.	Ponnamma J	Palliyil, Kandiyoor, Mavelikara, Thattarambalam, Alappuzha Kerala – 690103	11,175	1,000	1,11,75,000
9.	Thomas P T	12/439, Purayidathil House, Athirampuzha Po,, Kottayam, Kerala – 686562	10,929	1,000	1,09,29,000
10.	Divine Rose Simon	Elanjickal House, Puthiya Road, Kaloor PO, Ernakulam, Kerala – 682017	10,200	1,000	1,02,00,000

7. **List of top ten unsecured, privately placed, non-convertible debenture holders of our Company as on September 30, 2022:**

Perpetual Debt Instrument

Sr. No.	Name of Holders	Address	Number of instruments held	Face value per debenture (in ₹)	Amount (in ₹)
1.	Flossy Reji Alex	Grace Villa, Kallimel, Mavelikkara, Alappuzha – 690 101	4	5,00,000	20,00,000
2.	P M Unnikrishnan Nair	Gokulam, Parumala, Thiruvalla, Pathanamthitta – 689 101	3	5,00,000	15,00,000
3.	Koshy Abraham	237, Kunnumpurathu Bapuji Nagar, Pongummoodu, Trivandrum	2	5,00,000	10,00,000
4.	Chacko Joseph	Vattaparambil House Vadakummury Karimkunnam	2	5,00,000	10,00,000
5.	Amminikutty Philip	Alencherry malakunnam changanacherry	2	5,00,000	10,00,000
6.	Joseph Chacko	Vattaparambil House Vadakkummury Karimkunnam	2	5,00,000	10,00,000
7.	Elizabeth Aji	Parumala House Paranthal Pandalam	2	5,00,000	10,00,000
8.	Joseph Cherian	Chalunkal House Muttakulam Karuvatta Alappuzha	2	5,00,000	10,00,000
9.	Majol Joseph	Vattaparambil House Vadakkummury Karimkunnam	2	5,00,000	10,00,000
10.	Gracy Oommen	Chirayil Valiyaveettil Kollakadavu Alappuzha	2	5,00,000	10,00,000

Subordinated Debt

Sr. No	Name of Holders	Address	Number of instruments held	Face value per debenture (in ₹)	Amount (in ₹)
1.	Preetha Susan George	Ponnalayathu Prince Villa, Pallickal, Kattanam – 690503	3,500	1,000	35,00,000
2.	Rassia P K	Melukhan Parambil, Angadi, Ranny, Pathanamthitta – 689674	3,000	1,000	30,00,000
3.	Christy Geo	Jyothis, Pathirappally, Alappuzha – 688521	1,800	1,000	18,00,000
4.	Saira Vincent	Pulinthara House, Thoppumpady, Thoppumpady, Ernakulam – 682005	3,400	1,000	34,00,000
5.	Issac Varghese	Thadeeparampil Pylithanathu, Velloor, Pampady, Kottayam – 686501	3,000	1,000	30,00,000
6.	Aleyamma Kuriakose	Mandapathil, Ramapuram Bazar, Ramapuram, Kottayam – 686576	2,800	1,000	28,00,000
7.	Susamma Punnen	Pulikkaparambil Pappaly Road, House No: 143 – 1st Floor, Kakkanad, Ernakulam – 682030	2,500	1,000	25,00,000
8.	Hema George	Punneliparambil House, Door No. 39, Kundukulam Road, Mannuthy, Thrissur – 680651	2,800	1,000	28,00,000
9.	Augustin Dominic	Alancherry, Kurichy, Malakunnam, Kottayam – 686535	3,600	1,000	36,00,000
10.	Priyadas G Mangalath	Tc 13/130-1, Gaya, Kannammoola, Nalumukku Road, Pettah, Trivandrum – 695024	3,200	1,000	32,00,000

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

Sr. No.	Name of the Holder	Address	Number of instruments held	Face value per debenture (in ₹)	Amount (in ₹)
1.	Monetary Kuries Private Limited	3rd Floor, Bell Mouth Bldg, Round South, Thrissur Kerala - 680001	10,000	1,000	1,00,00,000
2.	Ajimon Mary John	Charuvilla Puthen Veedu, Thekkumpuram, Pavithreswaram Neduvathoor, Kollam, Kerala - 691507	6,000	1,000	60,00,000
3.	Renjini Reji	B 207 Paradise Raheja Vihar, Chandivali, Powai, Mumbai Sakinaka Kurala Mumbai, Maharashtra -	6,000	1,000	60,00,000

Sr. No.	Name of the Holder	Address	Number of instruments held	Face value per debenture (in ₹)	Amount (in ₹)
		400072			
4.	Simon Kurudamannil Simon	No 12 J P Nagar, Muthoor P O, Thiruvalla, Pathanamthitta, Kerala - 689107	6,000	1,000	60,00,000
5.	Madathinkal Narayanan Suresh	Madathinkal House, Kothaparamba P O, Kodungallur, Ala, Thrissur Kerala - 680 668	5,500	1,000	55,00,000
6.	Baiju Ramachandran .	Eswara Vilasom, Mangattukadavu, Thirumala, Thiruvananthapuram, Kerala – 695006	5,170	1,000	51,70,000
7.	Davis Mohan Ambakkaden	Ambakkaden House, Royal Avanue, Thiruvambaby P O, Thrissur, Kerala - 680022	5,000	1,000	50,00,000
8.	Renu Daniel	Chalathu Renji Villa, Moonnalam, Adoor Po, Pathanamthitta Kerala – 691523	5,000	1,000	50,00,000
9.	Thayamkulangara Kuries Private Limited	Malithu Towers, Cherpu P O, Thrissur, Thrissur Kerala – 680561	5,000	1,000	50,00,000
10.	Leelamma Thankachan	Edathundil, Kannanakuzhi P.O, Charummood, Alappuzha, Kerala - 690505	4,500	1,000	45,00,000

8. **Debt - equity ratio:**

The debt equity ratio estimated after the proposed public issue of secured redeemable non-convertible debentures worth ₹ 40,000.00 lakhs comes to 6.69. Detailed workings are given below:

(₹ in lakhs)

Particulars	As at September 30, 2022	
	Pre-Issue	**Post Issue**
Total Debt (A)	**4,30,985.54**	**4,70,985.54**
Equity		
Equity Share Capital	21,687.93	21,687.93
Other Equity		
Capital Reserve	9.07	9.07
Statutory Reserve	8,279.52	8,279.52
Securities Premium	7,068.66	7,068.66
General Reserve	11,660.97	11,660.97
Impairment Reserve	3,309.23	3,309.23
Other Comprehensive Income	(87.69)	(87.69)
Retained Earnings	18,472.14	18,472.14
Total Equity (B)	**70,399.83**	**70,399.83**
Debt/ Equity (C)=(A)/(B)	**6.12**	**6.69**

Notes:

1. *The pre-issue figures disclosed are based on the unaudited financial statements as on September 30, 2022.*
2. *The Debt Equity ratio post issue is indicative and is on account of the assumed inflow of ₹40,000 lakhs from the proposed issue.*
3. *The following events that occurred from October 01, 2022 may have an impact on above calculation:*
    a. *Following loans were sanctioned for the Company:*
        i. *Term Loan sanctioned for ₹ 2,500 lakhs from Canara Bank*
        ii. *Term Loan sanctioned for ₹ 2,500 lakhs from Indian Bank*
        iii. *Term Loan sanctioned for ₹ 6,000 lakhs from Federal Bank*
        iv. *Cash Credit sanctioned for ₹ 500 lakhs from IDFC First Bank Limited*
        v. *Term Loan sanctioned for ₹ 427 lakhs from Tata Capital Financial Services Limited*
        vi. *Term Loan sanctioned for ₹ 12,000 lakhs from State Bank of India*
        vii. *Working capital Loan sanctioned for ₹ 3,000 lakhs from State Bank of India*

9. **For details on the total outstanding debt of our Company, see *"Financial Indebtedness"* beginning on page 136.**

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

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

Our Company has not made any acquisition or amalgamation in the last one year.

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

Our Company has not made any reorganisation or reconstruction in the last one year.

12. **As on the date of this Draft Prospectus, 21,68,79,302 Equity Shares of our Company are in dematerialised form.**

13. **Employee Stock Option Scheme:**

Our Company does not have any employee stock option scheme.

STATEMENT OF TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

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

Dear Sirs,

This certificate is issued in accordance with the terms of our engagement letter dated November 23, 2022.

We hereby report that the enclosed statement in Annexure A, states the possible tax benefits available to the debenture holders of Kosamattam Finance Limited (the company) pursuant to the provisions of the Income Tax Act, 1961 i.e. applicable for the Financial year 2022-23 relevant to the Assessment year 2023-24 presently in force in India

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Inherent Limitations

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

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

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

i) Debenture holders of the Company will continue to obtain these benefits in future;
ii) the conditions prescribed for availing the benefits have been/would be met with; or

iii) the revenue authorities/ Courts will concur with the views expressed herein.

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

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

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

Restriction on Use

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

For SGS & COMPANY
CHARTERED ACCOUNTANTS
F.R.N:009889S

CA SANJO.N.G, F.C.A., D.I.S.A. (ICAI)
Partner (M. No 211952)

Peer Review No: 013176

UDIN: 22211952BDZTIY1947

Place: THRISSUR
Date: 24-11-2022

ANNEXURE A

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

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

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

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

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

A. Under the Income-Tax Act, 1961 ("I.T. Act")

I. Tax benefits available to the Resident Debenture Holders

1. Interest on debentures received by resident debenture holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act.

2. As per section 2(29AA) read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long-term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

As per section 112 & 112A of the I.T. Act, capital gains arising on the transfer of long-term capital assets being listed debentures are subject to tax at the rate of 10% [plus applicable surcharge and Health and Education Cess ("cess")] of capital gains calculated without indexation, 20% with indexation whichever is less, of the cost of acquisition. The capital gains shall be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the debentures from the sale consideration.

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.

3. As per section 2(42A) of the I.T. Act, a listed debenture is treated as a short-term capital asset if the same is held for not more than 12 months immediately preceding the date of its transfer.

Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 2 above would also apply to such short-term capital gains.

4. In case debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

5. Securities Transaction Tax ("STT") is a tax levied on all transactions in specified securities done on the stock exchanges at rates prescribed by the Central Government from time to time. STT is not applicable on transactions in the debentures.

6. Income tax is deductible at source on interest on debentures, payable to resident debenture holders at the time of credit/ payment as per the provisions of section 193 of the I.T. Act. However, no income tax is deductible at source in respect of any security issued by a Company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under.

7. Interest on application money and interest on refund application would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A of the I.T. Act

II. Tax benefits available to the Non-Resident Debenture Holders

1. A non-resident Indian has an option to be governed by Chapter XII -A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:

(a) As per section 115C(e) of the Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

(b) As per section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition.

Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

(c) As per section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein. However, if the new assets 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 new assets are transferred or converted into money.

(d) As per section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.

(e) As per section 115H of the I.T. Act, where a non-resident Indian becomes assessable as resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII -A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

2. In accordance with and subject to the provisions of section 115-I of the I.T. Act, a non-resident Indian may opt not to be governed by the provisions of Chapter XII -A of the I.T. Act. In that case,

(a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10%

computed without indexation.

(b) Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act

(c) Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

3. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E of the I.T. Act, and at the normal rates for Short Term Capital Gains if the payee debenture holder is a non-resident Indian.

4. Interest on application money and interest on refund application would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 195 of the I.T. Act

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

6. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate ("TRC"), is a mandatory condition for availing benefits under any DTAA. If the TRC does not contain the prescribed particulars, a self - declaration in Form 10F would need to be provided by the assessee along with TRC.

7. Alternatively, to ensure non-deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 197(1) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.

III. Tax benefits available to the Foreign Institutional Investors ("FII")

1. As per Section 2(14) of the I.T. 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 I.T. 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 I.T. Act will not apply.

3. Income other than capital gains arising out of debentures is taxable at 20% (plus applicable surcharge and cess) in accordance with and subject to the provisions of Section 115AD of the I.T. Act.

4. Section 194LD in the I.T. Act provides for lower rate of withholding tax at the rate of 5% (plus applicable surcharge and cess) 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.

5. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.

IV. Tax benefits available to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

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

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

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

VI. Requirement to furnish PAN under the I.T. Act

1. Section 139A(5A) of the I.T. Act requires every person receiving any sum or income or amount from which tax has been deducted under Chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deducting such tax.

2. Section 206AA of the I.T. Act requires every person entitled to receive any sum or income or amount, 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 I.T. Act; or
(ii) at the rate or rates in force; or
(iii) at the rate of twenty per cent.

3. 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).

4 As per Section 206AB higher TDS is applicable when the deductee is not filed his return for the last year sand TDS deducted from his income exceeds Rs.50,000.00 in that year.

VII. Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(x) of the I.T. Act, where any person receives debentures from any person on or after April 01, 2017:

(a) without consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;
(b) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration;

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

NOTES:

1. The statement of tax benefits enumerated above is as per the Income-tax Act, 1961, as amended by the Finance Act, 2022.

2. Surcharge is levied on individuals, HUF, association of persons, body of individuals and artificial juridical person at the rate of 10% on tax where total income exceeds Rs.50 lakhs but does not exceed Rs.1 crore, at the rate of 15% on tax where the total income exceeds Rs.1crore but does not exceed Rs.2 crore, at the rate of 25% of such tax liability where the net income exceeds Rs. 2,00,00,000 and does not exceed Rs. 5,00,00,000 and at the rate of 37% of such tax liability where the net income exceeds Rs. 5,00,00,000.
3. Surcharge is levied on firm, co-operative society and local authority at the rate of 12% on tax where the total income exceeds Rs. 1crore.
4. Surcharge is levied on domestic companies at the rate of 7% on tax where the income exceeds Rs.1 crore but does not exceed Rs. 10 crores and at the rate of 12% on tax where the income exceedsRs.10 crores. (Other than companies availing benefit under section 115BAA and section 115BAB of the I.T. Act)
5. Surcharge is levied on domestic companies availing benefit under section 115BAA and section 115BAB of the I.T. Act at the rate of 10%.
6. Surcharge is levied on every company other than domestic company at the rate of 2% on tax where the income exceeds Rs. 1 crore but does not exceed Rs. 10 crores and at the rate of 5% on tax where the income exceeds Rs. 10 crores.
7. Health and Education Cess is to be applied at 4% on aggregate of base tax and surcharge.
8. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act.
9. 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 timeto 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.

OBJECTS OF THE ISSUE

Our Company has filed this Draft Prospectus for public issue of secured redeemable non-convertible debentures of face value of ₹1,000 each ("**NCDs**") aggregating upto ₹ 20,000 lakhs with an option to retain oversubscription upto ₹ 20,000 lakhs, aggregating upto ₹ 40,000 lakhs ("**Issue**").

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

Our Company proposes to utilise the funds which are being raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company ("**Net Proceeds**"), towards funding the following objects (collectively, referred to herein as the "**Objects**"):

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

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

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

(in ₹ lakhs)

Sr. No.	Description	Amount
1.	Gross proceeds of the Issue	40,000.00
2.	(less) Issue related expenses	160.00
3.	Net Proceeds	39,840.00

Requirement of funds and utilisation of Net Proceeds

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

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

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

For further details of our Company's outstanding indebtedness, see "*Financial Indebtedness*" on page 136.

General Corporate Purposes

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

Funding plan

The requirement of funds is entirely funded through Issue Proceeds.

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Interim Use of Proceeds

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

Monitoring of Utilisation of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Board shall monitor the utilisation of the proceeds of the Issue. For the relevant Financial Years commencing from Financial Year 2020-21, 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.

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

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

Variation in terms of contract or objects in Prospectus

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

Issue related Expenses

The expenses for this Issue include, inter alia, lead management fees and selling commission to the lead manager, lead brokers, fees payable to debenture trustees, underwriters, the Registrar to the Issue, 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.

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

(in ₹ lakhs)

Activity	Amount	Percentage of Overall Issue Size* (%)
Fees to intermediaries (Lead Manager's fees, brokerage, rating agency, Registrar, legal advisor, Debenture Trustee, etc.)	80	0.2
Advertising and Marketing Expenses	50	0.12
Printing, Stationery and Distribution	10	0.025
Other Miscellaneous Expenses	20	0.05
Total	**160**	**0.4**

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

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

Our Company shall pay processing fees to the SCSBs for Application forms procured by Designated Intermediaries and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹ 10 per Application Form procured (plus service tax and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee. Further, RTAs and CDPs shall be paid ₹ 10 per each valid Application Form procured.

Other confirmations

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

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

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

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

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

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

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

Utilisation of Issue Proceeds

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

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

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

(d) The 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;

(e) We shall utilize the Issue proceeds only upon execution of the documents for creation of security as stated in the Prospectus, on receipt of the minimum subscription and receipt of listing approval from the Stock Exchange;

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.

SECTION IV - ABOUT OUR COMPANY AND THE INDUSTRY

INDUSTRY OVERVIEW

The following information includes extracts from publicly available information, data and statistics derived from reports prepared by third party consultants, including CRISIL Research – Industry report on gold loans dated November 2022, private publications, and industry reports prepared by various trade associations, as well as other sources, which have not been prepared or independently verified by the Company, the Lead Manager or any of its respective affiliates or advisors. Such information, data and statistics may be approximations or may use rounded numbers. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates and should therefore be regarded as indicative only and treated with appropriate caution.

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

Overview of the Indian economy

Review and outlook of gross domestic product (GDP)

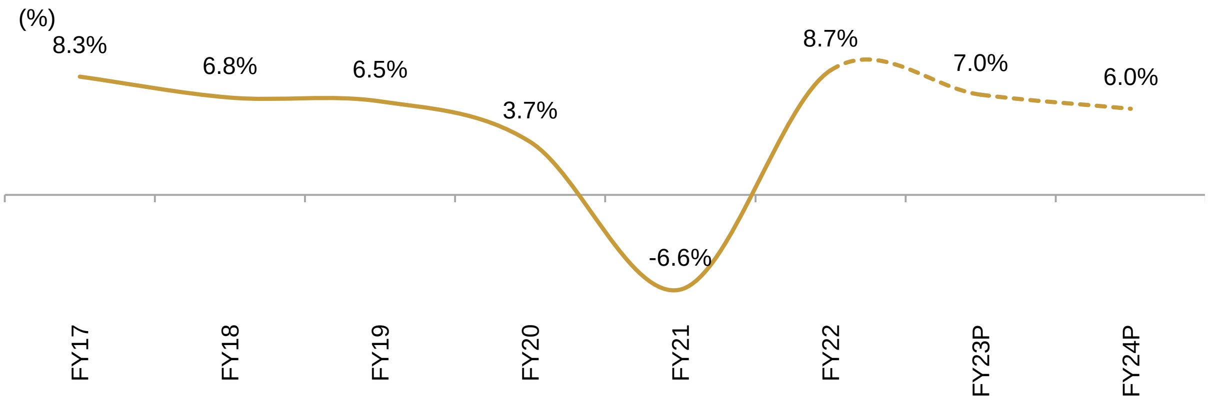
India's real GDP grew at 8.7% in fiscal 2022, largely a reflection of a lower base (as the economy shrank 6.6% in fiscal 2021). The real GDP growth in absolute terms is at Rs 147.7 trillion, suggesting that the downside from the omicron variant of Covid-19 has been mild. It is also noteworthy that given the large output loss last fiscal, GDP is still only 1.8% above the pre-pandemic (fiscal 2020) level.

CRISIL Research have revised down our forecast for India's real GDP growth to 7.0% for fiscal 2023 from 7.3% estimated previously. This is primarily because the slowdown in global growth has started to impact India's exports and industrial activity. However, domestic demand remains supportive this fiscal, helped by a catch-up in contact-based services, government capital expenditure (capex), relatively accommodative financial conditions, and overall normal monsoon for the fourth time in a row.

The impact is expected to be more next fiscal as global growth decelerates faster. Additionally, domestic demand could come under pressure as interest rate hikes gets transmitted more to consumers, and the catch-up in contact-based services fades.

Consequently, we expect India's GDP growth to slow to 6.0% in fiscal 2024, down from 6.5% estimated previously. The risks to the forecast remain tilted downwards

Real GDP % y-o-y change



Note: P – Projected
Source: National Statistical Office (NSO), CRISIL Research

Macroeconomic outlook

Macro variable	FY21	FY22	FY23P	Rationale for the outlook
Real GDP (%, y-o-y)	-6.6	8.7	7.0	Downside risks to GDP growth have risen on account of surging commodity prices and global supply disruptions. That said, growth will receive support from improving growth in contact-based services and a pickup in investments
Consumer Price Index (CPI)-linked inflation (%, y-o-y)	6.2	5.5	6.8	CPI inflation is expected to rise to 6.8%, on average, this fiscal compared with 5.5% in the previous year. Inflationary pressures are rising and becoming broad-based, driven by elevated commodity prices A wide-ranging surge in prices of food, energy and industrial commodities has further raised cost pressures for Indian producers, marking the second year of elevated input costs. Producers will try to pass on these cost pressures to consumers, which will raise core inflation
Current account balance/ GDP (%)	0.9	-1.2	-3.2	Given a lesser hit to domestic growth this fiscal compared with the next, core imports may not come down as sharply as core exports, leading to a worsening of the current account deficit (CAD) this fiscal. Though a weakening rupee supports exports to some extent, it is overshadowed by the impact of slowing demand, which is a dominant influencer of export growth Along with merchandise exports under pressure, some of the services exports (related tourism, etc) and remittances could face headwinds from the growth slowdown in the advanced economies. Together, these factors could lead to CAD widening to ~3.2% of GDP this fiscal, up from 1.2% in the last
Rs/$ year end	72.8	76.2	79.5	The rupee continues to face headwinds amid global growth slowdown, heightened geopolitical tensions, elevated commodity prices, and aggressive rate hikes by the US Fed, which is continuing to strengthen the dollar

Macro variable	FY21	FY22	FY23P	Rationale for the outlook
				Net-net, though, the rupee is expected to remain volatile in the near term. However, with the prospects of some softening in crude oil prices as global demand weakens, likely softer pace of rate hikes by the US Fed, and India's relatively better growth outlook which could attract foreign flows, the rupee is expected to gradually appreciate from current levels. CRISIL Research expect the rupee to average 79.5 against the dollar in March 2023 compared with 76.2 in March 2022.

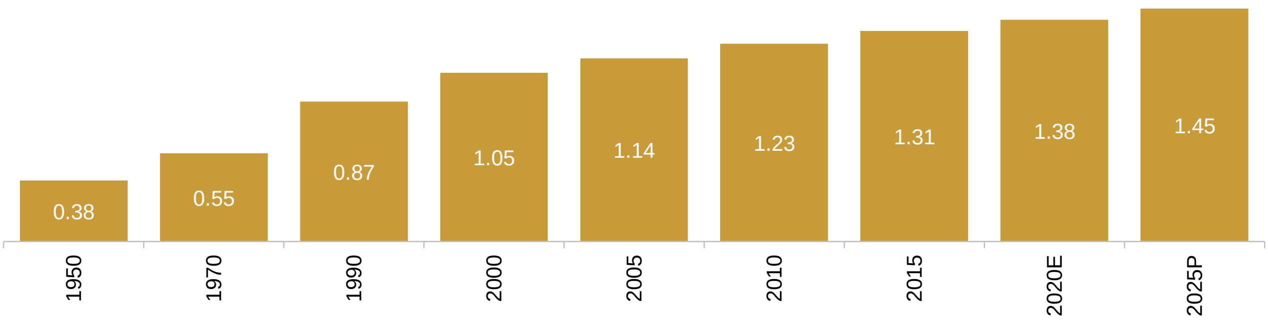
Note: P – Projected
Source: Reserve Bank of India, NSO, CRISIL Research

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

India has the second-largest population in the world

As per Census 2011, India's population was 1.2 billion, comprising nearly 246 million households. The population increased by more than 181 million during 2001-2011 and is expected to increase to 1.45 billion by 2025.

India's population growth trajectory (billion)

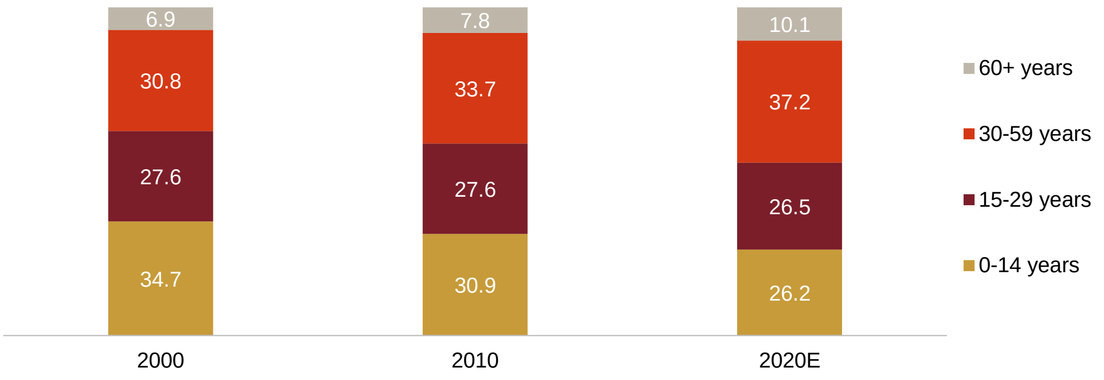


Note: P – Projected, E – Estimates
Source: United Nations Department of Economic and Social Affairs, CRISIL Research

Favourable demographics

India is also one of the countries with the largest youth population, with a median age of 28 years. About 90% of Indians are aged below 60 years. CRISIL Research estimates that 63% of this population is aged between 15 and 59 years. We expect the existence of a large share of working population, coupled with rapid urbanisation and rising affluence, to propel growth of the Indian financial services sector.

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



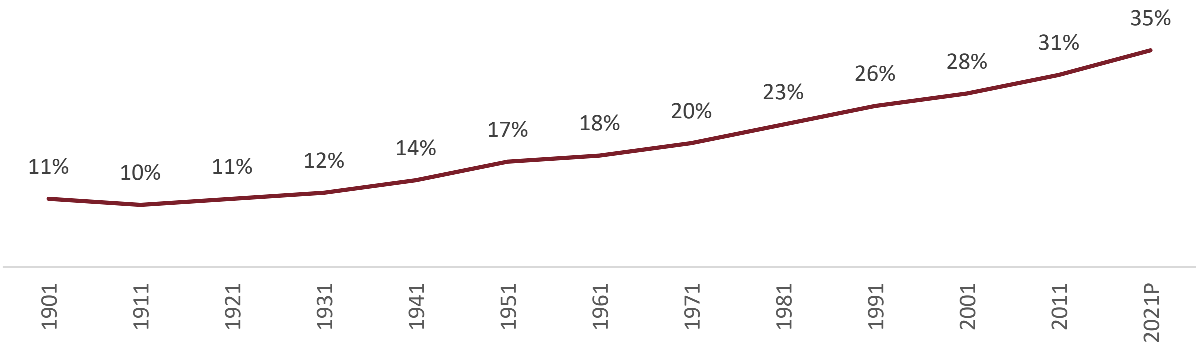
Note: E – Estimates
Source: United Nations Department of Economic and Social Affairs, CRISIL Research

Rise in urbanisation

Urbanisation is a key growth driver for India, as it leads to faster infrastructure development, job creation, development of modern consumer services, and the city's ability to mobilise savings. The share of urban population in total population has been consistently rising over the years and is expected to reach 35% by 2021 from 31% in 2011, spurring more demand.

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

Urbanisation in India



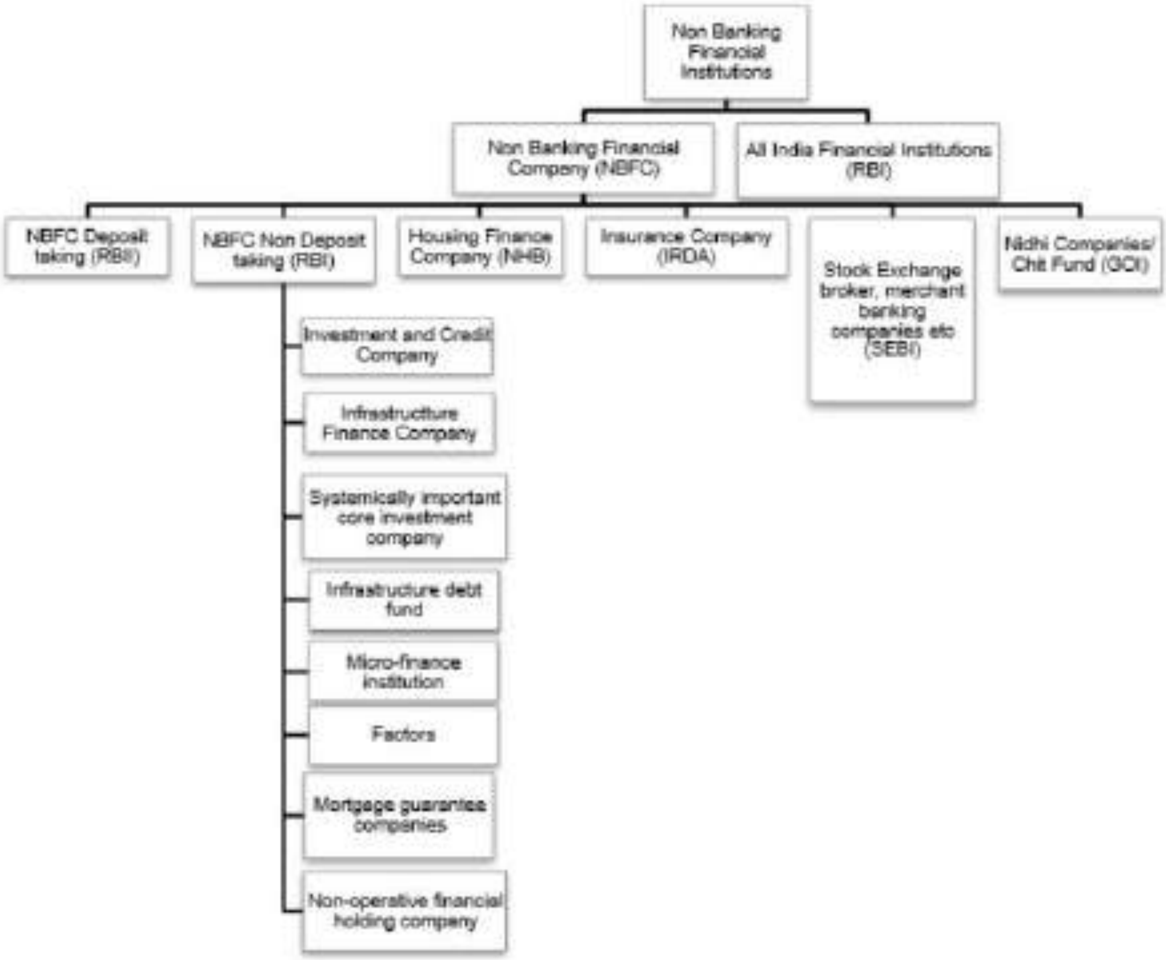
Note: P – Projected, E – Estimates
Source: United Nations Department of Economic and Social Affairs, International Monetary Fund

Overall NBFC – Industry overview

NBFCs are important part of the credit system

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

Structure of non-banking financial institutions in India



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

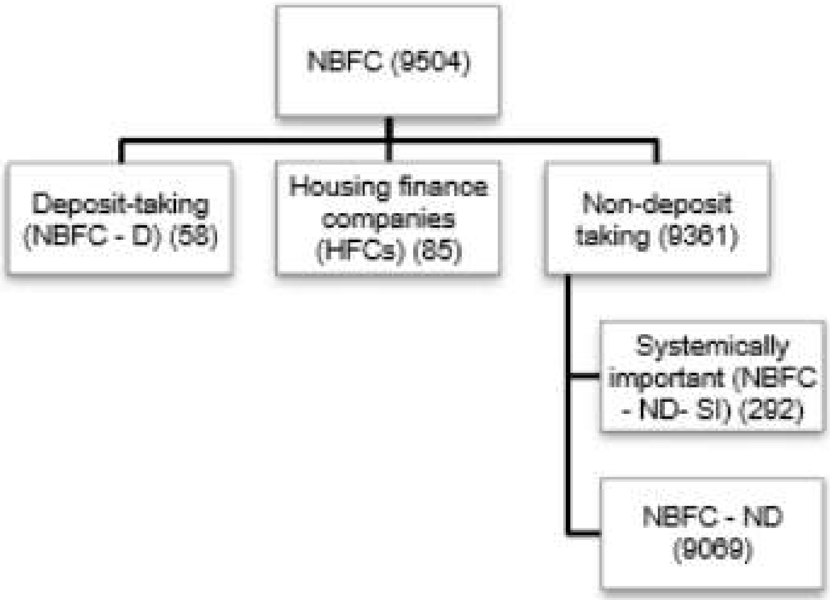
Classification of NBFCs

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

Liabilities-based classification

NBFCs are classified on the basis of liabilities into two broad categories:
(a) deposit-taking; and
(b) non-deposit taking. Deposit-taking NBFCs (NBFC – D) are subject to the requirements of stricter capital adequacy, liquid-assets maintenance and exposure norms.

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



Note: Figures in brackets represent number of entities registered with RBI as of January 2021.
Source: RBI, CRISIL Research

Activity-based classification

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

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

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

3. **Systemically important core investment company (CIC-ND-SI):** A CIC-ND-SI is an NBFC in the business of acquisition of shares and securities and satisfying the following conditions:

- Holds not less than 90% of its total assets in the form of investments in equity shares, preference shares, debt or loans in group companies.

- Investments in equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies that constitute not less than 60% of its total assets.

- Does not trade in its investments in shares, debt or loans in group companies except through block sales for dilution or disinvestment

- Does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the RBI Act, 1934, except investments in bank deposits, money-market instruments, G-secs, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.

- Asset size is Rs 500 crore or above.

- Accepts public funds

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

5**. Micro-finance institution (NBFC-MFI):** An NBFC-MFI is a non-deposit-taking NBFC with not less than 85% of its assets in the nature of qualifying assets, which satisfy the following criteria:

- The NBFC-MFI can disburse loans to borrowers with a rural household annual income not exceeding Rs 100,000 or with urban and semi-urban household income not exceeding Rs 160,000.
- Loan amount does not exceed Rs 50,000 in the first cycle and Rs 100,000 in subsequent cycles.
- Total indebtedness of the borrower does not exceed Rs 100,000.
- Loan tenure to not be less than 24 months for a loan amount in excess of Rs 15,000 with prepayment without penalty.
- Loan to be extended without collateral.
- Aggregate amount of loans, given for income generation, is not less than 50% of total loans given by MFIs.
- Loan is repayable on weekly, fortnightly or monthly instalments as per the borrower's choice.

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

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

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

Scale based classification

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

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

Classification on the basis of scale-based regulation

Source: RBI, CRISIL Research

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

Middle Layer – NBFC – ML shall comprise of (a). All deposit taking NBFCs irrespective of asset size, (b). Non-deposit taking with asset size of Rs 1000 crore and above and (c). Following NBFCs – (i) Standalone primary dealer (SPD), (ii) Infrastructure debt fund (IDF), (iii) Core investment companies (CIC), (iv) Housing finance companies (HFCs) and (v) Infrastructure finance companies (IFCs)

Government owned NBFCs shall be placed in the Base Layer or Middle Layer, as the case may be. They will not be placed in the Upper Layer till further notice by RBI.

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

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

Other regulatory changes under Scale Based Regulations

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

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

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

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

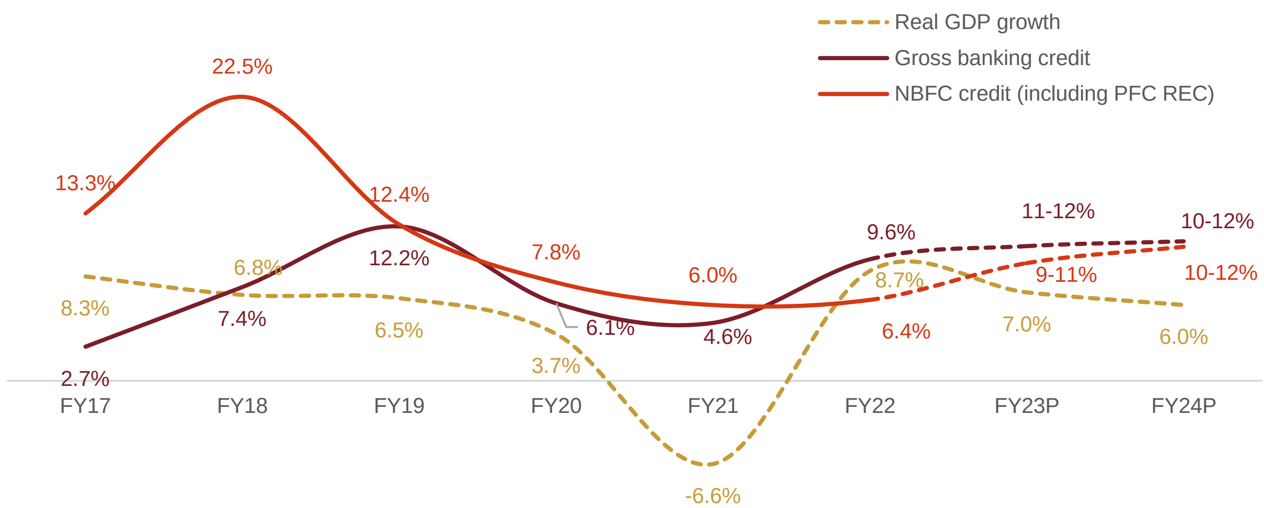
3. Experience of the board - Considering the need for professional experience in managing the affairs of NBFCs, at least one of the directors shall have relevant experience of having worked in a bank/ NBFC. This regulation shall be applicable for all class of NBFCs.

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

Overview on NBFC sector

NBFC segment to grow 9-11% in fiscal 2023 as economic activities stabilise

NBFC growth to be led by retail segments during fiscal 2023



Note: P – Projected
Source: RBI, NHB, Ministry of Finance, company reports, CRISIL Research

The Reserve Bank of India (RBI) has been actively playing a balancing act between fostering economic growth and reining in inflation. The central bank intervened effectively in fiscal 2021 when the economy was hit the hardest by Covid-19, with multiple measures such as liquidity support and repo-rate cuts. The RBI Monetary Policy Committee continued its accommodative stance in fiscal 2022, keeping the repo rate at 4%.

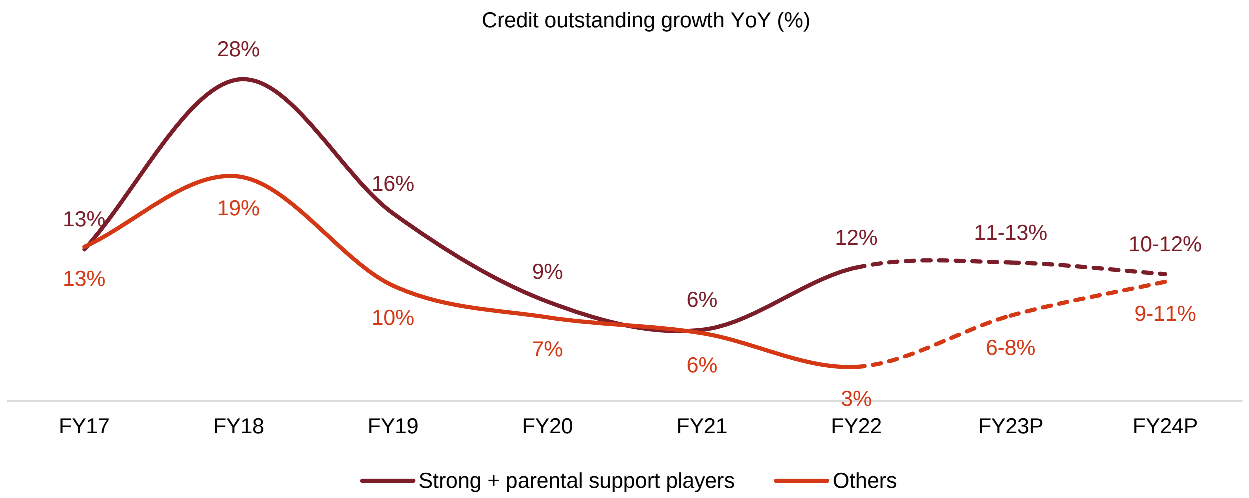
In fiscal 2023, however, the RBI has gradually withdrawn its accommodative stance and began tightening its policy rates in line with other global central banks. It has cumulatively announced a 190 basis points (bps) increase in the repo rate in three hikes between May and September, taking the repo rate up to 5.9%. The rate hike can be seen as a response to both elevated domestic inflation and spill over risks arising from aggressive monetary tightening by major central banks.

The inflation trajectory remains uncertain amid significant risks to inflation and domestic financial conditions. The central bank's actions will be guided by the impact of domestic supply-demand pressures on inflation and evolving global financial conditions, including the US Federal Reserve's actions.

The overall outstanding book for non-banking financial companies (NBFCs) is projected to grow from ~Rs 33 trillion as on March 31, 2022 to ~Rs 36 trillion as on March 31, 2023. With a visible recovery in economic activities across most lending verticals, overall NBFC credit is expected to grow 9-11% in fiscal 2023, following 6.4% growth in fiscal 2022. Subsequently, the outstanding book is expected to clock ~Rs 40 trillion in fiscal 2024 with expected credit growth in the range of 10-12%, driven by the retail vertical, including housing, gold and auto segments. A pickup in economic demand led to higher lending in most retail segments, accompanied by wholesale segments showing signs of a recovery, leading to healthy growth for NBFCs. Asset quality has improved on account of normalisation of economic activities and improved collection efficiency. However, the impact on asset quality due to slippages arising from portfolio restructuring and revision of non-performing asset (NPA) classification norms by the RBI remains a key monitorable.

Between fiscals 2016 and 2018, NBFCs clocked an 18% CAGR, mainly due to the aggressive expansion of their footprint and the entry of numerous new players across India. However, non-banks faced headwinds after the IL&FS default in September 2018, followed by a liquidity crisis. Later, funding challenges and the pandemic added to the pressures, curbing growth. Banks benefitted in this milieu and used their surplus liquidity to gain market share in terms of credit in a few key segments. The pandemic, a sudden standstill in economic activities and a slowdown in the demand for credit affected fiscal 2021. In fiscal 2022, the economy began to reopen up and lockdowns were relaxed after the second wave, leading to normalisation of business activities, which drove credit growth in most segments. However, a slight slowdown was witnessed in the beginning of the fourth quarter on account of the third wave. In fiscals 2021 and 2022, NBFCs' credit growth, excluding infrastructure, slowed down because of pandemic-led stress, and these entities turned cautious towards lending due to deteriorating the credit profile of borrowers. This enabled banks to grow faster due to their better access to funds and lower borrowing costs. In fiscal 2023, as normalcy in operations has restored, CRISIL Research expects NBFCs to grow marginally slower than banks at 9-11%, primarily supported by credit growth in the retail segments.

Strong players to continue to outpace rest of the industry in fiscal 2023

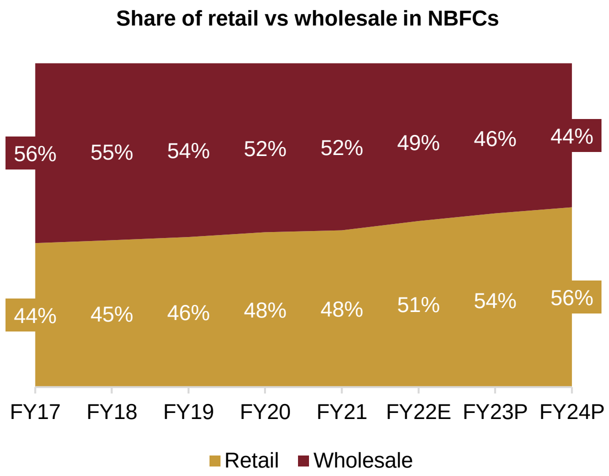


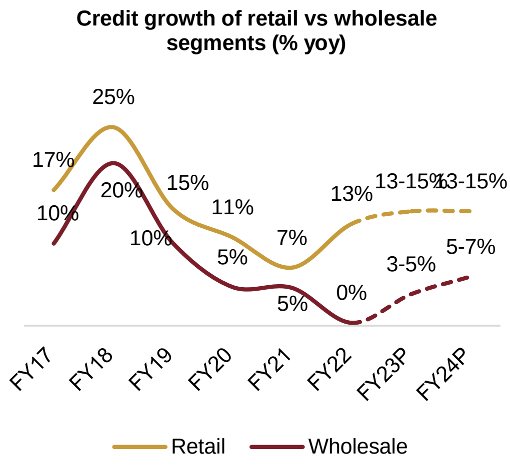
Note: P – Projected,
Strong players here indicate 11 players with a large market share and strong parental support
Source: RBI, NHB, Ministry of Finance, company reports, CRISIL Research

The NBFC universe has some strong players with robust parent support or a large market share and the others with no parent support or smaller market share in each of the segments they represent. CRISIL has tracked credit growth such companies and noticed that players in both these categories grow at a different pace owing to market dynamics such as market confidence, market size, sources of funds, cost of funds, stage at which the company is in, etc. Until fiscal 2017, other players outgrew or grew at a same pace as strong players because of their expansionary phase. After the NBFC crisis, strong players thrived on market confidence, better availability of funds and their higher liquidity. The pandemic-led stress enabled stronger players to outperform others. The recovery among NBFCs in fiscal 2022 was also led by these players. Although CRISIL expects the other players to grow 6-8% in fiscal 2023 and 9-11% in fiscal 2024, strong players are expected to grow 11-13% and 10-12% in fiscal 2023 and 2024, respectively. This recovery is attributed to a pickup in disbursements and credit growth normalising, along with expectations of a substantial improvement in asset quality.

The retail segment, which showed resilience in fiscals 2021 and 2022, to drive growth again this fiscal

The retail segment gaining share due to risk aversion of lenders



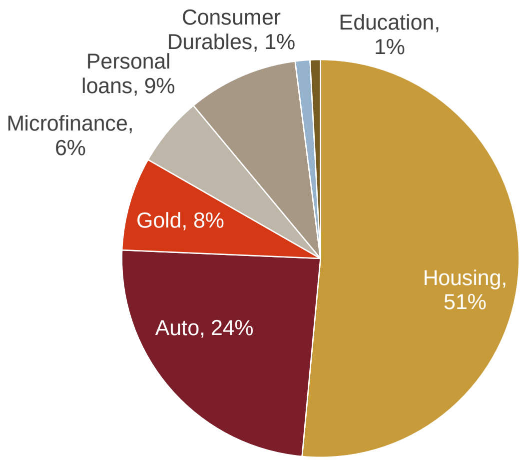


Note: P – Projected,
1) Retail includes housing, auto, gold, microfinance, personal loans, consumer durables and education
2) Wholesale includes MSME, real estate and large corporate, infrastructure and construction equipment
Source: Industry, CRISIL Research

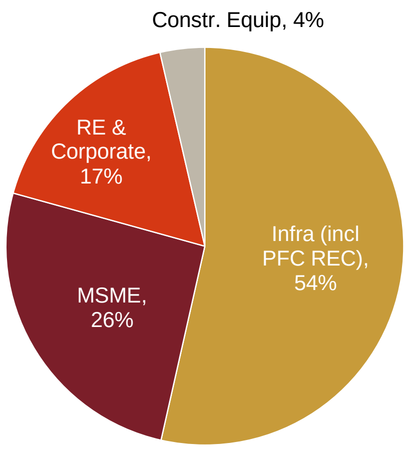
After the NBFC crisis, the retail segment mainly led growth in the NBFC segment, while the wholesale segment saw a muted performance since fiscal 2020 until fiscal 2022. This trend is expected to change in fiscal 2023 with a slow recovery in the wholesale segment and retail continuing to outperform. The retail segment is again expected to grow 13-15% in fiscal 2023 and 2024 against stunted growth in the wholesale segment of 3-5% in fiscal 2023 and a recovery to 5-7% by fiscal 2024. The market share of the retail segment is expected to increase to 54% and 56% by the end of fiscal 2023 and 2024, respectively, from 51% as of fiscal 2022.

Break-up of retail vs wholesale segment in fiscal 2022

NBFC retail breakup (FY22)



NBFC wholesale breakup (FY22)



Source: Industry, CRISIL Research

Growth in fiscal 2023 should be led by retail segments such as housing, auto, gold and microfinance

Change in credit at NBFCs (% yoy)

	CAGR FY18-21	FY22 Y-o-Y	FY23P Y-o-Y	FY24P Y-o-Y
Housing	7%	12%	12-14%	13-15%
Auto (all segments)	9%	5%	9-11%	11-13%
Personal loan	31%	44%	28-33%	15-20%
Gold	22%	11%	10-12%	10-12%
Micro Finance	32%	19%	22-27%	25-30%
Consumer durables	13%	40%	25-30%	20-25%
Education	11%	46%	25-30%	25-30%
MSME	7%	7%	8-10%	9-11%
Corporate, Real estate	-2%	-5%	3-5%	4-6%
Infrastructure	10%	0%	1-3%	4-6%

P: Projected
Note: Red: <5%; Amber: 5-10%; Green: >10%
Source: Company reports, CRISIL Research

Housing: The outstanding book at housing finance companies (HFCs) grew at a healthy CAGR of 15% over fiscals 2015-2020, led by increasing demand from Tier II and III cities, rising disposable incomes, and government initiatives such as the Pradhan Mantri Awas Yojana, interest rate subvention schemes, and fiscal incentives. Growth slowed in the first half of fiscal 2021 due to the pandemic's impact. However, there was a faster-than-envisaged revival in the second half with the RBI, the Centre and state governments providing impetus, which led to 8% growth for fiscal 2021. The second Covid-19 wave impacted disbursements in the first quarter of fiscal 2022. However, with income levels of salaried customers largely intact and home loan rates at a historical low in fiscal 2022, disbursements rebounded in the second half of the fiscal which enabled credit growth of ~12% in fiscal 2022. With a visible recovery across most sectors and increasing demand for housing, CRISIL Research expects NBFC housing credit to grow 12-14% and 13-15% in fiscal 2023 and 2024, respectively, following healthy growth of 12% in fiscal 2022.

Auto finance grew at a healthy CAGR of 14% over fiscals 2015-2020, led by strong demand across segments. It grew 5% in fiscal 2022, driven by asset growth in the passenger vehicle (PV) and commercial vehicle (CV) segments after two consecutive fiscals of decline. Book growth is expected to be 9-11% in fiscal 2023 and 11-13% in fiscal 2024, led by growth in sales across all asset classes and easing of chip shortage. This will also be supported by the demand revival from customers who deferred their purchasing decisions in past due to the pandemic, leading to demand from the replacement front as well. Along with healthy book growth, the segments are expected to see further price growth as well in fiscal 2023, leading to disbursement growth rebounding in the fiscal.

Gold loan finance has seen a CAGR of 12% between fiscal 2015 and 2020 led by stable gold prices and the growing demand for gold loans among NBFCs. This was followed by a surge in demand for gold loans accompanied by a sharp jump in gold prices, leading to high growth in fiscal 2020 and 2021 of 23% and 28%, respectively. Gold loans grew around 11% in fiscal 2022 owing to cautious lending by NBFCs due to asset quality concerns following the pandemic. In fiscal 2023 and 2024, credit outstanding is projected to grow 10-12% on-year owing to increased economic stability, the expanding gold loan market and better reach of various initiatives taken by NBFCs. Lenders are now comfortable lending to customers, although credit growth is expected to see some resistance with growing competition from banks and a slower pickup in economic growth in rural segments. While the economic situation has improved significantly since the second pandemic wave, gold prices are expected to remain range bound in fiscal 2023. With demand reviving, players are expected to restore loan-to-value (LTV) ratios to pre-pandemic levels of 65-67%. We thus expect assets under management (AUM) to grow 10-12% in fiscal 2023, in line with 11% in fiscal 2022.

Microfinance sector grew at a CAGR of 40% between fiscal 2015 and 2020 on account of the expansionary phase of players and NBFCs increasingly catering to credit needs of micro players. The microfinance sector grew 19% in fiscal 2022. Disbursements in the second half of fiscal 2022 grew 11% over the second half of fiscal 2021, and by more than 80% on a sequential basis over the first half of fiscal 2022 as the second pandemic wave did not pose any significant challenge to the industry. The gross loan portfolio will continue to grow at 22-27% in fiscal 2023, driven by the pickup in economic activity, and collection efficiencies rebounding to 97-98% for most of the major players.

Micro, small and medium enterprise (MSME) sector witnessed the high impact of the first and second pandemic waves in fiscal 2021 and the first quarter of fiscal 2022, respectively. Due to its close linkage to economic activities, the sector was significantly impacted by the frequent lockdowns and pandemic restrictions, which led to demand and supply disruptions. During the first half of fiscal 2022, the MSME book remained flat; however, improving economic conditions and the mild third wave supported the revival of MSME credit in the second half, leading to credit growth of 7% in fiscal 2022. CRISIL Research expects the growth trend to continue with outstanding book of NBFCs in the MSME segment likely to grow 8-10% in fiscal 2023 followed by healthy growth of 9-11% in fiscal 2024.

Real estate and corporate sectors: Lower disbursements resulted in degrowth of 5% at NBFCs in fiscal 2022 due to due to continued run down of wholesale portfolio by NBFCs/HFCs. Going forward, CRISIL Research expects wholesale credit to grow 3-5% in fiscal 2023 and 4-6% in fiscal 2024 on expectations of 16-20% growth in industrial capex in fiscal 2023.

Infrastructure including PFC and REC: With the segment majorly dominated by Power Finance Corporation (PFC) and Rural Electrification Corporation (REC), growth remained stagnant in fiscal 2022 to the tune of 0% compared with 10% in fiscal 2021, primarily due to a fall in disbursements in the second half of fiscal 2022; disbursements had grown in fiscal 2021 due to the Atmanirbhar-led disbursements by both PFC and REC to power distribution companies. CRISIL Research expects the book to grow 1-3% in fiscal 2023 and 4-6% in fiscal 2024, led by investments in the renewable segments of solar and wind energy, along with further investments in conventional power transmission and distribution. Growth will also be driven by investments in national highways, state and rural roads.

Asset quality to see a gradual improvement

Note: P – Projected,
1) Stressed advances refer to both GNPA and estimated segmental restructuring amounts put together
2) Green: <2.5%; Amber: 2.5-7.5%; Red: >7.5%
3) Stressed assets in real estate and corporate loans are not meaningful due to addition of contractual moratorium, DCCO extension and OTRs
Source: Company reports, CRISIL Research

The second wave adversely affected the fragile recovery witnessed in the fourth quarter of last fiscal and had affected collection efficiencies across asset classes in the first quarter of fiscal 2022. Collection efficiency, however, has seen a recovery since the second half of fiscal 2022, and collection efficiencies in most segments are back to pre-pandemic levels.

With the NPA standstill provision lifted in December 2021, gross NPAs (GNPAs) in segments such as auto, microfinance and MSME spiked as of March 2021 and were further impacted in the first quarter of fiscal 2022. However, the impact was not as severe as in the first wave, and players across segments have reported improvement in GNPAs from the second quarter. A similar trend of improving collection efficiency is expected to improve asset quality.

Relief measures by the government and RBI, such as moratorium and restructuring, provided a breather to customers and industries in fiscals 2021 and 2022. After a moratorium of six months (between March and August 2020), accounts that were stressed because of the pandemic (classified as standard as on February 29, 2020) were eligible for a one-time restructuring (OTR) under the RBI's Resolution Framework. Stressed customers whose incomes were hit hard due to the economic slowdown opted for restructuring. With the second wave shattering the growing economy once again, the RBI introduced the second phase of restructuring in May 2021:

- Borrowers, i.e., individuals, small businesses and MSMEs, having aggregate exposure of up to Rs 250 million, and who have not availed of restructuring under earlier frameworks (including Resolution Framework 1.0), and who were classified as 'standard' as on March 31, 2021, will be eligible under Resolution Framework 2.0. Restructuring under the proposed framework can be invoked up to September 30, 2021, and will have to be implemented within 90 days post invocation

- With respect to individual borrowers and small businesses who have availed loan restructuring under Resolution Framework 1.0, where the resolution plan permitted a moratorium of less than two years, lending institutions are permitted to use this window to modify such plans to the extent of increasing the period of moratorium and/or extending the residual tenure up to two years

Retail segments like housing and gold loans will be least impacted in fiscal 2022 as well, whereas MSME and real estate loans will take a bigger hit because of the vulnerability of the underlying borrower class.

Housing segment is expected to perform relatively better, as salaried class, which is the primary customer profile of housing loans, was not majorly affected this time during both the pandemic years. Further, GNPAs increased marginally in fiscal half of fiscal 2022 on account stress in economically weaker sections (EWS) and low-income group (LIG) customers due to second wave of pandemic. In second half of fiscal 2022, the collection efficiency improved and attended normalcy towards end of fiscal aiding improvement in overall GNPAs to 1.6% as of March 2022. Going forward, CRISIL Research estimates the GNPAs for the housing loan portfolio to improve by 10-20 bps to 1.5-1.6% in fiscal 2023, backed by improvement in asset quality stress for the segment and total stressed assets (GNPA + restructuring book) for the individual housing loan in range of 2.5-2.6%

Auto finance GNPAs improved for most of the players in the second half of fiscal 2022, due to improvement in borrower repayment levels as economic activities inched back to normalcy. The top four players witnessed their GNPAs fall by ~130 bps on a sequential basis to 6.6%, in the fourth quarter fiscal 2022 over the third quarter. However, we expect some amount of OTR-related stress to still persist amongst players. We analyse around 3.3% of players' total book was under restructuring as of the fourth quarter of fiscal 2022. This along with additional stress on account of implementation of the new NPA recognitions norms has led to stress of 10.6% in fiscal 2022. CRISIL Research expects stressed assets for fiscal 2023 to be in the range of 8.5-10.5%.

Gold finance GNPA numbers remained high on account of the second wave, the impact of which was seen in fiscal 2022. GNPA for fiscal 2022 was at 2.9%, though it is expected to stabilise by the end of fiscal 2023 with better collection efficiency and overall economic stability being prevalent. Lenders have also made adequate provisioning for any pandemic led NPA surge. CRISIL Research expects GNPAs of gold loan NBFCs to be gradually improving at 1.5-1.7% in fiscal 2023 with auctions helping players to restrict GNPAs at lower levels. The industry lends at low LTV of 75%, which safeguards it from price fluctuations, and in case of losses, gold finance companies can auction gold as it is a secured loan.

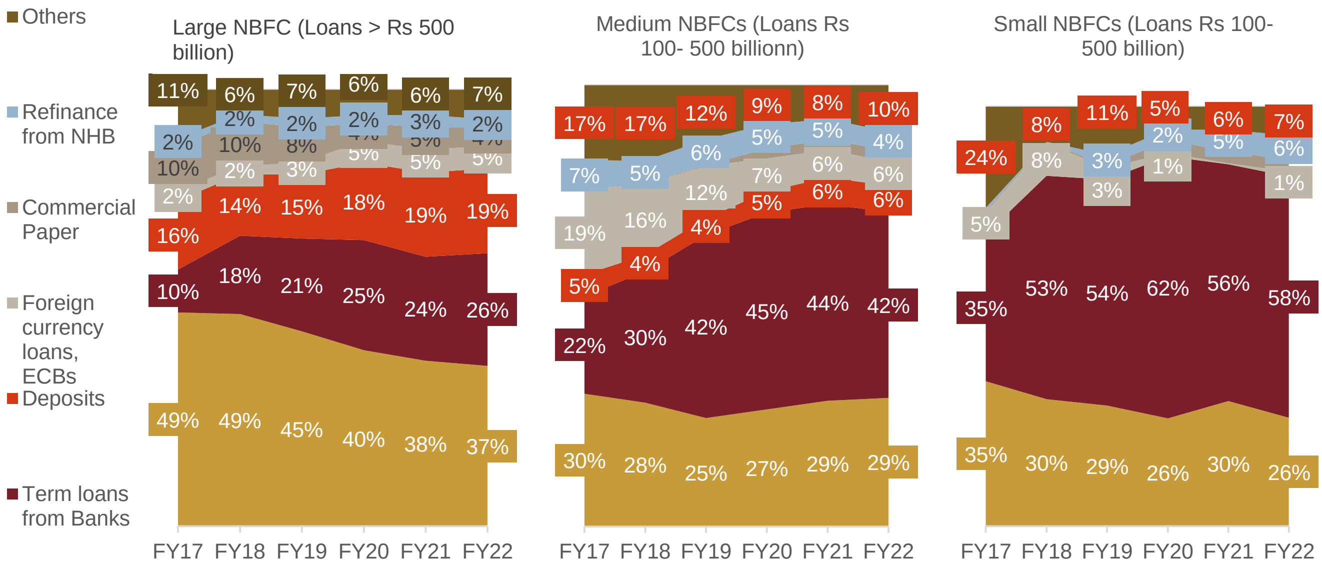
Microfinance players have seen their collection efficiencies bounced back to pre-covid levels from the third quarter of fiscal 2022. The same can be reflected in their GNPAs as well, where the top three players in the segment reported fall in GNPA levels on a sequential basis in fiscal 2022. The industry GNPA in fiscal 2022 stood at 5.9% levels. Collection efficiency of major players have bounced back to pre-pandemic levels of 97-99%. However, significant portion of the book of these players is currently under restructuring. Thus, coupled with some incremental stress due to the regulatory impact, stressed assets in fiscal 2022 stood at 13.9%. With a fall in GNPA levels in fiscal 2023, and a portion of the book moving out of restructuring, CRISIL Research expects GNPAs in fiscal 2023 to reduce to 4-5% levels, and overall stress in the industry to be in the range of 9-10%.

MSME: During fiscal 2021, GNPAs for the NBFC MSME section reached ~6-7% due to increased stress in MSME borrowers, who were hit the hardest due to Covid-19. Further, in the first quarter of fiscal 2022, the second wave of pandemic again impacted economic activities, in turn leading to increased stress in the MSME segments. However, the impact on asset quality was cushioned by OTR 2.0 announced by the RBI in May 2021. With improvement in economic activities and mild impact of the waning pandemic, CRISIL Research expects the asset quality stress to be in range of 8-9% for fiscal 2023.

Real estate and Corporate: Overall stress in the real estate and corporate segment is the highest among the segments. CRISIL Research estimates overall stress in the wholesale book to be high. This includes contractual moratorium, book under extension by date for commencement for commercial operations (DCCO) extension and book that is estimated to have opted for OTR.

Banks continue to gain share in borrowing mix of NBFCs

Bonds, debentures remain the largest source of funds for large NBFCs, while small NBFCs depend on term loans



Source: Company reports, CRISIL Research

Large NBFCs (with loan book > Rs 500 billion) are largely dependent on bonds and debentures for their funding requirements, due to strong market presence and good performance of these NBFCs. However, after the NBFC crisis in fiscal 2019, share of bonds in the borrowing mix has been declining and stood at 38% in fiscal 2021, compared with 50% in fiscal 2017.

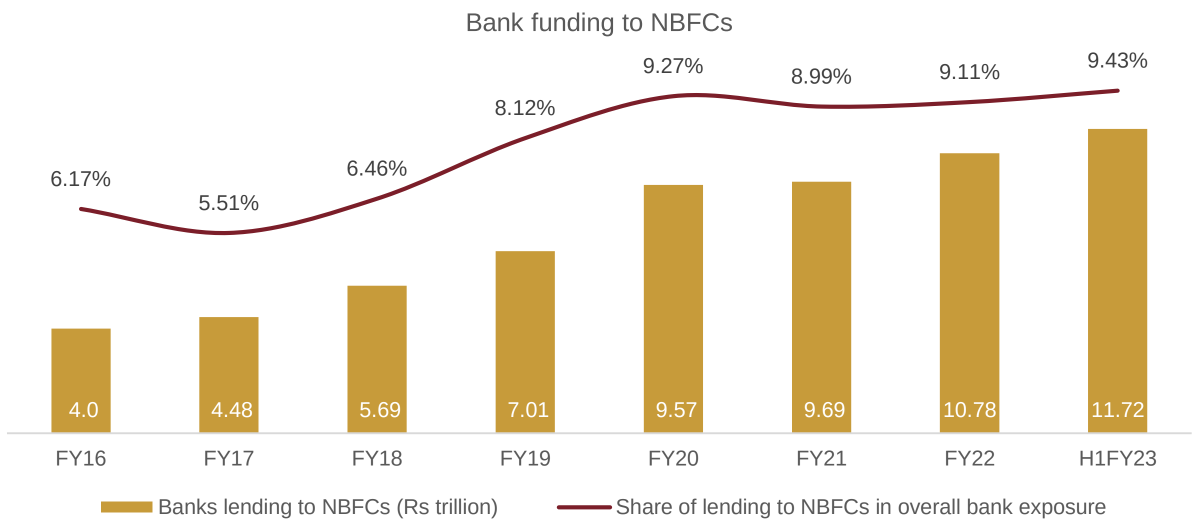
Meanwhile, small and medium-sized NBFCs largely depend on term loans as their principal source of borrowing mix. In addition, majority of small NBFCs are non-deposit taking. Share of term loans increased rapidly in small and medium-sized NBFCs after the crisis, which were hit harder than large NBFCs.

Liquidity issues in the domestic market have led to some large NBFCs tapping overseas funding options through the external commercial borrowing (ECB) route, leading to ECBs holding a 5% share in the borrowing mix compared with 2% in fiscal 2017.

In addition, short-term borrowings from commercial papers have been reducing across all NBFCs and are being replaced by borrowings from the National Housing Bank (NHB; in case of HFCs) and short-term loans from banks.

Going forward, bank funding to NBFCs is expected to continue, given the higher liquidity with banks and the limited lending opportunities until growth revives. This will result in banks gaining further share in the borrowing mix across all NBFCs.

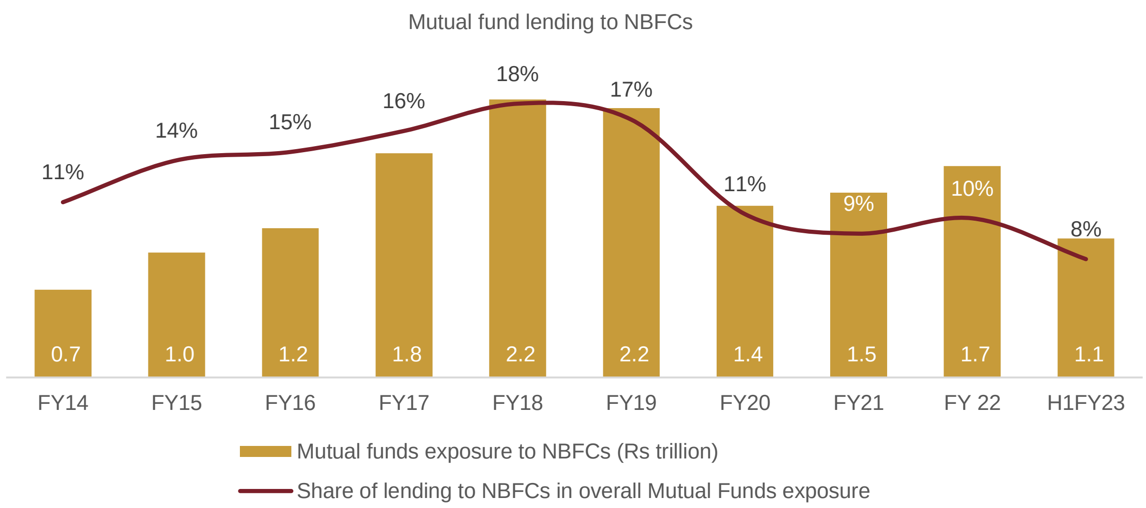
Banks' credit exposure to NBFCs remains consistent



Source: Company reports, CRISIL Research

Share of lending to NBFCs gained share in the overall banking exposure to 9% in fiscal 2022, compared with 6% in fiscal 2016, where NBFCs resorted to bonds and debentures for funding needs. Over the period, with increasing regulatory watch on NBFCs, banks will be more willing to provide credit to NBFCs compared with a few years back, and we can expect this share to grow in the coming years.

Mutual funds' exposure towards NBFCs remains on the lower side as per the recent trend



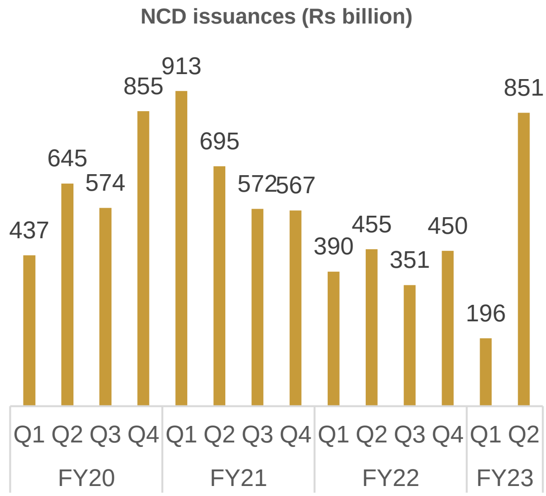
Source: Securities and Exchange Board of India, CRISIL Research
Note: Mutual fund exposure in the above graph refers to debt mutual fund

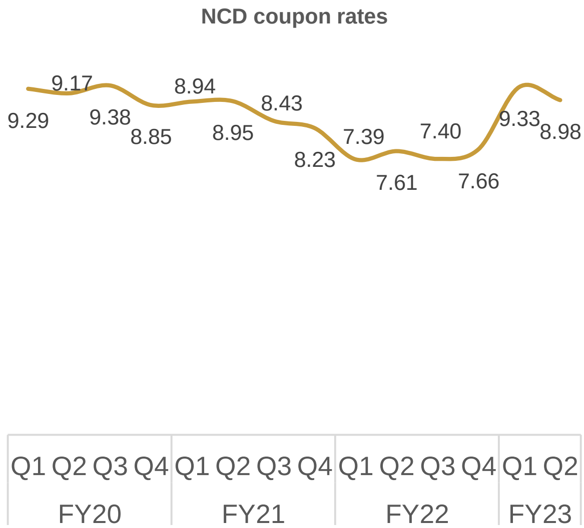
Mutual fund deployment in NBFCs was growing at a rapid pace from fiscal 2014. However, the IL&FS crisis in fiscal 2019 led to funds becoming extremely cautious towards investment in NBFCs. Exposure declined from 18% in fiscal 2018 to 10% fiscal 2022, and this trend is expected to continue in the medium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

Non-convertible debenture (NCD) issuances to pick up in fiscal 2023

NCD issuances saw a dip in fiscal 2022, with not many interested to invest in NBFCs on account of asset quality concerns. Issuances were majorly by larger players with good parental support and a strong credit rating. Issuances saw a dip of ~40% in fiscal 2022 with reducing coupon rates due to improved economic conditions. NCD issuances reached Rs 450 billion in the fourth quarter of fiscal 2022. The lowest issuances were recorded in the third quarter.

NCD issuances saw a sharp dip of ~40% in fiscal 2022

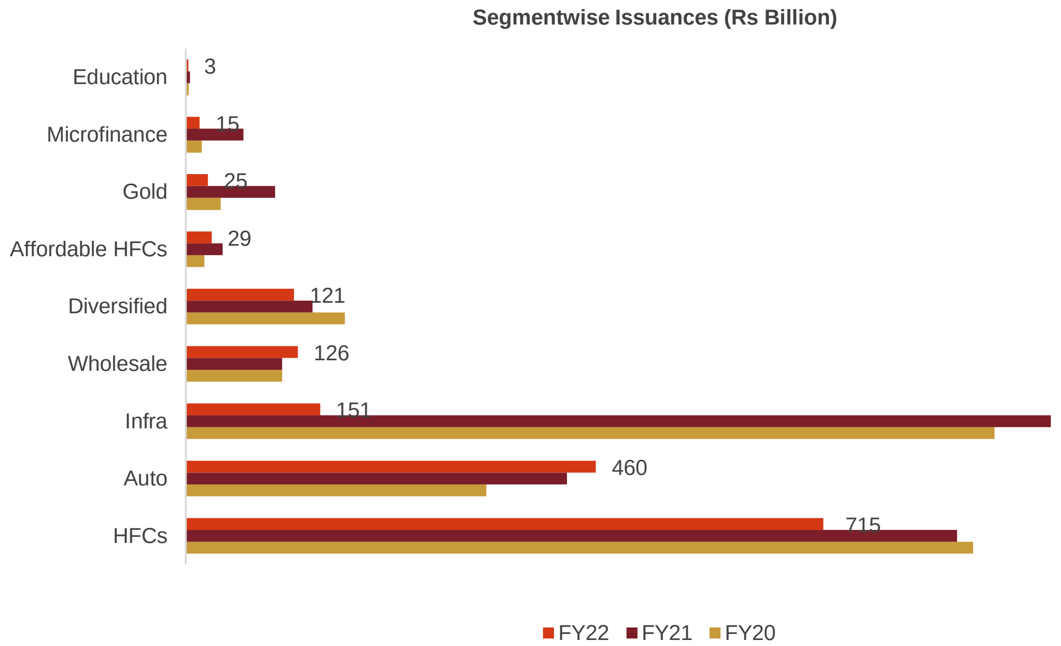




Note: 1. Issuance data for top 100 NBFC/HFCs in terms of AUM considered for issuances
2. NCD Coupon rates are considered on basis of monthly weighted average of top 100 NBFCs/HFCs
Source: BSE, CRISIL Research

However, the second wave impacted the issuance severely, with the number falling by half in the first half of fiscal 2022. The second half of the year also showed a similar trend. Issuances are expected to pick up in fiscal 2023 due to improving credit growth and resolution of stressed assets at NBFCs.

NCD issuances in retail segment to perform better than wholesale segment

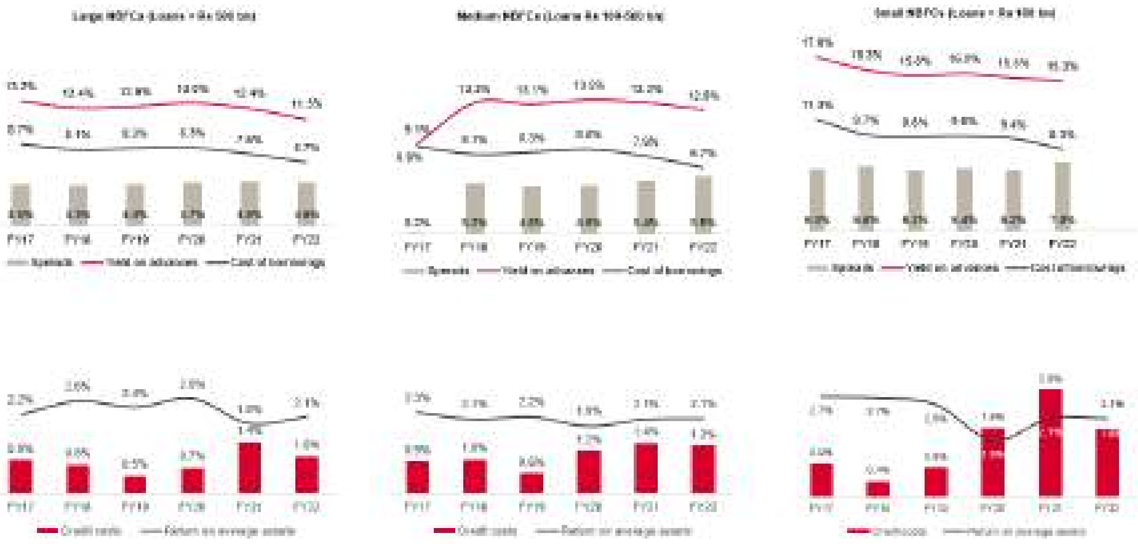


Note: Top 100 companies in terms of AUM considered for issuances
Source: CRISIL Research

NBFCs in retail segments saw lower fund raising in NCDs in fiscal 2022 as against fiscal 2021, except for auto.

Medium and small-sized players benefitted from lower cost of funds in fiscal 2022

Cost of borrowings for large, medium-sized and small players declined by more than 90 bps in fiscal 2022



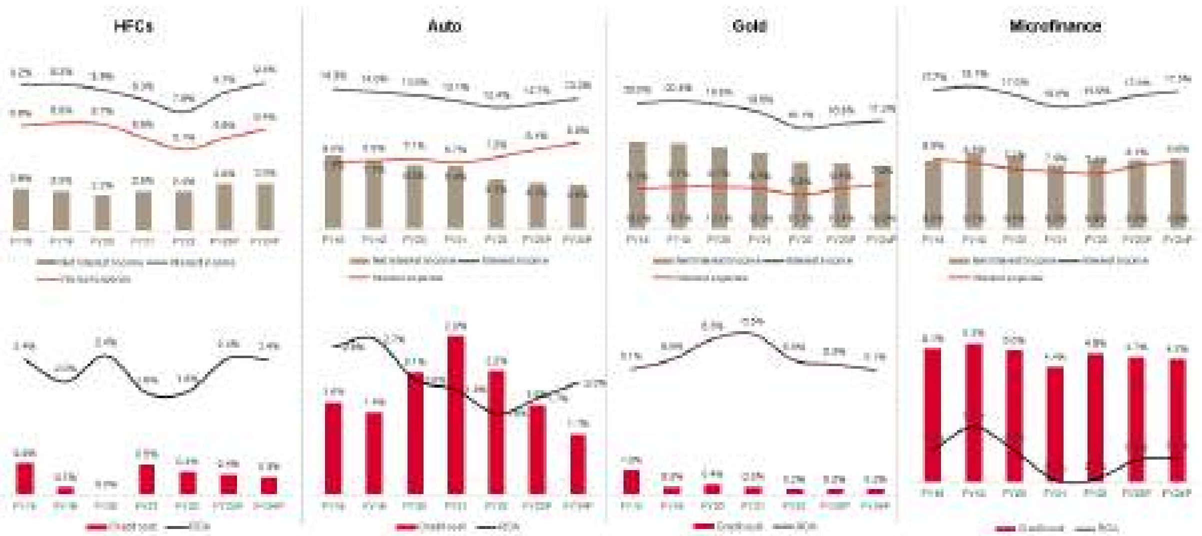
Source: Company reports, CRISIL Research

Yields are expected to go up this fiscal due to increasing interest rates. It should be noted the RBI has already hiked the policy rate by 190 bps so far this fiscal. CRISIL Research expects the RBI's actions going ahead to be guided by domestic supply-demand pressures on inflation, and evolving global financial conditions, including the US Fed's actions. This has impacted both the cost of borrowings and yields across sectors and, in turn, affected the return on assets (ROAs).

Historically, borrowing costs, yields and spreads varied significantly across large, medium-sized and small NBFCs. Large NBFCs were able to attain funds at lower costs and had the ability to pass on the benefit to customers, resulting in lower spreads. However, smaller NBFCs had to keep yields much higher than costs on account of higher credit costs they incur on a regular basis due to higher GNPAs.

In addition, credit costs declined for large players in fiscal 2022 due to improvement in collection efficiency as markets opened up for business. In fiscal 2023, we expect a gradual recovery across sectors as credit impact shows signs of recovery and improving collection efficiency aiding it.

Lower credit cost to improve ROAs in fiscal 2023



Note: The above ratios are calculated on average total assets

Source: Company reports, CRISIL Research

Decrease in credit cost, with improved net interest margin (NIM), is expected to be the key reason for increase in profitability across segments in fiscal 2023. With credit costs expected to decline across all segments, the ROA is likely to improve following slight improvement in net interest income as well.

The yield in the retail segments is expected to go up during fiscal 2023 due to increasing interest rates. It should be noted that, the RBI has already hiked policy rate by 190 bps until September of fiscal 2023. CRISIL Research expects the RBI's actions going ahead to be guided by domestic supply-demand pressures on inflation, and evolving global financial conditions, including the US Fed's actions

Housing: The yield on advances reduced by 75-85 bps during fiscal 2022 on account of home loan rates at a historical low (starting from 6.5%) and heightened competition from banks. The RBI having maintained an accommodative stance during fiscal 2022 and no increase in repo assisted in reduction in the cost of borrowing by 70-80 bps, resulting in an ROA to 1.8% in fiscal 2022. CRISIL Research expects yield on assets to improve vis-à-vis the increase in weighted average cost of funds at a slower pace (due to structure of the borrowing mix), translating into improvement in margins and ROAs to 2.9% and 2.4% respectively, in fiscal 2023.

Auto: With the recent revision in repo rates by the RBI, yields and cost of borrowings for NBFCs are expected to rise compared with fiscal 2022. The expected rise in borrowing cost is ~90 bps as against yields likely to increase by 40 bps. NIMs for most of the players declined in fiscal 2022. Almost all players have seen their credit costs fall by 55-65 bps from fiscal 2021 to fiscal 2022. CRISIL Research expects the same in fiscal 2023 as well, where credit costs are expected to fall further to pre-Covid levels. Due to this, the ROA in this segment is expected to improve in fiscal 2023.

Gold finance is expected to have marginally lower ROA in fiscal 2023 due to the impact of increasing interest rate regime, impacting the cost of borrowing. The borrowing cost remained low during fiscal 2022 as repo remained unchanged and lenders managed their cost of borrowing better also contributing to excess liquidity and lower gearing ratio. However, with an increase in repo rate in fiscal 2023, the borrowing cost is expected to see an increase of 95-105 bps with only 65-75 bps transmission to the customers on account of fierce competition in the gold segment among players. This is expected to keep NIMs lower in fiscal 2023, along with stable operating costs. CRISIL MI&A Research expects credit cost to reduce in fiscal 2023 due improved collection efficiency leading to slightly lower ROAs.

Securitisation clocks Rs 1.35 trillion, but remains below pre-pandemic levels

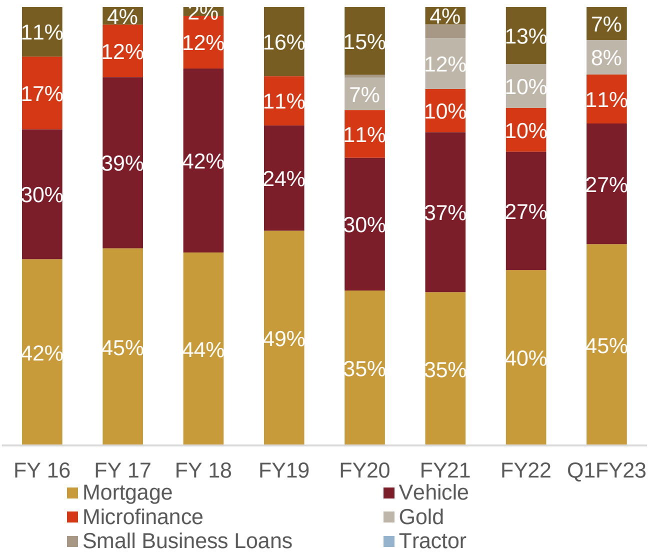
CRISIL-rated securitisation transactions have shown tremendous resilience during the past two amid the pandemic. Despite bouts of tremendous stress on underlying borrowers, there were very few downward rating actions. When collection ratios were dented severely, credit enhancements (provided initially) came to the fore to iron out the collection shortfalls. These were subsequently replenished as a large majority of the rated transactions have witnessed smart recoveries and performance is back on the expected trajectory.

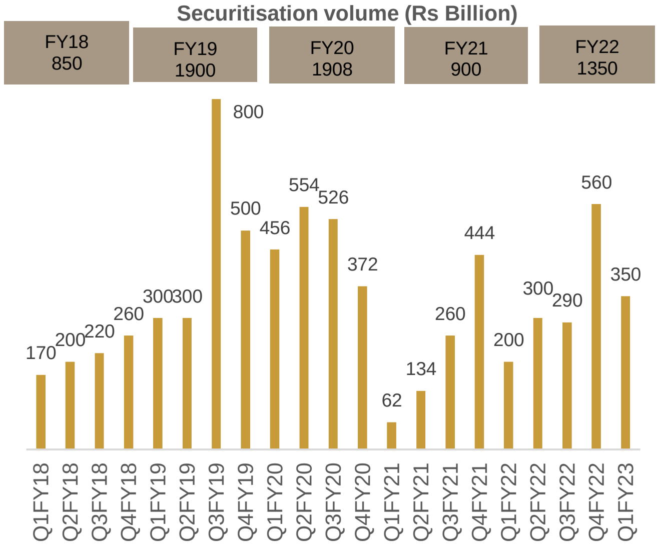
The securitisation market saw increased activity in the fourth quarter of fiscal 2022, with volume crossing Rs 500 billion. That took the cumulative value of loan assets securitised in last fiscal to Rs 1.35 trillion, a good 50% higher than ~Rs 900 billion in fiscal 2021. That compares with the pre-pandemic volume of ~Rs 1.9 trillion seen over fiscals 2019 and 2020.

Disbursements also picked up, necessitating incremental funding requirements. More than 130 financing entities have securitised their assets in the past 12 months. Investors such as mutual funds and foreign-owned financing entities, which were chary in the recent past, have picked up such securitised instruments.

Within asset-backed securitisation, CV (25%), gold (10%) and two-wheeler (2%) loans remained important asset segments. In addition, microfinance loans drew traction, comprising 10% of volume, especially in the last quarter of fiscal 2022, amid indications of resilience among low-ticket-size borrowers.

Securitisation volume for the fourth quarter grew ~26% on-year to ~Rs 560 billion





Source: CRISIL Ratings

Gold finance - Review and outlook

Gold loans continue healthy performance, amid competition from banks

Type	Share (FY22)	Book (Rs billion) FY22	CAGR (FY18-FY22)	Growth for FY22	Growth outlook for FY23P	Growth outlook for FY24P
NBFC	25%	1,290	19.2%	11.3%	10-12%	10-12%
Banks	75%	3,804	19.5%	13.0%	10-12%	9-11%
Overall	100%	5,094	19.4%	12.6%	10-12%	9-11%

Note: P: Projected
Source: Company reports, CRISIL Research

With normalcy restored in the economy, lenders are now more comfortable lending to customers, and both banks and non-banking financial companies (NBFCs) are aggressively pitching gold loan products to have good assets on the book. While the economic situation has improved significantly, gold prices are also expected to increase marginally in fiscal 2023. With demand reviving, players are expected to restore loan-to-value (LTV) to pre-pandemic levels. Overall gold loan AUM is stood at Rs 5.1 trillion in fiscal 2022 and is expected to reach Rs 5.7 trillion in fiscal 2023 followed by expectation of Rs 6.2 trillion in fiscal 2024. CRISIL Research expects overall credit outstanding to grow 10-12% in fiscal 2023 and 2024, following 12.6% growth in fiscal 2022.

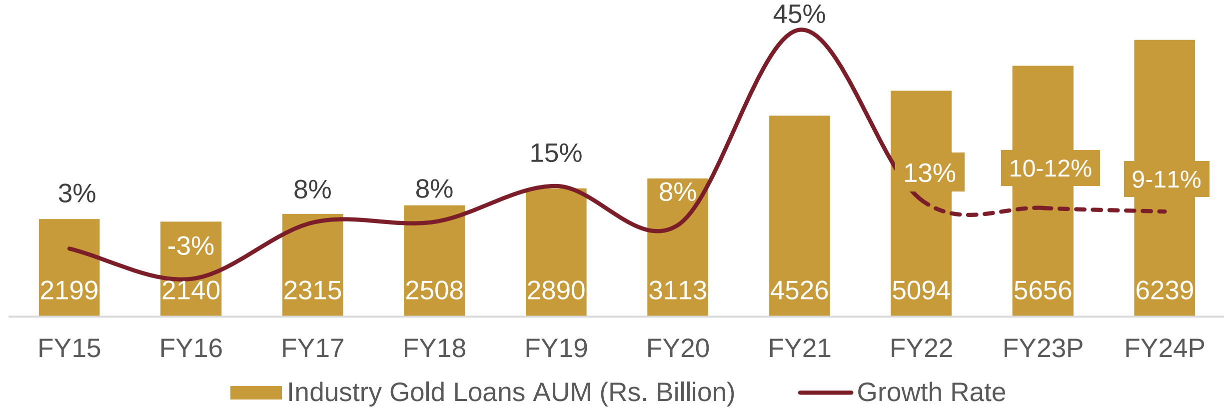
AUM of gold loan NBFCs, which grew at a compound annual rate (CAGR) of 12% between fiscals 2015 and 2020, registered an exceptional growth of 28% on-year in fiscal 2021. Demand for gold loans was also driven by a sharp increase in prices. Gold prices rallied 30% on-year in fiscal 2021 on account of pandemic and 16% in fiscal 2022 on account of the macro factors. Borrowers benefitted from the higher loan value from the same collateral, while lenders profited from the lower LTV ratio on their existing loans and higher demand. Both NBFCs and banks saw a jump in demand during the pandemic year and these increased disbursements led to higher GNPAs witnessed during the second half of fiscal 2022 which slowed the pace of disbursement with NBFCs being cautious in lending. Banks on the other hand continued aggressively promoting gold loan schemes in fiscal 2022, leading to higher growth and intensifying competition in the market. This led to NBFC growing at 11.3% In fiscal 2022.

Gold loan market is expected to continue to post strong performance compared with other retail loans on account of the following factors:

Source: CRISIL Research

Demand for gold is likely to remain buoyant for it is considered as a secured asset. The transformation in the gold loan sector continues – shift from unorganised to organised and further from organised to digital and online means. Increasing focus on online gold loans in the current scenario is expected to support overall growth in the coming years.

Industry gold loan AUM to continue growing at 10-12% in fiscal 2023

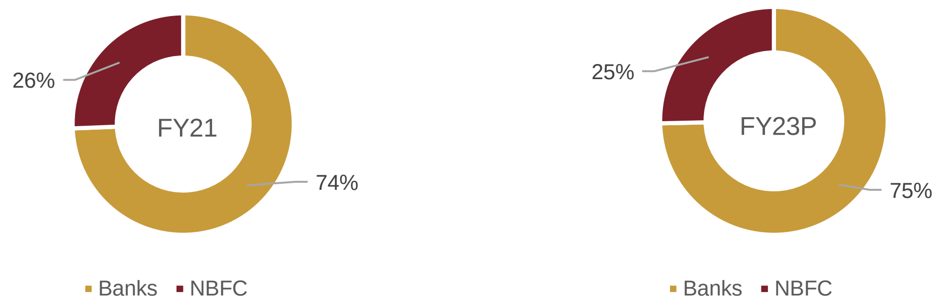


Note: P: Projected
Includes agriculture lending by banks with gold as collateral
Source: Company reports, CRISIL Research

NBFCs expected to maintain share in fiscal 2023, post banks gaining share in fiscal 2022

Banks always held the major share in the overall gold loan portfolio, but NBFCs had been gaining traction in recent years. In fiscal 2021, banks increased their share further as they turned cautious towards lending to other products due to the risk of default and preferred gold loans that are completely secured and carry a minimum rate of default across key NBFC verticals. This led to a reduction in the share of NBFCs which continued in fiscal 2022. Going forward in fiscal 2023, NBFCs are expected to maintain share as banks widen their focus on their core portfolios post economic stability restored. Although in fiscal 2024 NBFCs are expected to grow faster than banks with banks starting to focus on their core competencies in the long run leading to NBFCs capturing banks share.

Share of banks and NBFCs in gold loans

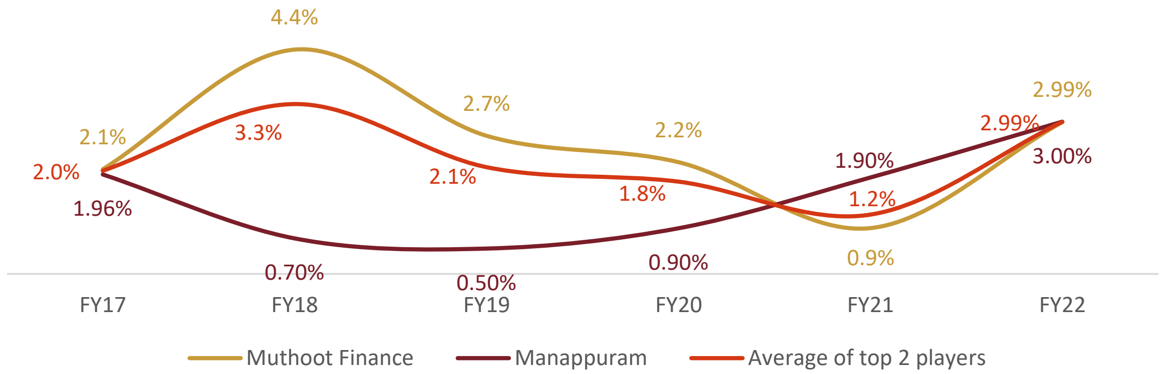


Note: P: Projected
Source: CRISIL Research

Focus on expanding coverage and digitisation helps NBFCs sustain growth momentum

Gold loan financiers are expanding fast to meet the expected demand in the year ahead, as businesses open up and the economy returns to normalcy. This is also supported by micro, small and medium enterprises (MSMEs) constituting majority share of customers for top NBFCs. Growth is expected to be stable in fiscal 2023 with slower consumer demand since fiscal 2022 due to increased competition and lower rural demand. NBFCs are expanding their reach and customer base to regain their share in the market lead by fierce completion by banks and new aged fintech's. They are achieving this by focused market strategies, with increased advertising and employee benefits. NBFCs are working towards protecting their high-value customer base (loans > Rs 2 lakh in value), which are targeted by banks, and expanding to cater to rural low-income group customers.

Top two gold financing NBFC's registered a growth of 9% in fiscal 2022



Source: Company report, CRISIL Research

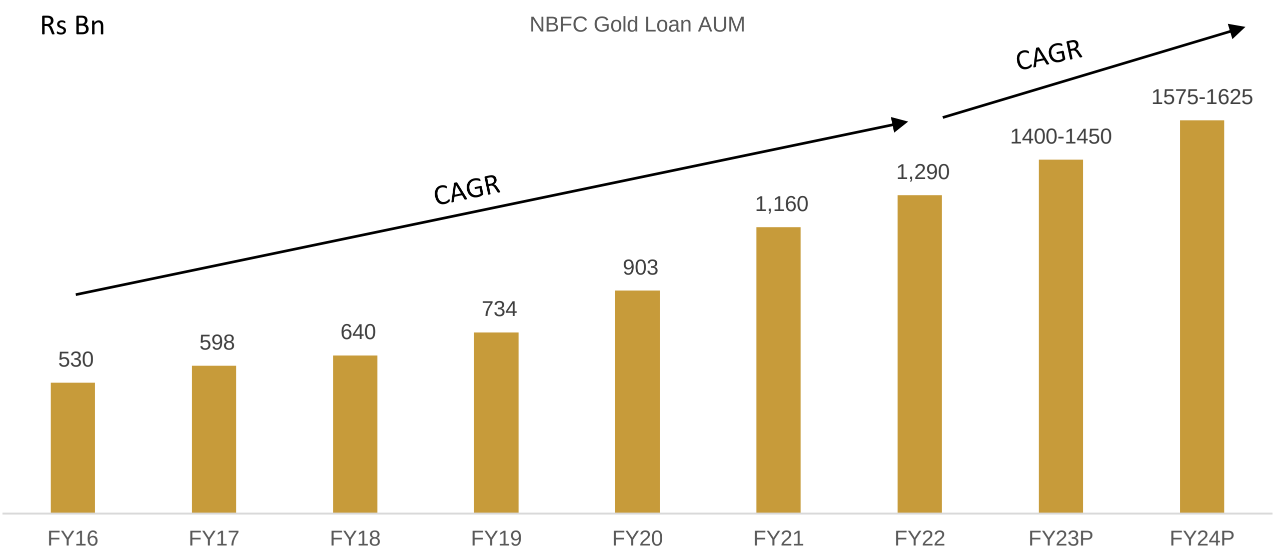
Muthoot Finance Ltd. and Manappuram Finance Ltd. are the largest players and constitute majority of the NBFC market share. They both have strong regional presence, and good network of branches and reach. Due to economic instability, they have witnessed intense competition, and to overcome this and maintain their market share, they are aggressively spending on marketing and employee benefit costs.

Major players in the industry include Muthoot Finance, Manappuram finance, Muthoot fincorp, Shriram City Union finance, IIFL, Muthoottu Mini financiers, Bajaj Finance and Kosamattam finance,

Top three players in the NBFC space account for ~74% as of March 2022 of the overall market. Specialised gold-loan NBFCs have been able to drive AUM growth based on their focused approach along with the new technological initiatives that allow customers to transact online with ease.

Growth momentum is expected to continue over the next couple of years due to the post-pandemic boom with businesses restarting. This means there will be a higher requirement of credit, and higher technology adoption and digitisation in the industry, along with the advent of innovative models.

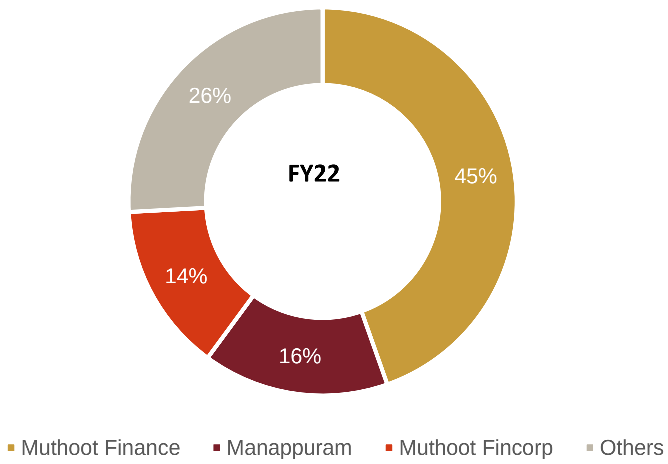
NBFCs to grow expected to grow between 10-12% in fiscal 2023 on account of slower demand



P: Projected
Source: CRISIL Research, Company reports

In fiscal 2022 NBFCs exhibited a decent performance with them growing at 11.3% on a high base of fiscal 2021. In fiscal 2023 and 2024, AUM is projected to grow at 10-12% on-year owing to better economic stability, expanding gold loan market, and better reach by various initiatives taken by NBFCs and slight friction on account of increased interest rate scenario, slower growth in consumer demand in the rural segment and increased competition.

Market share among gold financing NBFCs in fiscal 2022

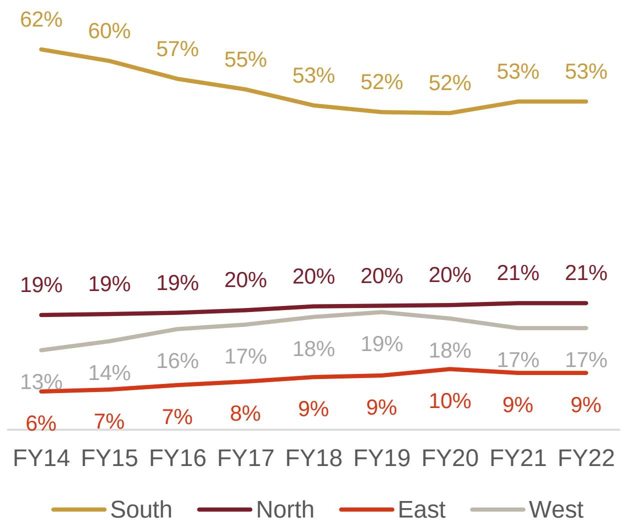


Source: Company reports, CRISIL Research

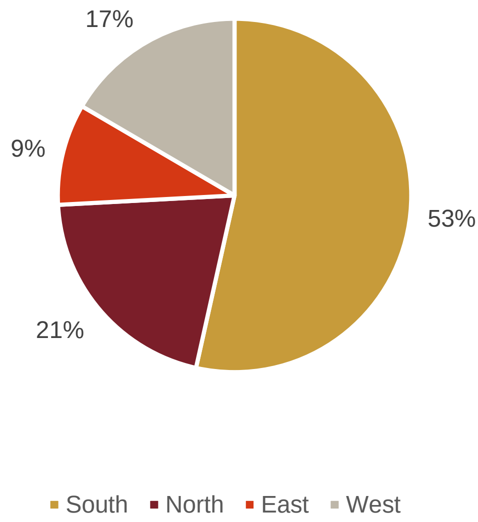
Widening branch network

South India will continue to dominate NBFC AUM share, but other regions are growing faster. Southern region will continue to account for majority of loan demand for specialised gold loan NBFCs; other regions are also likely to emerge as growth centres over time. Changing consumer perception of gold loans, driven by increasing awareness and rising funding requirements, will give an impetus to the sector in these regions.

Region-wise share of branches by top 2 players



Regional contribution of branches remained constant in fiscal 2022



Note: Aggregate includes Muthoot Finance and Manappuram Finance
Source: Company reports, CRISIL Research

Demand for gold loans skewed towards southern states

Southern states have a dominant share in the total AUM. It is observed that 50-55% of the total AUM is contributed by the southern region in the top two NBFCs.

- Southern region accounts for a huge share of the gold jewellery market, and gold owners in the south are more open to pledging gold to raise funds than in other Indian regions
- Having originated in the south, these players are able to gain the trust and confidence of customers in the region through simple and uncomplicated procedures that ensure quick loan disbursement
- Though the south continues to dominate, players' focus has been moving towards the eastern and western regions, where branches are currently fewer, and the market is untapped and has seen a gradual increase in the share

OUR BUSINESS

In this section, any reference to "we", "us" or "our" refers to Kosamattam Finance Limited. Unless stated otherwise, the financial data in this section is as per our Limited Review Financial Statements for six month period ended September 30, 2022 and Reformatted Financial Statements set forth elsewhere in this Draft Prospectus.

The following information should be read together with the more detailed financial and other information included in this Draft Prospectus, including the information contained in the chapter titled "Risk Factors" and "Industry Overview" beginning on pages 17 and 71.

Overview

We are a systemically important non-deposit taking NBFC primarily engaged in the Gold Loan business, lending money against the pledge of household jewellery ("***Gold Loans***") in the state of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Delhi, Maharashtra, Gujarat and Telangana along with the Union Territory of Puducherry. Our Gold Loan portfolio for the six month period ended September 30, 2022 and financial years ending on March 31, 2022, March 31, 2021, March 31, 2020 and March 31, 2020 comprised of 8,71,389, 8,10,711, 7,18,836 and 7,07,856, respectively gold loan accounts, aggregating to ₹ 3,95,109.23 lakhs, ₹ 3,65,802.24 lakhs, ₹ 3,14,609.59 lakhs and ₹ 2,64,495.77 lakhs, respectively, which is 98.88%, 98.52%, 98.34% and 97.29% of our total loans portfolio as on those dates. As on October 31, 2022, we had a network of 997 branches spread in the states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Delhi, Maharashtra, Gujarat and Telangana along with the Union Territory of Puducherry and we employed 3,728 persons in our business operations. We belong to the Kosamattam Group led by Mathew K. Cherian. We are headquartered in Kottayam in the state of Kerala.

We are registered with RBI as a systemically important, non-deposit taking NBFC (Registration No. B-16.00117 dated December 19, 2013) under Section 45 IA of the RBI Act. Further, we also have a Full-Fledged Money Changers ("**FFMC**") license bearing number FE.CHN.FFMC.40/2006 dated February 7, 2006 which is valid up to February 28, 2023.

The Kosamattam group was originally founded by Nasrani Varkey. His great grandson, Mathew K. Cherian, the present Chairman and Managing Director of Kosamattam Group is a fourth-generation entrepreneur in the family. Under his able leadership, our Company is emerging as a prominent Gold Loan business company with 997 branches, as on October 31, 2022, largely spread across southern India.

Gold Loan is the most significant product in the product portfolio of our Company. Our Gold Loan customers are typically businessmen, vendors, traders, farmers, salaried individuals and families, who for reasons of convenience, accessibility or necessity, avail of our credit facilities by pledging their gold jewellery with us under our various gold loan schemes. These Gold Loan schemes are designed such that higher per gram rates are offered at higher interests and vice versa, subject to applicable laws. This enables our customers to choose the Gold Loan scheme best suited to their requirements. These Gold Loan schemes are revised by us, from time to time based on the rates of gold, the market conditions and regulatory requirements. Our Gold Loans are sanctioned for a tenure of upto 12 months, with an option to our customers to foreclose the Gold Loan. Our average Gold Loan amount outstanding was ₹ 45,343, ₹ 45,121, ₹43,864 and ₹37,366 per loan account, for the six month period ended September 30, 2022 and the financial years ended on March 31, 2022, March 31, 2021 and March 31, 2020, respectively. For the six month period ended September 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, our yield on Gold Loan assets were 18.13%, 17.70%, 17.76% and 19.43%, respectively.

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

For the the six month period ended September 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 our total income was ₹ 35,714.29 lakhs, ₹ 62,478.73 lakhs, ₹ 54,184.17 lakhs and ₹ 49,933.42 lakhs, respectively. Our profit after tax for the six month period ended September 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 was ₹ 4,700.25 lakhs, ₹ 7,892.07 lakhs, ₹ 6,524.61 lakhs and ₹ 4,766.38 lakhs, respectively. For the the six month period ended September 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, revenues from our Gold Loan business constituted 96.56%, 96.38%, 94.89% and 93.57% of our total income for the respective year.

A summary of our key operational and financial parameters for the six month ended September 30, 2022 and the last three completed financial years are as given below:

(₹ in lakhs)

Parameters	**Six month ended September 30, 2022**	**Fiscal year 2022**	**Fiscal year 2021**	**Fiscal Year 2020**
BALANCE SHEET				
Net Fixed Assets	12,195.09	12,204.96	12,278.28	12,242.33
Current Assets	4,68,421.24	4,28,114.69	3,81,067.37	3,11,229.42
Non- Current Assets	23,676.45	14,090.85	7,270.64	6,272.83
Total Assets	**5,04,292.78**	**4,54,410.50**	**4,00,616.29**	**3,29,744.58**
Non- Current Liabilities (including maturities of long-term borrowings and short-term borrowings)				
Financials (borrowings, trade payables, and other financial liabilities)	2,35,848.74	2,13,875.57	2,08,948.89	1,60,779.96
Provisions	380.62	601.37	427.09	138.06
Deferred Tax Liabilities (Net)	(916.06)	(916.06)	(843.12)	(1,069.31)
Other Non – Current Liabilities	Nil	Nil	Nil	Nil
Current Liabilities (including maturities of long-term borrowings)				
Financials (borrowings, trade payables, and other financial liabilities)	1,99,306.90	1,76,345.93	1,40,959.71	1,28,727.81
Provisions	346.33	125.58	3.97	2.46
Current Tax Liabilities (Net)	(1,319.78)	(1,562.56)	(1,095.74)	(981.63)
Other Current Liabilities	243.34	238.25	156.65	80.59
Equity (equity and other equity)	70,402.68	65,702.42	52,058.85	42,046.64
Total Equity and Liabilities	**5,04,292.78**	**4,54,410.50**	**4,00,616.29**	**3,29,744.58**
PROFIT AND LOSS				
Total Revenue	35,714.29	62,478.73	54,184.17	49,933.42
From Operations	35,703.02	62,464.65	54,175.03	49,923.42
Other Income	11.27	14.08	9.14	10.00
Total Expense	29,306.72	51,753.50	44,584.81	40,687.52
Total Comprehensive Income				
Profit/ Loss	6,407.57	10,725.23	9,599.36	9,245.90
Other Comprehensive Income	0.00	(107.59)	(6.97)	3.37
Profit/ Loss after Tax	4,700.25	7,892.07	6,524.61	4,766.38
Earnings per Share (a) basic; and (b) diluted				
Continuing Operations				
(a) Basic	2.17	3.83	3.31	2.49
(b) Diluted	2.17	3.83	3.12	2.36
Discontinued Operations				
(a) Basic	-	-	-	-
(b) Diluted	-	-	-	-
Total Continuing and discontinued Operations				
Basic	2.17	3.83	3.31	2.49

Diluted	2.17	3.83	3.12	2.36

CASH FLOW				
Net Cash generated from/(used in) operating activities	(28,251.95)	(37,899.93)	(41,903.60)	(34,676.45)
Net Cash (used in) /generated from investing activities	(4,308.38)	(8,900.58)	(6,045.41)	(1,513.27)
Net Cash from/ (used in) financing activities	45,856.75	37,743.62	60,814.69	27,802.92
Cash and Cash Equivalents	20,598.39	7,301.97	16,358.86	3,493.19
Balance as per Statement of Cash Flow	20,598.39	7,301.97	16,358.86	3,493.19

ADDITIONAL INFORMATION				
Net worth	70,399.82	65,699.56	52,055.99	42,043.77
Cash and Cash Equivalents	20,598.39	7,301.97	16,358.86	3,493.19
Current Investments	Nil	Nil	Nil	Nil
Assets under Management	4,32,837.51	4,00,725.00	3,47,826.38	2,97,247.00
Off Balance Sheet Assets	Nil	Nil	Nil	-
Total Debt to Total Assets	0.85	0.84	0.86	0.86
Debt Service Coverage Ratio	NA	NA	NA	NA
Interest Income	35,527.58	62,126.39	53,799.22	49,510.43
Interest Expense	20,503.79	36,915.29	31,592.56	28,106.98
Interest Service Coverage Ratio	NA	NA	NA	NA
Provisioning and Write Off	NIL	0.67	NIL	119.76
Bad Debts to Account Receivable Ratio	NA	NA	NA	NA
Gross NPA (%)	1.53%	1.55%	1.45%	1.59%
Net NPA (%)	0.96%	0.95%	0.86%	1.07%
Tier I Capital Adequacy Ratio (%)	14.46%	14.45%	13.58%	12.86%
Tier II Capital Adequacy Ratio (%)	3.74$	4.20%	5.02%	5.01%

Gross Debt Equity Ratio of the Company:

Parameters	As on September 30, 2022
Before Issue of the Debt Securities	6.12
After Issue of the Debt Securities	6.69

Note 1: The debt equity ratio post issue is indicative.

Note 2: The debt equity ratio pre-issue is calculated based on the unaudited financial statements for the year ended September 30, 2022.

The following events that occurred from October 01, 2022 may have an impact on above calculation:

(a) Following loans were sanctioned for the Company:
  - (i) Term Loan sanctioned for ₹ 2,500 lakhs from Canara Bank
  - (ii) Term Loan sanctioned for ₹ 2,500 lakhs from Indian Bank
  - (iii) Term Loan sanctioned for ₹ 6,000 lakhs from Federal Bank
  - (iv) Cash Credit sanctioned for ₹ 500 lakhs from IDFC First Bank Limited
  - (v) Term Loan sanctioned for ₹ 427 lakhs from Tata Capital Financial Services Limited
  - (vi) Term Loan sanctioned for ₹ 12,000 lakhs from State Bank of India
  - (vii) Working capital Loan sanctioned for ₹ 3,000 lakhs from State Bank of India

Debt Equity Ratio

For details of the debt-equity ratio of our Company, see "*Capital Structure*" beginning on page 46 of this Draft Prospectus.

Impact of COVID-19

COVID-19 was recognized as a pandemic by the World Health Organization on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India have taken preventive or protective actions, such as imposing country-wide lockdowns, restrictions on domestic and international travel and business operations and advising or requiring individuals to limit their time outside of their homes. The steps taken to counter the effects of the pandemic have resulted in a period of economic downturn and business disruption in India. The impacts from the severe disruptions caused by the effective shutdown of large segments of the global economy remain unknown and no prediction can be made of when any of the restrictions currently in place will be relaxed or expire, or whether or when further restrictions will be announced.

Because of a government mandated lockdown in India we have had to temporarily close all of our offices in India, and all of our corporate and branch/ regional office operations transitioned to a remote working environment. Despite this, our business and operations have continued to run effectively in the remote working environment. Further, we have not availed any moratorium from the banks however, in case of mortgage loans we have given moratorium to our microfinance customers. Though our business has been affected during the initial days of lockdown, we have not faced any liquidity issues.

The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers and partners. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed. The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled.

Also, see "*Risk Factors - Spread of COVID-19 pandemic could have a significant effect on our results of operations and could negatively impact our business, revenues, financial condition and result of operations.*" on page 17.

Our Strengths

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

We are part of the Kosamattam Group, which was originally founded by Nasrani Varkey and one of the leading business financial services group in South India. Over the years, we have been successful in expanding our customer base. Our total number of Gold Loan customers grew 4,31,588 as of March 31, 2020 and to 4,32,613 as of March 31, 2021 and to 4,75,026 as of March 31, 2022 and 4,82,824 as of September 30, 2022. We attribute our growth, in part, to our market penetration, particularly in areas less served by organised lending institutions and the efficient and streamlined procedural formalities which our customers need to complete in order to complete a loan transaction with us, which makes us a preferred medium of financier for our customers. We also attribute our growth to customer loyalty which in turn leads to repeat business. We believe that we are known for the quality of service we have provided to our customers over the years and for our consistent approach to developing long-term relationships with our customers, based on our local knowledge and experience amongst other things.

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

We believe that the scale of our operational network provides us with a competitive advantage. As of October 31, 2022, our Company's operations included 997 branch offices spread across 8 states and 1 union territory. We commenced our operations in rural areas and small towns and have followed an approach of targeting geographies with low credit penetration. We have expanded our branch network by opening 9 branch offices in Delhi, 2 branch offices in Gujarat and 8 branch offices in Maharashtra. Our customers are typically retail customers, businessmen, vendors, traders, farmers, salaried individuals and families, who for reasons of convenience, accessibility or necessity, avail of our credit facilities by pledging their gold jewellery with us. Our understanding of the local characteristics of markets has allowed us to address the unique needs of our customers and enabled us to penetrate deeper into such markets.

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

Organised and efficient IT Infrastructure

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

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

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

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

Experienced management team and skilled personnel

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

Our Strategy

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

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

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

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

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

Increase visibility of Kosamattam Brand to attract new customers

Our brand is key to the growth of our business. We started focusing on brand building exercise in 2013. Our logo was re-designed and the tag- line '*Trust grows with time'* was introduced. We believe that we have built a recognisable brand in the rural and semi-urban markets of India, particularly in the southern states of Kerala, Tamil Nadu and Karnataka. We believe that having a strong recognizable brand is a key attribute in our business, which helps us attract and retain customers, increases customer confidence and influences their investment decisions. We intend to continue to undertake initiatives to increase the strength and recall of our *'Kosamattam'* brand to attract new customers. We seek to build our brand by engaging with existing and potential customers' through customer literacy programs, sponsor popular events in the regions we operate and advertise in newspapers, hoardings, television, radio and in other advertising media.

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

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

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

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

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

Further strengthen our risk management, loan appraisal and technology systems

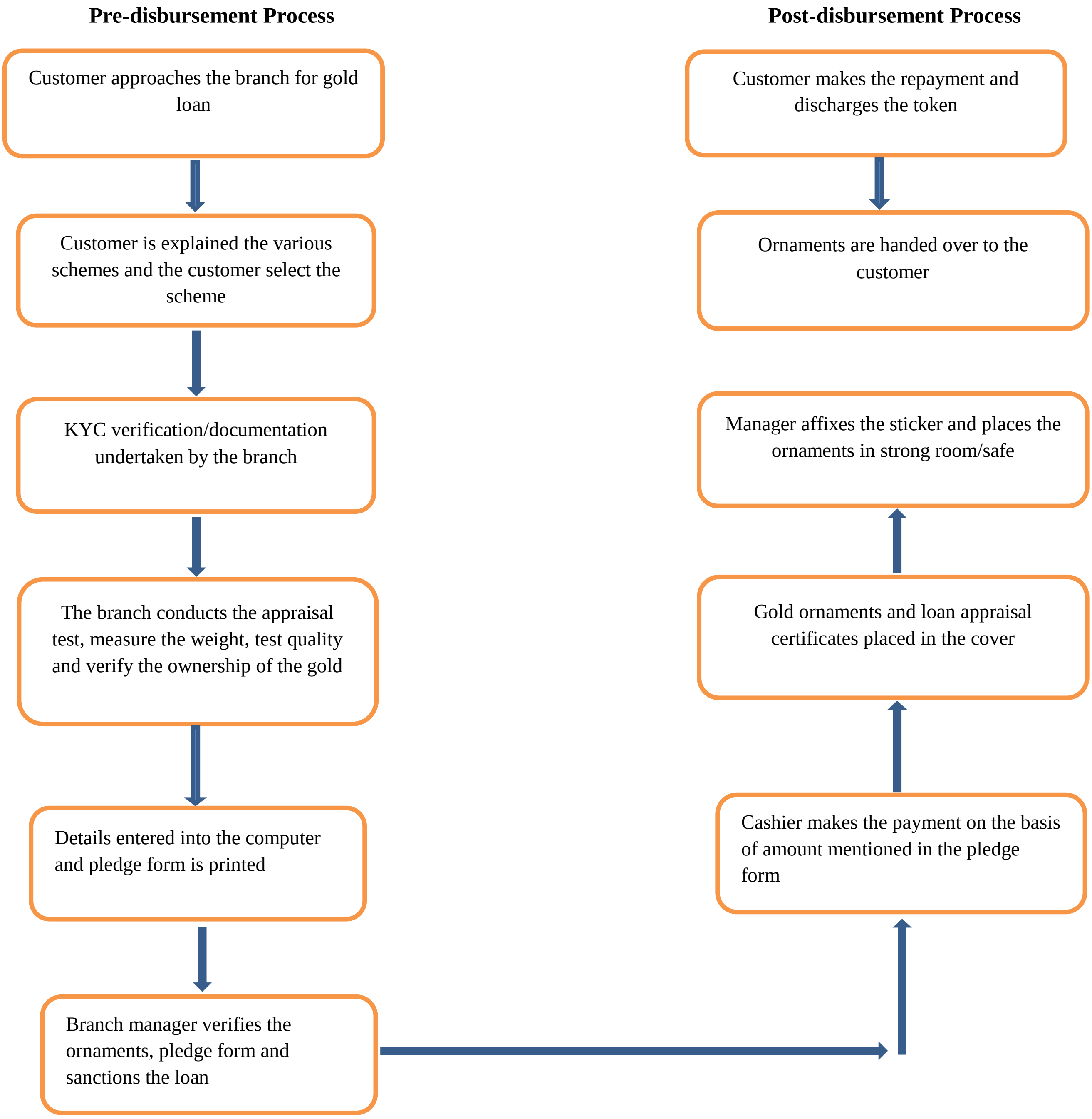
We believe risk management is a crucial element for further expansion of our Gold Loan business. We therefore continously focus on improving our integrated risk management framework with processes for identifying, measuring, monitoring, reporting and mitigating key risks, including credit risk, appraisal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

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

GOLD LOAN BUSINESS

Our lending business is primarily Gold Loans, which are typically loans against pledge of gold jewellery. As of the September 30, 2022, we had approximately 8,71,389 loan accounts, representing an aggregate principal balance of ₹ 3,95,109.23 lakhs. For the six month period ended September 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, our Gold Loan portfolio yield representing interest income on gold loans as a percentage of average outstanding of Gold Loans, for the same period were 18.13%, 17.70%, 17.76% and 19.43%, respectively, per annum. For the six month period ended September 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, income from interest earned on our Gold Loans constituted 96.56%, 96.38%, 94.89% and 93.57%, of our total income for the respective years. We offer variety of Gold Loan schemes to our customers to suit their individual needs. The schemes differ in relation to the amount advanced per gram of gold, interest rate chargeable and amount of loan.

Gold Loan disbursement process



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

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

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

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

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

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

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

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

Pre-disbursement process

Gold Loan appraisal of a customer involves the following steps

(a) ***Customer identification***

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

(b) ***KYC Documentation***

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

(c) ***Security appraisal***

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

(d) ***Documentation***

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

Post-disbursement process

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

Branch security and safety measures: Electronic Security System

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

Release of pledge

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

Our Other Business initiatives

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

For the six month period ended September 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, revenues from our business other than Gold Loans constituted 3.44%, 3.62 %, 5.11% and 6.43%, of our total income for the respective years.

LOAN AGAINST PROPERTY

Our Company along with its primary business of offering gold loans also engages in offering loans against property which includes loans against collateral of residential/commercial property and comprised 1.03% of our loan book as on September 30, 2022.

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

Customer Evaluation, Credit Appraisal and Disbursement

Our Credit Policies

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

Loan Origination

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

Evaluation

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

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

Credit Appraisal

Approval and Disbursement Process

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

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

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

Loan administration and monitoring

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

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

MICROFINANCE

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

PORTFOLIO MANAGEMENT, COLLECTION AND RECOVERY PROCESSES

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

INSURANCE AGENCY

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

MONEY TRANSFER BUSINESS

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

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

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

MONEY CHANGING BUSINESS

Our Company holds a FFMC license and carries on money changing activities through its branches authorised by RBI. As on October 31, 2022, we had 1 head office and 61 authorised branches. Our currency operations include sale and purchase of foreign exchange at different authorised branches.

DEPOSITORY PARTICIPANT SERVICES

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

TRAVEL SERVICES

Our Company provides air ticketing services through Riya Travel & Tours (I) Private Limited, which is an IATA approved agency.

AGRICULTURE

Our Company owns a parcel of agricultural land in Kattappana village, Udumpanchola Taluk, Idukki district, in Kerala admeasuring 108.74 acres, through which our Company undertakes agricultural activity of cultivating cardamom. For the the six period ended September 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, the agricultural income derived from this undertaking were ₹ (104.63) lakhs, ₹ (99.93) lakhs, ₹ (101.65) lakhs and ₹ (84.30) lakhs.

POWER GENERATION AND SUPPLY

Our Company has entered into definitive agreements for installation including erection and commissioning of four windmill units at Ramakkalmedu, Idukki district of Kerala. The windmills or wind electric generators shall be connected to the power grid, post testing and commissioning and upon becoming operational shall be used for generation and supply of power on a commercial basis. Our Company has commenced operation of the windmills and has commissioned the project. Our Company has also submitted a tariff petition dated May 16, 2018 before the Kerala State Electricity Regulatory Commission for fixing of the tariff rate. For the six month period ended September 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, the income derived from this were ₹ 3.03 lakhs, ₹ (25.73) lakhs, ₹ (20.30) lakhs and ₹ (25.95) lakhs, respectively.

Branch Network

As on October 31, 2022 we had 997 branches in the states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Delhi, Gujarat and Maharashtra along with the union territory of Puducherry. The branch details of our company as on October 31, 2022 and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 is as given below:

States/Union territory	As on October 31, 2022	As on March 31		
		2022	2021	2020
Andhra Pradesh	63	61	57	53
Delhi	9	9	10	10

States/Union territory	As on October 31, 2022	As on March 31		
		2022	2021	2020
Gujarat	2	2	4	9
Karnataka	179	173	146	129
Kerala	374	373	374	379
Maharashtra	8	8	8	10
Puducherry	5	5	5	6
Tamil Nadu	340	342	331	332
Telangana	17	15	10	8
Total	**997**	**988**	**945**	**936**

Marketing, Sales and Customer Care

Our Company undertakes publicity through media, both print and electronic to increase the visibility of our brand. Our media plan ensures the visibility and reach of our Kosamattam brand within the desired budget. These advertisements are carried out across various states wherever our Company has presence. This helps individual branches to target the public and thereby generate business from the locality. For the six months period ended September 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 and, our total advertisement expenditure were ₹ 91.83 lakhs, ₹ 543.92 lakhs, ₹ 323.52 lakhs and ₹ 853.50 lakhs, respectively.

In promoting our brand, our advertisement campaigns focus on "**Kosamattam Gold Loan**", to differentiate our loan products from other NBFCs and financial institutions and emphasise the convenience, accessibility and expediency of Gold Loans.

Risk Management

Risk management forms an integral part of our business as we are exposed to various risks relating to the Gold Loan business. The objective of our risk management systems is to measure and monitor the various risks, we are subject to and to implement policies and procedures to address such risks suitably. We intend to continue to improve our operating processes and risk management systems which will further enhance our ability to manage the risks inherent to our business.

Asset and Liability Management ("ALM")

Our business operations require steady flow of working capital and hence managing the day to day liquidity becomes a critical function. The ALM, amongst other functions, is concerned with risk management, providing a comprehensive as well as a dynamic framework for measuring, monitoring and managing liquidity and interest rate risk. The ALM function also alters the asset-liability portfolio in order to manage risks. The ALM also monitors interest rate sensitivity in our portfolio and takes pre-emptive steps to mitigate any potential liquidity and interest rate risks.

Credit Risk

Credit risk is the possibility of loss due to the failure of any counterparty abiding by the terms and conditions of any financial contract with us. We aim to reduce the aforesaid credit risk through a rigorous loan approval and collateral appraisal process, as well as a strong NPA monitoring and collection strategy. This risk is diminished because the gold jewellery used as collateral for our loans can be readily liquidated, and there is only a remote possibility of recovering less than the amounts due to us in light of the 25 % margin retained on the value of the gold jewellery collateral. However, a sustained decrease in the market price of gold can cause a decrease in the size of our loan portfolio and our interest income.

Operational Risk

Operational risk is broadly defined as the risk of direct or indirect loss due to the failure of systems, people or processes, or due to certain other external events. We have instituted a series of checks and balances, including an operating manual, and both internal and external audit reviews. Although we disburse loans in a relatively short period of time, we have clearly defined appraisal methods as well as KYC compliance procedures in place to mitigate operational risks. Any loss on account of failure by employees to comply with defined appraisal mechanism is recovered out of their variable incentive. We also have detailed guidelines on movement and security measures of cash or gold. We are in the process of introducing centralised software which automates inter branch transactions, enabling branches to be monitored centrally and thus reducing the risk of un-reconciled entries. In addition, we are in the process of installing surveillance cameras across our various branches, and subscribe to insurance to cover employee theft or fraud and burglary. Our internal audit department and our centralised monitoring systems assist in the management of operational risk.

Financial Risk

Our business is cash intensive and requires substantial funds, on an ongoing basis to finance the gold loan portfolio and to grow it. Any disruption in the funding sources might have an adverse effect on our liquidity and financial condition. Our Company is proactively pursuing a system of identifying and accessing newer and cheaper sources of funds, to finance the loan book and to grow the business. Our Asset Liability Committee meets regularly and reviews the liquidity position of our Company and ensures availability of sufficient funding in advance.

Market Risk

Market risk refers to potential losses arising from the movement in market values of interest rates in our business. The objective of market risk management is to avoid excessive exposure of our earnings to loss. The majority of our borrowings, and all the loans we make, are at fixed rates of interest. Thus, presently, our interest rate risk is minimal.

Our Risk Management Policy

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes a risk management committee, internal audit department, vigilance department and a risk management department. Our Risk Management Committee, which is led by one of our Directors, oversees our risk management policies, which help us to identify, measure, monitor and mitigate the various risks that we face in our businesses.

Internal Audit Department

Our internal audit department assists in the management of operational risk using our centralised monitoring systems. Separate divisions of our internal audit department are in place to handle the audit of the departments of the registered office and those of the branch offices. The audits of our branches are divided into two categories: (i) Audit and (ii) Inspection. Branch audit is carried out quarterly with the focus on the verification of documents, accounts, performance and compliance. In addition, an incremental high value loan check is carried out by regional managers as part of their periodical branch inspection.

Vigilance Department

We have an internal vigilance department for undertaking surprise inspections of high/medium risk branches and other branches or on the basis of any report or detection of serious deviations or irregularities. The vigilance undertakes the responsibility of visiting branches to oversee the implementation of risk mitigation initiatives and improvements in customer service.

Risk Management Audit

Our branch auditors also carry out a system driven risk audit on certain identified key risk parameters. These are keyed into the system and alerts are sent to branch controllers and top management in case the risk weight given under a specific parameter goes beyond the prefixed tolerance levels. In all such cases, the concerned branches are inspected by the branch controllers or top management personnel depending on the severity of risk and immediate remedial actions are initiated.

ALM Organisation

The Asset - Liability Committee (ALCO) is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of our Company (on the assets and liabilities sides) in line with our Company's budget and decided risk management objectives.

The business and risk management strategy of our Company will ensure that our Company operates within the limits/parameters set by the Board. The business issues that an ALCO would consider, inter alia, includes product pricing, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for the similar services/product, etc. In addition to monitoring the risk levels of our Company, the ALCO reviews the results of and progress in implementation of the decisions made in the previous meetings. The ALCO would also articulate the current interest rate view of our Company and base its decisions for future business strategy on this view.

The frequency of holding ALCO meetings will be quarterly.

Liquidity Risk Management

Our ALCO measures not only the liquidity position of our Company on an ongoing basis but also examines how liquidity requirements are likely to evolve under different assumptions. Experience shows that assets commonly considered as liquid, like Government securities and other money market instruments, could also become illiquid when the market and players are unidirectional. Therefore, liquidity has to be tracked through maturity or cash flow mismatches. For measuring and managing net funding requirements, the use of a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates is adopted as a standard tool. The format of the **Statement of Structural Liquidity** as prescribed by RBI may be used for this purpose.

The Maturity Profile based on ALM – II could be used for measuring the future cash flows of company in different time buckets. The time buckets may be distributed as under:

(i) 1 day to 7 days
(ii) 8 days to 14 days
(iii) 15 days to 1 month
(iv) Over one month and up to 2 months
(v) Over 2 months and up to 3 months
(vi) Over 3 months and up to 6 months
(vii) Over 6 months and up to 1 year
(viii) Over 1 year and up to 3 years
(ix) Over 3 years and up to 5 years
(x) Over 5 years

The Statement of Structural Liquidity shall be prepared by placing all cash inflows and outflows in the maturity ladder according to the expected timing of cash flows. A maturing liability will be a cash outflow while a maturing asset will be a cash inflow. While determining the likely cash inflows/outflows, company will have to make a number of assumptions according to their asset - liability profiles. While determining the tolerance levels, the company may take into account all relevant factors based on their asset-liability base, nature of business, future strategy, etc.

In order to enable the company to monitor their short-term liquidity on a dynamic basis over a time horizon spanning from 1 day to 6 months, company will estimate their short-term liquidity profiles on the basis of business projections and other commitments for planning purposes. An indicative format ALM – I issued by RBI for estimating 'Short-term Dynamic Liquidity' will be used for the said purpose.

Interest Rate Risk (IRR)

The operational flexibility given to NBFCs in pricing most of the assets and liabilities imply the need for the financial system to hedge the Interest Rate Risk. Interest Rate Risk is the risk where changes in market interest rates might adversely affect an NBFC's financial condition. The changes in interest rates affect our Company. The immediate impact of changes in interest rates is on our Company's earnings (i.e. reported profits) by changing its Net Interest Income (NII). As such our Company is into funding of loans which are always fixed rate loans. The company manages risk on NII by pricing its loan products to customers at a rate which covers Interest Rate Risk. The risk from the earnings perspective can be measured as changes in the NII or Net Interest Margin (NIM). Measurement of such risk is done at the time of deciding rates to be offered to customers. Once interest rate risk is measured by the ALCO, lending rates are finalised. RBI has prescribed ALM – III for the purpose of Interest Rate Risk Monitoring and our Company may use the same for the purpose of measurement and monitoring of interest rate risk.

Non-performing Assets (NPA)

The RBI Master Directions require that every non-deposit taking NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

i. Standard assets;

ii. Sub-standard assets;

iii. Doubtful assets; and

iv. Loss assets.

Further, the class of assets referred to above shall not be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for an upgrade. A non-deposit taking NBFC is required to make provisions against sub-standard assets, doubtful assets and loss assets in accordance with the Master Directions. In terms of the Master Directions, non-deposit taking NBFC has to make the following provisions on their loan portfolio.

Asset Classification	Provisioning Policy
Standard Assets	0.40%
Sub-standard Assets	10.00%
Doubtful Assets	100.00% of unsecured portion + 20% - 50% of secured portion
Loss Assets	100.00% provided if not written off

Based on the Master Directions, the norms for asset classification, details of the classification of our gross NPAs for significant classes of our assets for the six month period ended September 30, 2022 and the financial years ending on March 31, 2022, March 31, 2021 and March 31, 2020, are as furnished below:

(in ₹ lakhs)

Asset Type	**Six month ended September 30, 2022 *(Unaudited)***	**As on March 31**		
		2022	**2021**	**2020**
Sub-standard	1,892.17	1,870.56	2,016.76	1,603.36
Doubtful	3,578.61	3,165.43	1,950.57	2,248.06
Loss	643.97	706.30	674.78	478.90
Gross NPA	6,114.74	5,742.29	4,642.11	4,330.32
Less Provisions	2,271.18	2,218.41	1,884.20	1,449.56
Net NPA	3,843.56	3,523.88	2,757.91	2,880.76
Net NPA % of Total Loans & Advances	0.96	0.95	0.87	1.07

Secured loans are classified or provided for, as per management estimates, subject to the minimum provision required as per Master Directions. We have written off ₹ Nil, ₹ 0.67 lakhs, ₹ Nil and ₹ 119.76 lakhs in the six month period ended September 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, respectively.

NPA Management Policy

Our Company has put in place a gold loan monitoring, follow-up and disposal mechanism. Our Gold Loans have a maximum tenure of upto 12 months, however, customers may redeem the loan at any time prior to the full tenure. In the case of non-repayment, i.e., within a period of nine or 12 months, as applicable, from the date of pledging, the asset will be disposed of by our Company after the expiry of either nine or twelve months and 15 days of grace, by sale through public auction. Our Company may also consider settlement of loan dues by way of concessions in interest as a one –time settlement on a case to case basis only with the approval of registered office. The auction procedure shall be transparent. And prior notice will be given to customer by Registered Post/Courier informing about the auction. The auction shall be announced to the public by issuing advertisements in at least two newspapers, one in vernacular language and another in national daily newspaper, describing the date of auction, venue of auction, and the details of gold etc. Auction will be conducted by an approved auctioneer appointed by the Board of Directors of our Company. The amount due to our Company by the customer, being the aggregate of the principal and up to the date of interest as well as other expenses like expenses for conducting auction, will be adjusted against the sale proceeds, whereas the surplus, if any available, will be refunded to the customer, and deficit if any shall have to be paid by him/her. Our Company or its associate concerns will not participate in the auction.

Appointment of an Auctioneer

As per the revised RBI guidelines, our Company or its Promoters cannot participate in the auction. Qualified and experienced auctioneers are to be appointed by our Company to carry out the auction on behalf of the company.

Capital Adequacy Ratio

As per the Master Directions, every NBFC-ND-SI including us are subject to capital adequacy requirements. Currently, we are required to maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items. Further, we need to maintain a Tier I capital of 12%. Also, the total of Tier II capital, at any point of time, shall not exceed one hundred percent of Tier I capital. Additionally, we are required to transfer up to 20% of our annual profit to a reserve fund and make provisions for NPAs. We had a capital adequacy ratio of 18.20%, 18.65 %, 18.60% and 17.87% on September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, respectively.

We have satisfied the minimum capital adequacy ratios prescribed by the RBI for the financial year ended March 31, 2022.

Technology

We use information technology as a strategic tool for our business operations to improve our overall productivity and efficiency. We believe that through our information systems which are currently in place, we are able to manage our operations efficiently, market effectively to our target customers, and effectively monitor and control risks.

We believe that this system has improved customer service by reducing transaction time and has allowed us to manage loan collection efforts better and to comply with regulatory record-keeping and reporting requirements. All our branches are computerised. A need was felt for a centralised IT platform for our continued aggressive growth along with risk management. Accordingly, we are in the process of introducing new software to improve the operational efficiency.

Our Borrowings and Credit Ratings

Source of funding

Please refer to sections titled "*Financial Statements*" and "*Financial Indebtedness*" on pages 134 and 136.

We have depended on working capital limits from bank and issuance of secured and unsecured non-convertible debentures through private placement as primary source of funding. We have also made public issue of secured and unsecured non-convertible debentures.

We also raise capital by issuing equity shares from time to time particularly to our Promoters.

Credit Rating

Credit Rating Agency	Instrument	Date	Ratings	Remarks	Rated amount in ₹ lakhs
India Ratings	Non-Convertible Debenture-Issue XXVI	November 23, 2022	'IND A-/Stable'	Assigned	40,000
Brickwork Ratings	Non-Convertible Debenture-Issue XXV	June 30, 2022	'BWR BBB+/ Positive'	Assigned	35,000
India Ratings	Non-Convertible Debenture-Issue XXIV	February 24, 2022	'IND BBB+/ Stable'	Assigned	40,000
Brickwork Ratings	Non-Convertible Debenture-Issue XXIII	August 12, 2021	'BWR BBB+/ Stable'	Assigned	20,000^

Credit Rating Agency	Instrument	Date	Ratings	Remarks	Rated amount in ₹ lakhs
Brickwork Ratings	Non-Convertible Debenture-Issue XXII	March 13, 2021	'BWR BBB+/ Stable'	Assigned	35,000$
Brickwork Ratings	Non-Convertible Debenture-Issue XXI	December 4, 2020	'BWR BBB+/ Stable'	Assigned	35,000*
India Ratings	Non-Convertible Debenture-Issue XX	August 28, 2020	'IND BBB'/ Outlook Stable	Assigned	30,000
India Ratings	Non-Convertible Debenture-Issue XIX	January 21, 2020 and March 09, 2020	'IND BBB'/ Outlook Stable	Assigned	30,000#
India Ratings	Non-Convertible Debenture-Issue XVIII	September 30, 2019	'IND BBB': Outlook Stable	Assigned	35,000
India Ratings	Non-Convertible Debenture-Issue XVII	June 26, 2019	'IND BBB': Outlook Stable	Assigned	30,000
India Ratings	Non-Convertible Debenture-Issue XVI	March 14, 2019	'IND BBB': Outlook Stable	Assigned	30,000
India Ratings	Non-Convertible Debenture-Issue XV	November 27, 2018	'IND BBB': Outlook Stable	Reaffirmed	30,000
India Ratings	Proposed Bank loan	July 9, 2018	'IND BBB': Outlook Stable	Assigned	10,000

$ *The rated amount includes the unsecured portion of the Issue for up to ₹4,000 lakhs.*
* *The rated amount includes the unsecured portion of the Issue for up to ₹3,000 lakhs.*
\# *The rated amount includes the unsecured portion of the Issue for up to ₹3,000 lakhs.*
^ *Our Company has considered unutilised rating assigned of ₹ 1,000 lakhs for this Issue*

Security threats and measures taken to mitigate them

The principal security risks to our operations are robbery and employee theft or fraud. We have extensive security and surveillance systems and dedicated security personnel to counter external security threats. To mitigate internal threats, we undertake careful pre-employment screening, including obtaining references before appointment. We also started installing surveillance cameras across our branches. To protect against robbery, all branch employees work behind wooden, glass and steel counters, and the back office, strong room/safe and computer areas are locked and closed to customers. We also keep the pledged gold in joint custody. While we provide around the clock armed security guards for risk prone branches, the majority of our branches do not require security guards as the gold jewellery are stored securely in strong rooms. Since we handle high volumes of cash and gold jewellery at our locations, daily monitoring, spot audits and immediate responses to irregularities are critical to our operations. We have an internal auditing program that includes unannounced branch audits and cash counts at randomly selected branches.

Competition

We face competition from banks, NBFCs and other unregulated/unorganised money lenders. Our Board believes that we can achieve economies of scale and increased operating efficiencies by increasing the number of branches under operation and proven operating methods. We believe that the primary elements of competition are the quality of customer service and relationship management, branch location and the ability to lend competitive amounts at competitive rates. In addition, we believe the ability to compete effectively will be based increasingly on strong management, regional market focus, automated management information systems and access to capital.

Property

Our registered office is located in Kottayam, Kerala and is owned by our Promoter. As of October 31, 2022, we have branch offices in Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Delhi, Gujarat and Maharashtra along with the union territory of Puducherry, most of which are contracted on a leasehold basis.

Intellectual Property

As on the date of this Draft Prospectus, we have obtained 16 trademark registrations with the Trade Marks Registry under the Trade Marks Act, 1999.

Employees

As on October 31, 2022, we had 3,728 employees.

HISTORY AND CERTAIN OTHER CORPORATE MATTERS

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

Our Company has originally obtained a certificate of registration dated August 24, 2000 bearing Registration no B-16.00117 issued by RBI to commence/carry on the business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the said certificate of registration, under Section 45 IA of the RBI Act. As on date, our Company has a valid certificate of registration dated December 19, 2013 bearing registration no. B-16.00117 issued by the RBI to commence/carry on business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the certificate of registration, under Section 45 IA of the RBI Act.

Our Company has obtained a full-fledged money changers license bearing license number FE. CHN.FFMC.40/2006 dated February 7, 2006 issued by the RBI which is valid up to February 28, 2023.

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

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

Our Company does not have any subsidiaries.

Registered office of our Company

The registered office of our Company is located at Kosamattam City Centre, Floor Number 4th & 5th, T.B Road, Kottayam - 686001, Kerala, India.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

1. *To carry on business as a non-banking financial company as defined under Section 45-I A of the RBI Act.*
2. *To engage in the business of a depository participant.*
3. *To engage in the business of agriculture by acquiring land on freehold basis or leasehold basis.*
4. *To act as composite corporate agent of insurance companies in India in accordance with the terms and conditions prescribed by RBI vide its circular DNBS (PD) C.C. No. 35/10.24/2003-04 of February 10, 2004, and any amendment thereto from time to time.*
5. *To act as mutual fund distributor and commission agent.*
6. *To act as agents and sub agents of travel agents, tour operators, transport agents and contractors and to book tickets for travel by air, rail and road, to arrange and operate tours and to handle all matters related to travel and transport as their agents and sub agents.*
7. *To carry on and undertake the business of commission agents of various service providers, money transfer services, money changers, authorised dealers in foreign exchange or foreign securities, either directly or as agents, brokers or otherwise of other companies engaged in these businesses, to do fee based marketing activities for other third-party products and services and to act as Business Correspondents and / or Direct Selling Agents of Banks and other Financial Institutions.*
8. *To carry on, manage, supervise and control the business of transmitting, manufacturing, supplying, generating, distributing, buying selling and dealing in electricity and all forms of energy and power generated*

by any source whether nuclear, steam, hydro or tidal, water, wind, solar, hydrocarbon fuel or any other form, kind or description.

9. *To provide leasing advisory, investment and financial consultancy service and or to form the leasing arm of other entities.*

Key milestones and major events

Financial Year	Particulars
2004-2005	Mathew K. Cherian & Laila Mathew acquired the entire share capital of Standard Shares & Loans Private Limited.
2006-2007	Our Company received FFMC license for money changing activities.
2009-2010	Our Company was designated as a Systemically Important NBFC (NBFC – ND- SI).
2014-2015	Our Company received Depository Participant License.
2015-2016	Our Company became corporate agent of Life Insurance Corporation.
2015-2016	Our Company was issued a certificate of registration by IRDA to commence business in the capacity of a corporate agent (composite).
2017-2018	Our Company started its microfinance operations.
2018-2019	Kosamattam Mathew K. Cherian Financiers Private Limited merged with our Company pursuant to the order of the NCLT approving the scheme of amalgamation *vide* an order dated June 26, 2018.
2019-2020	Our Company has entered into corporate agency agreement with HDFC Life Insurance Company Limited on September 14, 2019 for providing corporate agent services including soliciting, procuring and marketing of HDFC life insurance products.
2022-2023	India Ratings & Research Private Limited upgraded the debt facilities of our Company to 'IND A-/Stable'.

Key Agreements

Memorandum of Understanding dated May 07, 2004 between Mathew K. Cherian (representative of the "buyers") and Thomas Porathur (representative of the "sellers") ("MoU")

Pursuant to the MoU, Mathew K. Cherian and Laila Mathew, our Promoters, acquired the entire paid up share capital of Standard Shares and Loans Private Limited comprising of ₹42,00,000 divided into 4,200 equity shares of ₹1,000 each. The consideration for the sale was the par value of the equity shares as credited as paid up capital in the balance sheet as at March 31, 2004.

OUR MANAGEMENT

The Articles of Association of our Company require us to have not less than three and not more than 15 Directors. As on the date of this Draft Prospectus, we have six Directors on the Board which include two Executive Directors, three Independent Directors and one Non-Executive Director.

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in the Board of Directors.

Details relating to Directors

Name, designation, DIN, nationality, occupation, date of appointment, term and address	Age (years)	Other Directorships
Mathew K. Cherian **Designation:** Chairman and Managing Director **DIN:** 1286073 **Nationality:** Indian **Occupation:** Business **Date of appointment:** May 07, 2004 **Term:** Five years with effect from June 8, 2018, liable to retire by rotation **Address:** 354A, Kosamattam House, Manganam P.O., Kottayam - 686 018, Kerala, India.	67	1. Kosamattam Ventures Private Limited; and 2. Kosamattam Nidhi Limited.
Laila Mathew **Designation:** Whole-Time Director **DIN:** 1286176 **Nationality:** Indian **Occupation:** Business **Date of appointment:** May 07, 2004 **Term:** Five (5) years with effect from June 8, 2018, up to June 7, 2023 **Address:** 354A, Kosamattam House, Manganam P.O., Kottayam – 686 018, Kerala, India.	65	1. Kosamattam Ventures Private Limited; and 2. Kosamattam Nidhi Limited
Jilu Saju Varghese **Designation:** Non-Executive Director **DIN:** 03621643 **Nationality:** Indian **Occupation:** Business	41	1. Kosamattam Builders Private Limited; and 2. Kosamattam Nidhi Limited

Name, designation, DIN, nationality, occupation, date of appointment, term and address	Age (years)	Other Directorships
Date of appointment: October 1, 2011 **Term:** Liable to retire by rotation **Address:** Parayil House, West Othera P.O., Thiruvalla, Kuttoor, Pathanamthitta – 689 551, Kerala, India.		
Paul Jose Maliakal **Designation:** Independent Director **DIN:** 07218120 **Nationality:** Indian **Occupation:** Chartered Accountant **Date of appointment:** June 25, 2018 **Term:** Reappointed with effect from March 24, 2020 up to March 23, 2025* **Address:** Chethalan Deepthi, Convent Road, Chalakudy – 680 307, Kerala, India.	71	1. Muthoottu Mini Financiers Limited
C. Thomas John **Designation:** Independent Director **DIN:** 02541626 **Nationality:** Indian **Occupation:** Business **Date of appointment:** August 19, 2015 **Term:** Reappointed with effect from March 24, 2020, up to March 23, 2025* **Address:** Chirappurath House, Kollad. P.O., Kottayam - 686 029, Kerala, India	77	1. Malankara Enterprises Limited; 2. Malankara Plantations Limited; and 3. Malankara Wood Limited.

Name, designation, DIN, nationality, occupation, date of appointment, term and address	Age (years)	Other Directorships
Sebastian Kurian **Designation:** Independent Director **DIN:** 09416863 **Nationality:** Indian **Occupation:** Lawyer **Date of appointment:** December 14, 2021 **Term:** Appointed with effect from December 14, 2021, up to May 17, 2024** **Address:** Puthiyaparampil, Pampady, Poothakuzhy, Vaikom, Kottayam - 686 521, Kerala, India	66	NIL

* *Vide Shareholders' Special Resolution dated March 16, 2020, Paul Jose Maliakal and C. Thomas John are reappointed for a term of five consecutive years with effect from March 24, 2020.*
** *Sebastian Kurian was appointed as an Independent Director to fill the casual vacancy caused by the death of Kavil Viswambharan Raveendravilasam.*

Brief Profile of Directors

Mathew K. Cherian, aged 67 years, is the Chairman and Managing Director of our Company. He started the lending business through Kosamattam Bankers and has over 40 years of experience in finance business. He received the 'Gandhi Peace Foundation Award' in 2007.

Laila Mathew, aged 65 years, is the Whole-Time Director of our Company. She has over 30 years of experience in finance business. She received the Kerala Christian Foundation, Annie Mascarene award in year 2014-2015.

Jilu Saju Varghese, aged 41 years, is a Non-Executive Director of our Company. She holds a bachelor's degree in commerce from Mahatma Gandhi University, Kerala. She has 8 years of experience in finance. She has joined our Company as a director in the year 2011.

Paul Jose Maliakal, aged 71 years, is an Independent Director of our Company. He is qualified chartered accountant and a member of the Institute of Chartered Accountants of India.

C. Thomas John, aged 77 years, is an Independent Director of our Company. He holds a bachelor's degree in science from the University of Allahabad and post-graduate diploma in management from the Indira Gandhi National Open University. He has around 44 years of experience working in the plantations industry.

Sebastian Kurian, aged 66 years, is an Independent Director of our Company. He holds a degree of bachelor of law from the University of Kerala and a degree of bachelor of arts from the University of Kerala.

Confirmations

None of our Directors have been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

None of our directors is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by the SEBI.

None of our Directors have been identified as a 'wilful defaulter' by any financial institution or bank, or a consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI. None of our directors features in any list of defaulters by ECGC or any government/regulatory authority. Further, none of our Promoters or Directors have been declared as a Fugitive Economic Offender.

None of our Directors was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Prospectus, in accordance with the SEBI Delisting Regulations or Chapter V of the erstwhile SEBI (Delisting of Equity Shares) Regulations, 2009.

Relationship between Directors

Except as stated below, none of our Directors are related to each other.

Sr. No.	Name of Director	Designation	Relationship with other Directors
1.	Mathew K. Cherian	Chairman and Managing Director	Husband of Laila Mathew and father of Jilu Saju Varghese
2.	Laila Mathew	Whole-Time Director	Wife of Mathew K. Cherian and mother of Jilu Saju Varghese
3.	Jilu Saju Varghese	Non-Executive Director	Daughter of Mathew K. Cherian and Laila Mathew

Remuneration to the Directors

Chairman and Managing Director

Mathew K. Cherian was reappointed for a period of 5 years, with effect from June 8, 2018 as the Chairman and Managing Director of our Company by a resolution of the Board of Directors dated May 30, 2018 and the approval of the shareholders in their annual general meeting held on June 8, 2018.

Pursuant to the resolution of our Board of Directors passed at their meeting held on February 18, 2019 and a resolution of our Shareholders passed at in their extraordinary general meeting held on March 15, 2019, the remuneration to be paid to Mathew K. Cherian was revised and set forth below are the details of his present remuneration pursuant to the terms of his employment:

Particulars	Details
Salary	₹10.00 lakh per month
Commission	4% of net profits of our Company

Whole-time Director

Laila Mathew was reappointed for a period of 5 years, with effect from June 8, 2018 as the Whole-Time Director of our Company by a resolution of the Board of Directors dated May 30, 2018 and the approval of the shareholders in their annual general meeting held on June 8, 2018.

Pursuant to the resolution of our Board of Directors passed at their meeting held on February 18, 2019 and a resolution of our Shareholders passed at in their extraordinary general meeting held on March 15, 2019, the remuneration to be paid to Laila Mathew was revised and set forth below are the details of her present remuneration pursuant to the terms of her employment:

Particulars	Details
Salary	₹8.00 lakh per month
Commission	4% of net profits of our Company

Non-Executive Directors other than Independent Directors

The Board of Directors of our Company in their meeting held on June 9, 2017 has approved payment of remuneration to Jilu Saju Varghese, Non-Executive Director, up to 1% of net profit of our Company with effect from April 1, 2016. For the financial year ended March 31, 2021, the total remuneration paid by our Company to Jilu Saju Varghese was Nil.

Independent Directors

The Board of Directors of our Company in their meeting held on March 25, 2015, has approved payment of ₹5,000 as sitting fees to Non-Executive/Independent Directors, for attending every meeting of the Board of Directors. For the financial year ended March 31, 2021, the total sitting fees paid by our Company to our Independent Directors was ₹3.10 lakhs.

Borrowing Powers of the Board

Pursuant to the resolution passed by the shareholders of our Company at their EGM held on September 29, 2018 and in accordance with provisions of Section 180(1)(c) of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Articles of Association of our Company, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) by a sum not exceeding ₹6,00,000 lakhs.

Interest of the Directors

All the directors of our Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration, commission and reimbursement of expenses payable to them. Further, other than the Promoter Directors of our Company, none of the Directors have any interest in the promotion of our Company. Further, none of our Directors have any interest in any immovable property acquired by our Company in the two years preceding the date of this Draft Prospectus or any immovable property proposed to be acquired by it.

All the directors of our Company may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All our directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this 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.

Appointment of any relatives of Directors to an office or place of profit

Other than George Thomas (Chief Business Officer), Saju John Varghese (Chief Operating Officer) and Milu Mathew (Senior Manager), none of the relatives of Directors are appointed to an office or place of profit.

Debenture holding of Directors

As on date, none of our Directors hold any debentures issued by our Company.

Details of remuneration paid/payable to our Directors as on September 30, 2022 during the current year and the last three financial years ended March 31, 2022, March 30, 2021 and March 31, 2020 by Our Company and our associates are as follows:

(₹ in lakhs)

Sr. No.	Name of the Director	Designation	April 1, 2022 to September 30, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
1.	Mathew K. Cherian	Chairman and Managing Director	123.00	417.50	390.00	150.00
2.	Laila Mathew	Whole-Time Director	108.00	393.50	367.00	126.00
3.	Jilu Saju Varghese	Non-Executive Director	Nil	Nil	Nil	Nil

Sr. No.	Name of the Director	Designation	April 1, 2022 to September 30, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
4.	Paul Jose Maliakal	Independent Director	Nil	1.20	0.95	0.95
5.	C. Thomas John	Independent Director	Nil	2.70	1.95	2.20
6.	Kavil Viswambharan Raveendravilasam*	Independent Director	NA	0.05	0.20	0.20
7.	Sebastian Kurian	Independent Director	0.40	0.35	NA	NA

**Ceased to be the independent director of the Company w.e.f. September 17, 2021.*

Appointment to office of profit

Other than George Thomas (Chief Business Officer), Saju John Varghese (Chief Operating Officer) and Milu Mathew (Senior Manager) none of our Directors' relatives have been appointed to an office or place of profit.

Changes in the Directors of our Company during the last three years

The changes in the Board of Directors of our Company in the three years preceding the date of this Draft Prospectus are as follows:

Sr. No.	Name, Designation, DIN	Date of Appointment	Date of Cessation, if applicable	Remarks
1.	Sebastian Kurian, Designation: Independent Director, DIN: 09416863	December 14, 2021	-	Appointed to fill the casual vacancy caused by the death of Mr. Kavil Viswambharan Raveendravilasam
2.	Mr. Kavil Viswambharan Raveendravilasam, Designation: Independent Director, DIN: 07603053	March 21, 2019	September 17, 2021	Nil

Shareholding of Directors, including details of qualification shares held by Directors

As per the provisions of our MoA and AoA, Directors are not required to hold any qualification shares. Details of the Equity Shares held in our Company by our Directors, as on September 30, 2022, are provided in the table given below:

Sr. No.	Name of Director	Number of Equity Shares held	Number of Preference Shares held	Percentage of the total equity paid-up capital (%)	Percentage of the total paid-up capital (%)
1.	Mathew K. Cherian	128,452,270	Nil	59.23	59.23
2.	Laila Mathew	30,148,300	Nil	13.90	13.90
3.	Jilu Saju Varghese	400	Nil	Negligible	Negligible
4.	Paul Jose Maliakal	Nil	Nil	Nil	Nil
5.	C. Thomas John	Nil	Nil	Nil	Nil
6.	Sebastian Kurian	Nil	Nil	Nil	Nil

Key Managerial Personnel

Our Company's Key Managerial Personnel are as follows:

Annamma Varghese C., aged 63 years, is the Chief Financial Officer of our Company. Prior to being appointed as the Chief Financial Officer of our Company, she was the Company Secretary of our Company. She is a member of the Institute of Company Secretaries of India. She is also an associate member of the Institute of Cost Accountants of India. She has more than 26 years of work experience in corporate and secretarial functions. Prior to joining our Company, she was working with Thaqdees Hospitals Limited. She has been working with our Company since March 2, 2012. She was appointed as Chief Financial Officer of our Company on March 5, 2016.

Sreenath P, aged 32 years, is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in Commerce from University of Calicut, master's degree in Commerce from Indira Gandhi National Open University. He is also a fellow Member of the Institute of Company Secretaries of India. He has over 7 years of experience in secretarial and compliance matters. He was appointed as the Company Secretary of our Company on March 5, 2016.

Details of various committees of the Board

1. Audit Committee

The Audit Committee was constituted by the Board of Directors through its resolution dated February 27, 2012. The Audit Committee was last re-constituted on May 06, 2019, and it currently comprises the following Directors:

(i) Mathew K. Cherian
(ii) Paul Jose Maliakal
(iii) C. Thomas John

The scope and functions of the Audit committee are in accordance with Section 177 of the Companies Act, 2013 and its terms of reference are as follows:

Functions and terms of operations of the Audit Committee include the following:-

A. The Audit Committee shall have powers, including the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. The role of the audit committee shall include the following:

1. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   (a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   (b) changes, if any, in accounting policies and practices and reasons for the same;
   (c) major accounting entries involving estimates based on the exercise of judgment by management;
   (d) significant adjustments made in the financial statements arising out of audit findings;
   (e) compliance with listing and other legal requirements relating to financial statements;
   (f) disclosure of any related party transactions;
   (g) qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, and the report submitted by the monitoring agency monitoring the

utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval of any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to\ the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the whistle blower mechanism;
19. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
22. Audit Committee must ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Company.

Further, the Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor if any shall be subject to review by the Audit Committee.
6. Statement of deviations:
   (a) Quarterly statement of deviation(s), submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
   (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

2. Asset Liability Management Committee

The Asset Liability Management Committee was constituted by the Board of Directors through its resolution dated July 09, 2011. The Asset Liability Management Committee was last reconstituted on November 21, 2022, and it currently comprises the following:

(i) Mathew K. Cherian
(ii) Laila Mathew
(iii) Jilu Saju Varghese
(iv) C. Thomas John
(v) Saju John Varghese
(vi) George Thomas

(vii) Annamma Varghese
(viii) Jayachandran P.

Asset Liability Management Committee shall be responsible for recommending to the Board prudent asset/liability management policies and procedures and shall have the following responsibilities:

- successful implementation of the risk management process;
- integration of basic operations and strategic decision making with risk management;
- overall responsibility for management of risks;
- deciding the risk management policy of the Company;
- setting limits for liquidity, interest rate and equity price risks and shall be responsible for ensuring adherence to the limits set thereby;
- Deciding the business strategy of the Company (on the assets and liabilities side) in line with the Company's budget and decided risk management objectives.
- Articulating the current interest rate view of the NBFC and base its decisions for future business strategy on this view.
- reviewing Interest rate forecasts and spreads for Company;
- analyzing, monitoring and reporting the risk profiles;
- responsible for balance sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
- review the results of and progress in implementation of the decisions made in the previous meetings

Asset Liability Management Committee shall consider, *inter alia*, shall include product pricing for both deposits and advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for the similar services/product, etc.

a. Asset Liability Management Process: the scope of Asset Liability Management Committee function can be described as follows:

- Liquidity risk management
- Management of market risks
- Funding and capital planning
- Profit planning and growth projection
- Forecasting and analyzing 'What if scenario' and preparation of contingency plans

Any other power, role and terms of references as may be stipulated under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

3. Risk Management Committee

The Risk Management Committee was constituted by the Board of Directors through its resolution dated July 09, 2011. The Risk Management Committee was last reconstituted on May 30, 2018.

The Risk Management Committee currently consists of the following persons:

(i) Mathew K. Cherian
(ii) Laila Mathew
(iii) Jilu Saju Varghese
(iv) C. Thomas John
(v) Arun Kumar (Chief Information Officer and Chief Risk Officer)

The terms of reference of the Risk Management Committee includes the following:

(a) Establishing the context of risks;
(b) Identifying the risks;
(c) Assessing probability and possible consequences of the risks.
(d) Developing strategies to mitigate these risks;
(e) Monitoring and reviewing the outcomes;
(f) Communicating and consulting with the parties involved;
(g) Risk committee performs centralised oversight and policy setting of risk management activities and to provide communication to the board of directors regarding important risks and related risk management

activities;

(h) The risk committee approves the design of the Company's enterprise-wide risk management framework, including supporting methods, risk policies, risk inventories and the risk ranking methodology, as they relate IT and IT compliance risks;

(i) The committee review and advise the board on the risk impact of strategic business decisions and assess strategic alignment with the Company's IT risk appetite;

(j) Review significant aggregate risk concentration and other escalations and approve significant corrective actions recommended by management;

(k) Report to the full Board / IT Steering Committee on the Company's most significant risk, risk trends, as well as related risk response strategies and the performance of the Company's risk management capabilities;

(l) Oversee the implementation of and adherence to corporate risk policies, processes, and other risk guidance;

(m) Frequent review of risk assessment.

4. Nomination & Remuneration Committee

The Nomination & Remuneration Committee was constituted by a board resolution dated January 09, 2012. The Nomination & Remuneration Committee was last reconstituted on May 06, 2019 and it currently comprises the following Directors:

The Committee currently comprises:

(i) Jilu Saju Varghese
(ii) Paul Jose Maliakal
(iii) C. Thomas John

The scope and function of the Nomination and Remuneration committee is in accordance with Section 178 of the Companies Act and its terms of reference are as follows:

Terms of reference of the Nomination Committee includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Recommending to the Board, all remuneration, in whatever form, payable to senior management of the Company;
7. Ensuring 'fit and proper' status of proposed/ existing Directors of the Company.
8. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or
    b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
9. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee."

5. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was re-constituted by way of a board resolution dated June 25, 2018. The Corporate Social Responsibility Committee comprises of the following members:

(i) Mathew K. Cherian
(ii) Laila Mathew
(iii) Jilu Saju Varghese

(iv) C. Thomas John

The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act and its terms of reference are as follows:

The terms of reference of Corporate Social Responsibility Committee includes the following:

(a) To formulate and to recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by our Company as specified in Scheduled VII;
(b) Recommend the amount of expenditure to be incurred on the activities referred to in clause 1; and
(c) Monitor the Corporate Social Responsibility policy of our Company from time to time.

6. Stakeholders Relationship Committee

The Stakeholders Relationship Committee was re-constituted by a board resolution dated May 6, 2019.

The Committee currently comprises of the following members:

(i) Mathew K. Cherian
(ii) Laila Mathew
(iii) Jilu Saju Varghese
(iv) C. Thomas John

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 (6) of the Companies Act, 2013.

Terms of Reference for the Stakeholders Relationship Committee:

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
5. Carrying out any other function contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.

7. Debenture Committee

The Debenture Committee was re-constituted by the Board of Directors through its resolution dated January 31, 2019. The Debenture Committee comprises of the following persons:

(i) Mathew K. Cherian;
(ii) Laila Mathew; and
(iii) Jilu Saju Varghese;

The terms of reference of the Debenture Committee includes the following:

1. To determine and approve, the terms and conditions and number of the debentures to be issued, the timing, nature, type, pricing and such other terms and conditions of the issue including coupon rate, minimum subscription, retention of oversubscription, if any, etc., to approve and make changes to the draft prospectus, to approve the prospectus, including any corrigendum, amendments supplements thereto, and the issue thereof and to issue and allot the debentures and to approve all other matters relating to the issue and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and

writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilisation of the issue proceeds, modify or alter any of the terms and conditions, including size of the Issue, as it may deem expedient, extension of issue and/or early closure of the issue.

Apart from the aforementioned committees formed in accordance with the Companies Act, 2013, the Listing Regulations and in relation to the Issue, our Company has also formed a Committee for Bank Operations and an IT Strategy Committee.

8. IPO Committee

The IPO Committee was constituted by our Board of Directors through its resolution dated May 6, 2019. The IPO Committee comprises of the following persons:

(i) Mathew K. Cherian;
(ii) Laila Mathew; and
(iii) C. Thomas John.

The terms of reference of the IPO Committee includes the following:

1. Approving all actions required to dematerialize the Equity Shares, including seeking the admission of the Equity Shares into the Central Depository Services (India) Limited (the "CDSL") and the National Securities Depository Limited (the "NSDL");
2. Finalizing and arranging for the submission of the DRHP, the RHP, the Prospectus and the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;
3. Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;
4. Issuing advertisements as it may deem fit and proper in accordance with Applicable Laws;
5. Approving suitable policies, including on insider trading, whistle blower/vigil mechanism, risk management and other corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under Applicable Laws in connection with the Issue;
6. Deciding on the size and all other terms and conditions of the Issue and/or the number of Equity Shares to be offered and transferred in the Issue, including any Pre-IPO Placement, Reservation, Green Shoe Option and any rounding off in the event of any oversubscription as permitted under Applicable Laws;
7. Taking all actions as may be necessary or authorized in connection with the Issue;
8. Appointing and instructing book running lead managers, lead managers, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsels, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies and all such persons or agencies as may be involved in or concerned with the Issue and whose appointment is required in relation to the Issue, including any successors or replacements thereof;
9. Opening bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with Applicable Laws;
10. Entering into agreements with, and remunerating all such book running lead managers, lead managers, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsels, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all other agencies or persons as may be involved in or concerned with the Issue, including any successors or replacements thereof, by way of commission, brokerage, fees or the like;
11. Seeking the listing of the Equity Shares on the Stock Exchanges, submitting listing applications to the Stock Exchanges and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreements with the Stock Exchanges;
12. Seeking, if required, the consent of the Company's lenders and lenders of its subsidiaries, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue;
13. Submitting undertaking/certificates or providing clarifications to the SEBI and the Stock Exchanges;
14. Determining the price at which the Equity Shares are offered and transferred to investors in the Issue in accordance with Applicable Laws, in consultation with the selling shareholder and the book running lead

manager(s) and/or any other advisors, and determining the discount, if any, proposed to be offered to eligible categories of investors;

15. Determining the price band and minimum lot size for the purpose of bidding, any revision to the price band and the final Issue price after bid closure;
16. Determining the bid opening and closing dates;
17. Finalizing the basis of allocation and transfer of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers and any other investor in consultation with the book running lead managers, the stock exchanges and/or any other entity;
18. Approving/taking on record the transfer of the Equity Shares;
19. Opening with the bankers to the Issue, escrow collection banks and other entities such accounts as are required under Applicable Laws;
20. To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
21. Severally authorizing Authorized Officers for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer considers necessary, desirable or expedient, in connection with the Issue, including, without limitation, engagement letters, memoranda of understanding, the listing agreements with the stock exchanges, the registrar's agreement, the depositories' agreements, the issue agreement with the book running lead managers (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the cash escrow agreement, the share escrow agreement, confirmation of allocation notes, the advertisement agency agreement and any undertakings and declarations, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue, the book running lead manager(s), lead manager(s), syndicate members, placement agents, bankers to the Issue, registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Issue including any successors or replacements thereof; and any such agreements or documents so executed and delivered and acts, deeds, matters and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing;
22. Severally authorizing the Authorized Officers to take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the Issue, including, without limitation, applications to, and clarifications or approvals from the Government of India, the RBI, the SEBI, the RoC, and the Stock Exchanges and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officer and the Company, as the case may be;
23. Severally authorizing the Authorized Officers, for and on behalf of the Company, to execute and deliver any and all documents, papers or instruments and to do or cause to be done any and all acts, deeds, matters or things as any such Authorized Officer may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and the Company in so doing and any such document so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officer and the Company, as the case may be; and
24. Executing and delivering any and all documents, papers or instruments and doing or causing to be done any and all acts, deeds, matters or things as the IPO Committee may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing

OUR PROMOTERS

The Promoters of our Company are:

1. Mathew K. Cherian;
2. Laila Mathew; and
3. Jilu Saju Varghese

As on the date of this Draft Prospectus, our Promoters collectively hold 15,86,00,970 Equity Shares, which constitutes 73.13% of our Company's equity shares capital.

Profiles of our Promoters

Mr. Mathew K. Cherian

Mr. Mathew K. Cherian, aged 67 years, is the Promoter and Chairman and Managing Director of our Company

Permanent Account Number: ABUPC1286H
Date of Birth: November 01, 1955

He has over 40 years of experience in finance business. He received the 'Gandhi Peace Foundation Award' in 2007. He holds 12,84,52,270 Equity Shares, which constitutes 59.23% of our Company's equity share capital.For further details, see "*Our Management*" on page 118.

Ms. Laila Mathew

Ms. Laila Mathew, aged 65 years, is the Promoter and Whole-Time Director of our Company

Permanent Account Number: AEDPM1526Q
Date of Birth: November 02, 1957

She has over 30 years of experience in finance business. She holds 3,01,48,300 Equity shares, which constitutes 13.90% our Company's equity share capital. For further details, see "*Our Management*" on page 118.

Ms. Jilu Saju Varghese

Ms. Jilu Saju Varghese, aged 41 years, is the Promoter and Non-Executive Director of our Company

Permanent Account Number: AKQPV0135R
Date of Birth: May 27, 1981

She holds a bachelor's degree in Commerce from Mahatma Gandhi University, Kerala. She has joined our Company as a director in the year 2011. She holds 400 Equity Shares in our Company. For further details, see "*Our Management*" on page 118.

Our Company confirms that the permanent account number, aadhar number, driving license number, bank account number(s) and the passport number of the Promoters shall be submitted to the Stock Exchange at the time of filing of the Draft Prospectus.

There have been no changes in the Promoter's holding in our Company during last financial year beyond the threshold prescribed by RBI.

Interest of our Promoters in our Company

Except as stated under "*Our Management*" beginning on page 118, to the extent of their shareholding in our Company and to the extent of remuneration received by them in their capacity as Executive Directors, and to the extent of loans availed from our Company, our Promoters do not have any other interest in our Company's business. Further, our Promoters have no interest in any property acquired by our Company in the last two years from the date of this Draft Prospectus, or proposed to be acquired by our Company, or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Other Confirmations

None of our Promoters and the relatives of the Promoters as per the Companies Act, have been identified as wilful defaulters by any financial institution or bank or a consortium thereof in accordance with the guidelines on identification of wilful defaulters prescribed by the RBI. Further, none of our Promoters have been declared as a Fugitive Economic Offender.

None of our Promoters, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Prospectus, in accordance with the SEBI Delisting Regulations or Chapter V of the erstwhile SEBI (Delisting of Equity Shares) Regulations, 2009.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. Our Promoters have not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad.

None of the members forming part of our Promoter Group have been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad.

Our Promoters' equity shareholding in our Company, as on September 30, 2022 is as set forth below:

Sr. No.	Name of Promoter	Total number of Equity Shares	Number of shares held in dematerialised Form	Total shareholding as a % of total number of Equity Shares	Equity Shares pledged or otherwise encumbered	% of Equity Shares pledged with respect to shares owned
1.	Mathew K. Cherian	12,84,52,270	Nil	**59.23**	Nil	Nil
2.	Laila Mathew	3,01,48,300	Nil	**13.90**	Nil	Nil
3.	Jilu Saju Varghese	400	Nil	**Negligible**	Nil	Nil
	Total	**15,86,00,970**	**Nil**	**73.13**	**Nil**	**Nil**

As on September 30, 2022, our Promoters do not have any preference shareholding of our Company.

RELATED PARTY TRANSACTIONS

For details of the related party transactions of our Company entered during the six month period ended September 30, 2022 and the last three Fiscals i.e., 2020, 2021 and 2022, see "*Financial Statements*" on page 134.

SECTION V - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Independent Auditor's limited review report on quarterly and year to date unaudited financial results of the company pursuant to the Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

To,
The Board of Directors
KOSAMATTAM FINANCE LIMITED

1. We have reviewed the accompanying statement of unaudited financial results of KOSAMATTAM FINANCE LIMITED (CIN: U65929KL1987PLC004729) ('the company') for the quarter ended September 30, 2022 and year to date results for the period April 01, 2022 to September 30, 2022 ('the statement') attached herewith, being submitted by the company pursuant to the requirements of Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the regulation').

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34, "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of Interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

H.O. : X/657/B, CA-MED Tower, Pallikulam Road, Near Chaldean Centre, Thrissur - 680001.
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Branches
Kochin : Grace Nest, Near Park Central Hotel, Kadavanthara Road, Kaloor, Cochin - 682017, Ph : 0484 4011990
Chennai : A-15, Ben Foundation, Orchard West End, Near Velammal Matriculation School, T.S. Krishna Nagar, Mogappair East, Chennai - 600037
Calicut : 4/631-D5, Maity Bhavan, Behind SNES College, Near 4th Gate, Therveed Lane, Calicut - 673032

S G S & COMPANY CHARTERED ACCOUNTANTS
HO TRICHUR
BI COCHIN
CALICUT
CHENNAI

A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Thrissur
Date: 12.11.2022

For SGS & COMPANY
CHARTERED ACCOUNTANTS
Firm's Registration No. 009889S

12/11/2022

SGS & COMPANY
H.O. TRICHUR
Br. COCHIN
CALICUT
CHENNAI
CHARTERED ACCOUNTANTS

CA. SANJO N G, FCA, DISA (ICAI)
Partner (M No. 211952)

UDIN: 22211952BCWXBG6990

Regd.Office: Kosamattam City Centre
Floor No. 4th & 5th, T.B Road
Kottayam, Kerala - 686 001

Tel: + 91 481 2586400
Email: info@kosamattam.com
www.kosamattam.com
CIN.U65929KL1987PLC004729

Kosamattam
Finance Ltd.

(₹ In Lakhs Except Face Value of Shares and EPS)

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED SEPTEMBER 30, 2022

PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations						
Interest Income	19,178.65	16,348.93	15,108.13	35,527.58	29,782.52	62,126.39
Fees and commission Income	84.03	91.41	116.30	175.44	170.25	338.26
Total Revenue from operations	**19,262.68**	**16,440.34**	**15,224.43**	**35,703.02**	**29,952.77**	**62,464.65**
Other Income	6.40	4.87	0.02	11.27	0.02	14.08
I. Total Income	**19,269.08**	**16,445.21**	**15,224.45**	**35,714.29**	**29,952.79**	**62,478.73**
Expenses						
Finance Costs	10,409.28	10,094.41	8,966.42	20,503.79	17,926.70	36,915.29
Impairment on financial instruments	175.80	538.66	(83.72)	714.46	683.70	569.39
Employee Benefits Expenses	2,577.10	2,346.16	2,034.37	4,923.26	3,787.05	8,358.88
Depreciation, amortization and impairment	691.86	670.23	686.15	1,362.09	1,321.46	2,723.27
Others expenses	1,071.92	731.20	585.30	1,803.12	1,281.70	3,186.47
II. Total Expenses	**14,926.06**	**14,380.66**	**12,188.52**	**29,306.72**	**25,000.61**	**51,753.50**
III. Profit/(loss) before tax (I-II)	**4,343.02**	**2,064.55**	**3,035.93**	**6,407.57**	**4,952.18**	**10,725.23**
Tax Expense						
Current Tax	1,191.18	516.14	888.37	1,707.32	1,386.61	2,762.33
Deferred Tax	-	-	(98.55)	-	(98.55)	(36.76)
Income Taxes relating to earlier years	-	-	-	-	-	-
IV. Total Tax Expense	**1,191.18**	**516.14**	**789.82**	**1,707.32**	**1,288.06**	**2,725.57**
V. Profit/(loss) for the period (III-IV)	**3,151.84**	**1,548.41**	**2,246.11**	**4,700.25**	**3,664.12**	**7,999.66**
Other Comprehensive Income						
A (i) Items that will not be reclassified to profit or loss	-	-	(46.95)	-	(46.95)	(143.78)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	11.82	-	11.82	36.19
Subtotal (A)	-	-	(35.13)	-	(35.13)	(107.59)
B (i) Items that will be reclassified to profit or loss				-		
(ii) Income tax relating to items that will be reclassified to profit or loss	-			-		
Subtotal (B)	-			-		
VI. Other Comprehensive Income (A + B)	-	-	(35.13)	-	(35.13)	(107.59)
VII. Total Comprehensive Income for the period (V-VI)	3,151.84	1,548.41	2,210.98	4,700.25	3,628.99	7,892.07
VIII. Earnings per equity share						
(Face value of ₹10/- each)						
Basic (₹)	1.45	0.71	1.10	2.17	1.80	3.83
Diluted (₹)	1.45	0.71	1.07	2.17	1.74	3.83

See accompanying notes to the financial statements

For Kosamattam Finance Ltd.

Managing Director

Place : Kottayam

Date : November 12, 2022

KOSAMATTAM FINANCE LTD. KOTTAYAM

SGS & COMPANY CHARTERED ACCOUNTANTS H.O. TRICHUR Br. COCHIN CALICUT CHENNAI

Regd.Office: Kosamattam City Centre
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CIN.U65929KL1987PLC004729

Kosamattam
Finance Ltd.

STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2022

(₹ in Lakhs)

Sl No.	PARTICULARS	As at September 30, 2022	As at March 31, 2022
		Unaudited	Audited
I	**ASSETS**	-	-
1	**Financial assets**		
	(a) Cash and cash equivalents	20,598.39	7,301.97
	(b) Bank Balance other than above	31,453.91	26,838.69
	(c) Receivables		
	i) Trade Receivables	63.21	14.08
	ii) Other Receivables	20.36	69.30
	(d) Loans	4,32,837.51	4,00,725.00
	(e) Other Financial assets	1,389.94	1,338.45
2	**Non-financial Assets**		
	(a) Current tax assets (net)	1,319.78	1,562.56
	(b) Deferred tax assets (net)	916.06	916.06
	(c) Property, Plant and Equipment	12,187.20	12,168.48
	(d) Capital work in progress	7.89	36.49
	(e) Right of use assets	3,516.44	3,720.70
	(f) Other Intangible assets	211.80	234.07
	(g) Other non financial assets	2,006.13	1,963.07
	TOTAL ASSETS	5,06,528.62	4,56,889.12
II	**LIABILITIES AND EQUITY**		
	LIABILITIES		
1	**Financial Liabilities**		
	(a) Payables		
	(I) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	54.53	113.61
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	70.86	127.09
	(II) Other Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	1.77	1.77
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	145.00	142.90
	(b) Debt Securities	2,41,979.59	2,23,564.73
	(c) Borrowings (other than debt securities)	1,55,960.12	1,31,944.31
	(d) Subordinated Liabilities	33,045.83	30,014.98
	(e) Lease liabilities	3,749.33	3,911.13
	(f) Other Financial liabilities	148.62	400.98
2	**Non-financial Liabilities**		
	(a) Current tax liabilities (net)	-	-
	(b) Provisions	726.95	726.95
	(c) Deferred tax liabilities (net)	-	-
	(d) Other non-financial liabilities	243.34	238.25
3	**Equity**		
	(a) Equity share capital	21,687.93	21,687.93
	(b) Other equity	48,714.75	44,014.49
	TOTAL LIABILITIES AND EQUITY	5,06,528.62	4,56,889.12

See accompanying notes to the financial statements

Place : Kottayam

Date : November 12, 2022

For Kosamattam Finance Ltd.

Managing Director

Regd.Office: Kosamattam City Centre
Floor No. 4th & 5th, T.B Road
Kottayam, Kerala - 686 001

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CIN.U65929KL1987PLC004729

Kosamattam Finance Ltd.

(₹ In Lakhs)

STATEMENT OF CASH FLOWS		
PARTICULARS	As at September 30, 2022	As at September 30, 2021
	Unaudited	Unaudited
A) Cash flow from Operating activities		
Profit before tax	6,407.57	4,952.16
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	1,362.09	1,349.55
Interest Income	(35,527.58)	(29,782.52)
Profit on sale of Property, plant and equipment	(1.24)	(0.02)
Finance costs	20,503.79	17,926.71
Impairment on financial instruments	714.46	683.70
Bad debts written off	-	-
Provision for Gratuity	11.11	42.40
Cash inflow from interest on loans	30,180.52	26,612.78
Cash outflow towards finance costs	(21,734.89)	(13,979.95)
Operating Profit Before Working Capital Changes	1,915.83	7,804.81
Adjustments for:		
(Increase)/Decrease in receivables	0.02	(33.88)
(Increase)/Decrease in Loans	(28,288.68)	1,188.02
(Increase)/Decrease in Other financial asset	0.07	(7.87)
(Increase)/Decrease in Other non-financial asset	(43.06)	(342.61)
Increase/(Decrease) in Other financial liabilities	(252.37)	(28.17)
Increase/(Decrease) in Other non-financial liabilities	5.08	194.69
Increase/(Decrease) in Payables	(113.20)	(92.61)
Increase/(Decrease) in Provisions	(11.11)	(3.25)
Cash used in operations	(26,787.42)	8,679.13
Income tax paid (net of refunds)	(1,464.53)	(900.88)
Net cash from / (used in) operating activities	(28,251.95)	7,778.25
B) Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets	(453.18)	(302.38)
Proceeds from sale of Property, plant and equipment	2.79	0.32
(Increase) / decrease in other bank balance	(4,615.22)	(8,213.80)
Interest received on fixed deposits	757.23	296.53
Net cash from / (used in) investing activities	(4,308.38)	(8,219.63)
C) Cash flow from Financing activities		
Proceeds from issue of equity share capital (including share premium)	-	432.25
Increase / (decrease) in debt securities	21,027.45	23,002.70
Increase / (decrease) in borrowings (other than debt securities)	24,015.81	12,880.93
Cash outflow towards Lease	(1,095.01)	(1,023.15)
Increase / (decrease) in Subordinate liabilities	1,908.50	2,572.34
Net cash from / (used in) financing activities	45,856.75	37,865.07
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	13,296.42	37,423.69
Cash and cash equivalents at beginning of the period	7,301.97	16,358.86
Cash and cash equivalents at September 30, 2022/ September 30, 2021	20,598.39	53,782.55

For Kosamattam Finance Ltd.

Place : Kottayam

Date : November 12, 2022

Managing Director

Regd.Office: Kosamattam City Centre
Floor No. 4th & 5th, T.B Road
Kottayam, Kerala - 686 001

Tel: + 91 481 2586400
Email: info@kosamattam.com
www.kosamattam.com
CIN.U65929KL1987PLC004729

Kosamattam Finance Ltd.

Notes:-

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 08 November 2022 and 12 November 2022.

2. The Company has adopted Indian Accounting Standards ('Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules from April-01, 2019. The financial statements have been presented in accordance with the format prescribed for Non-Banking Financial Companies under the Companies (Indian Accounting Standards) Rules, 2015 in Division III of Schedule III.

3. In compliance with Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligation and Disclosure Requirements) Regulations, 2015, a "Limited Review" of standalone financial results for the quarter ended 30 September 2022 has been carried out by the Statutory Auditor of the Company.

4. Earnings Per equity Share for the quarter and the comparative period have not been annualized.

5. Other equity includes statutory reserve as per Section 45 IC of Reserve Bank of India Act 1934, Securities Premium, Capital Reserve, Revaluation Reserve, Impairment Reserve, General Reserve, Retained Earnings and Other Comprehensive Income.

6. The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS – 108 dealing with Operating Segments.

7. The figures for the quarter ended September 30, 2022 and September 30, 2021 are the balancing figures between year-to-date figures and quarter ended June 30, 2022 and June 30, 2021 respectively.

8. **Disclosure pursuant to Regulation 54 of Securities and Exchange Board of India (Listing Obligations. And Disclosure Requirements) Regulations, 2015.**
   a) Nature of security created and maintained with respect to secured listed non-convertible debt securities is

   The principal amount of the Secured NCDs allotted in terms of various tranches of public issue of NCDs Upto XIIIth tranche, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

   The principal amount of the Secured NCDs allotted in terms of XIVth and XVth tranches of public issue of NCDs ,together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

SGS & COMPANY CHARTERED ACCOUNTANTS H.O TRICHUR Br. COCHIN CALICUT CHENNAI

KOSAMATTAM FINANCE LTD.

Regd.Office: Kosamattam City Centre
Floor No. 4th & 5th, T.B Road
Kottayam, Kerala - 686 001

Tel: + 91 481 2586400
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CIN.U65929KL1987PLC004729

Kosamattam Finance Ltd.

The principal amount of the Secured NCDs allotted in terms of XVIth to XXVth tranches of public issue of NCDs ,together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon.

b) The Company has maintained requisite full 100% security coverage by way of pari passu charge on current assets including book debts, loans and advances, cash and bank balances (not including reserves created in accordance with law) and receivables both present and future of the Company, on its Secured, Listed Non-Convertible Debentures.

9. Information required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as **Annexure I.**

10. The security cover certificate for the half year ended September 30, 2022, as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as **Annexure A.**

11. Disclosure as per circular DOR.No.BP.BC/3/21.04.048/2020-21 issued by RBI dated August 6, 2020 for the half year ended September 30, 2022 -Nil

12. 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 quarter ended 30 September 2022.
    b) The Company has not transferred /acquired any stressed loans during the quarter ended 30 September 2022.

13. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

14. Previous period /year figures have been regrouped /reclassified wherever necessary to conform to current period/year presentation

For Kosamattam Finance Limited

Mathew K Cherian
Managing Director
DIN: 01286073

Date: November 12, 2022
Place: Kottayam

Annexure I

Disclosure in Compliance with Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 for the period ended September 30, 2022

Sl No	Particulars	Note No.	Quarter ended September 30, 2022
1	Debt-equity ratio	2	6.12
2	Debt service coverage ratio		NA
3	Interest service coverage ratio		NA
4	Outstanding redeemable preference shares (quantity and value)		Nil
5	Capital redemption reserve/debenture redemption reserve		Nil
6	Net worth (Excl. Revaluation Reserve)	3	₹ 70,399.82 lakhs
7	Net profit after tax		₹ 4,700.25 lakhs
8	Earnings per share		
	Basic		2.17
	Diluted		2.17
9	Current Ratio	4	2.34
10	Long Term Debt to Working Capital		0.87
11	Bad debts to Account receivable ratio		NA
12	Current liability Ratio	5	0.46
13	Total debts to total assets	6	0.85
14	Debtors turnover		NA
15	Inventory turnover		NA
16	Operating margin (%)		NA
17	Net profit margin (%)	7	13.16%
18	Sector specific equivalent ratios, as applicable		
	(i) Gross NPA	8	1.53%
	(ii) Net NPA	9	0.96%
	(iii) Capital Adequacy Ratio (CRAR)	10	18.20%

*The information furnished is based on Standalone Result

Notes:

1. The figures/ratios which are not applicable to the company, being an NBFC, are marked as "NA".
2. Debt equity ratio = [Debt securities + Borrowings (Other than debt securities) + Subordinated liabilities]/ [Equity share capital + Other Equity].
3. Net worth is calculated as defined in Sec 2(57) of the Companies Act 2013.
4. Current Ratio= Current Asset /Current Liability
5. Current liability Ratio= Current Liability/Total Liability
6. Total Debts to Total assets = [Debt securities + Borrowings (Other than debt securities) + Subordinated Liabilities]/ Total Assets.
7. Net Profit Margin (%) = Net Profit After Tax / Total Income.
8. Gross NPA (%) = Gross NPA / Total Loan.
9. Net NPA (%) = Net NPA / Total Loan.
10. Capital Adequacy Ratio have been computed as per RBI Guidelines.

KOSAMATTAM FINANCE LTD. Registered Office KOTTAYAM

SOS & COMPANY H.O. TRICHUR Br. COCHIN CALICUT CHENNAI CHARTERED ACCOUNTANTS

For Kosamattam Finance Ltd.

Managing Director

To,

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

Dear Sirs,

We have examined the attached reformatted standalone financial information of M/s. Kosamattam Finance Limited, (the "Company") annexed to this report, which is proposed to be included in the Draft Prospectus/ Prospectus of the Company in connection with the proposed issue of **Proposed public issue by Kosamattam Finance Limited, ("company" or "issuer") of secured, redeemable, non - convertible debentures ("NCDs") of face value of ₹ 1,000 each, aggregating upto ₹20,000 lakhs, hereinafter referred to as the "base issue" with an option to retain over-subscription upto ₹20,000 lakhs aggregating upto ₹ 40,000 lakhs ("overall issue size")** as per applicable provisions the Companies Act, 2013 ("the Act"), Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021, as amended ("the Regulations") issued by Securities and Exchange Board of India (SEBI), as amended from time to time in pursuance of Section 11A of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act") and related clarifications and in terms of our engagement letter dated November 23, 2022. This financial information has been prepared by the Company and is approved by the Debenture Committee in their meeting held on November 24, 2022. The preparation and presentation of the reformatted financial information is the responsibility of the Company's management. This reformatted financial information is proposed to be included in the Draft Prospectus/Prospectus of the Company in connection with the Issue. This reformatted financial information has been regrouped and reclassified in accordance to Revised Schedule VI/ Schedule III to the Act effective from April 1, 2013 (but not restated retrospectively for change in any accounting policy) for the years ended March 31, 2022, 2021 and 2020 to be included in the Offer Documents of the Company in connection with the Issue.

We have examined this financial information taking into consideration the Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India.

Reformatted Standalone Financial Statements as per Standalone Financial Statements of the Company

We have examined the following attached statements of the Company:

The "Reformatted Standalone Statement of Assets and Liabilities" as at March 31, 2022, 2021 and 2020 (Annexure I) and the schedules forming part thereof (Annexure V); and

The "Reformatted Standalone Statement of Profits and Losses" for year ended March 31, 2022, 2021 and 2020 (Annexure II) and the schedules forming part thereof (Annexure VI); and

The "Reformatted Standalone Statement of Cash Flows" for year ended March 31, 2022, 2021 and 2020 (Annexure III).

The "Reformatted Standalone Statement of changes in equity" for year ended March 31, 2022, 2021 and 2020 (Annexure IV).

together referred to as "Reformatted Standalone Financial Statements".

SGS & COMPANY H.O. TRICHUR Br. COCHIN CALICUT CHENNAI CHARTERED ACCOUNTANTS

The financial statements for the years ended March 31, 2022, 2021 and 2020 have been approved/ adopted by the Board of Directors and the members of the Company.

We have performed such tests and procedures, which in our opinion were necessary for the purpose of our examination. These procedures, mainly involved comparison of the attached Reformatted Financial Information with the Company's audited financial statements for the for year ended March 31, 2022, 2021 and 2020 *(FY 2020-21 and FY 2019-20 were audited by the M/s Vishnu Rajendran & Co, Chartered Accountants, erstwhile auditors of the Company)* as stated above and regrouping and reclassification as per Schedule VI/ Schedule III of the 'Act' as applicable and requirements of 'SEBI Regulations'.

These Reformatted Standalone Financial Statements have been extracted from the Standalone Financial Statements of the Company after making such adjustments, reclassifications and regroupings as considered appropriate and based on our examination of these Reformatted Standalone Financial Statements, we state that:

These Reformatted Standalone Financial Statements have been presented in "Rupees in lakhs" solely for the convenience of readers;

These Reformatted Standalone Financial Statements have to be read in conjunction with the relevant Significant Accounting Policies and Notes to Financial Statements on the Reformatted Standalone Financial Statements given as per Annexure VI;

The figures of earlier years / Periods have been regrouped (but not restated) wherever necessary, to conform to the classification adopted for the Reformatted Standalone Financial Statements;

There are no extra-ordinary items that need to be disclosed separately in the Reformatted Standalone Financial Statements;

These Reformatted Standalone Financial Statements conform to the requirements of the Schedule III of the Companies Act, 2013.

Other Standalone Financial Information of the Company

We have examined the following Other Standalone Financial Information of the Company in respect of year ended March 31, 2022, 2021 and 2020 proposed to be included in the Draft Prospectus/Prospectus, and annexed to this report:

Significant Accounting Policies (Annexure VII)
Capitalisation Statement (Annexure VIII)
Statement of Secured & Unsecured Loans (Annexure IX)
Statement of Accounting Ratios (Annexure X)
Details of Dividend (Annexure XI)
Statement of Contingent Liability (Annexure XII)
Statement of Tax Shelter (Annexure XIII)
Details of Related Parties & transaction with them (Annexure XIV A&B)

Based on our examination of these Reformatted Standalone Financial Information, we state that in our opinion, the "Reformatted Standalone Financial Statements as per Standalone Financial Statements of the Company" and "Other Standalone Financial Information of the Company" mentioned above for the year ended March 31, 2022, 2021 and 2020 have been prepared in accordance with applicable provisions of the Act and the Regulations amended from time to time, by The SEBI Act.

This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

SGS & COMPANY
H.O. TRICHUR
Br. COCHIN
CALICUT
CHENNAI
CHARTERED ACCOUNTANTS

This report is intended solely for your information and for inclusion in the Draft Prospectus/Prospectus in connection with the proposed issue of NCDs aggregating to ₹ 35,000 lakhs for issuance of additional NCDs and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully

For SGS & COMPANY
CHARTERED ACCOUNTANTS
F.R.N:009889S

24/11/2022

CA SANJO.N.G, F.C.A., D.I.S.A. (ICAI)
Partner (M. No 211952)

SGS & COMPANY
H.O. TRICHUR
Br. COCHIN
CALICUT
CHENNAI
CHARTERED ACCOUNTANTS

Peer Review No: 013176

UDIN: 22211952ALNXEW2398

Place: THRISSUR
Date: 24-11-2022

Annexure- I: Reformatted Summary Statement of Assets and Liabilities				(in Lakhs)
Particulars	**Note No**	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
I. ASSETS				
1 Financial Assets				
a) Cash and cash equivalents	5.1	7,301.97	16,358.86	3,493.19
b) Bank Balance other than (a) above	5.2	26,838.69	17,485.65	11,592.29
c) Receivables				
(I) Trade receivables	6	14.08	7.37	11.36
(II) Other receivables	6	69.50	22.33	36.76
d) Loans	7	4,00,725.00	3,47,826.38	2,97,247.02
e) Other financial assets	8	1,338.45	1,259.52	1,190.41
2 Non-financial Assets				
a) Current tax assets (net)	9	1,562.56	1,095.74	981.63
b) Deferred tax assets (net)	31.1	916.06	843.13	1,069.31
c) Property, Plant and Equipment	10	12,168.48	12,278.28	12,242.33
d) Capital work-in-progress	10	36.49	-	-
e) Right of use assets	11	3,720.70	3,650.13	2,785.69
f) Other intangible assets	12	234.07	261.14	285.67
g) Other non-financial assets	13	1,963.07	1,466.63	859.86
Total Assets		**4,56,889.12**	**4,02,555.16**	**3,31,795.52**
II. LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial Liabilities				
a) Payables				
(I) Trade payables	14.1			
(i) total outstanding dues of micro enterprises and small enterprises		113.61	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		127.09	165.08	463.31
(II) Other payables	14.2			
(i) total outstanding dues of micro enterprises and small enterprises		1.77	-	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		142.90	199.32	
b) Debt securities	15	2,23,564.73	2,28,322.99	2,04,104.16
c) Borrowings (other than debt securities)	16	1,31,944.31	85,261.02	52,188.37
d) Subordinated liabilities	17	30,014.98	31,987.38	29,752.86
e) Lease liabilities	11.1	3,911.13	3,777.99	2,737.50
f) Other financial liabilities	18	400.98	194.82	281.57
2 Non-financial Liabilities				
a) Provisions	19	726.95	431.06	140.52
b) Other non-financial liabilities	20	238.25	156.65	80.59
3 Equity				
a) Equity share capital	21	21,687.93	20,250.05	19,160.18
b) Other equity	22	44,014.49	31,808.80	22,886.46
Total Liabilities and Equity		**4,56,889.12**	**4,02,555.16**	**3,31,795.52**

SGS & COMPANY CHARTERED ACCOUNTANTS H.O. TRICHUR Br. COCHIN CALICUT CHENNAI

Annexure- II: Reformatted Summary Statement of Profit and Loss				(` in Lakhs)
Particulars	Note No	For the year/period ended		
		March 31, 2022	March 31, 2021	March 31, 2020
Revenue from operations				
(i) Interest income	23	62126.39	53,799.22	49,510.43
(ii) Fees and commission income	24	338.26	375.81	412.99
(I) Total Revenue from operations		**62,464.65**	**54,175.03**	**49,923.42**
(II) Other Income	25	14.08	9.14	10.00
(III) Total Income (I + II)		**62,478.73**	**54,184.17**	**49,933.42**
Expenses				
(i) Finance costs	26	36,915.29	31,592.56	28,106.98
(ii) Impairment on financial instruments	27	569.59	732.78	199.94
(iii) Employee benefits expenses	28	8,358.88	7,399.53	6,609.32
(iv) Depreciation, amortization and impairment	29	2,723.27	2,409.31	2,465.84
(v) Other expenses	30	3,186.47	2,450.63	3,305.44
(IV) Total Expenses		**51,753.50**	**44,584.81**	**40,687.52**
(V) Profit before tax (III- IV)		**10,725.23**	**9,599.36**	**9,245.90**
(VI) Tax Expense:	31			
(1) Current tax		2,762.33	2,529.52	2,387.31
(2) Deferred tax		-36.76	228.53	-383.21
(3) Income tax for earlier years		-	309.73	2,478.79
(VII) Profit for the year (V- VI)		**7,999.66**	**6,531.58**	**4,763.01**
(VIII) Other Comprehensive Income				
A) (i) Items that will not be reclassified to profit or loss		-143.78	-9.32	4.51
(ii) Income tax relating to items that will not be reclassified to profit or loss		36.19	2.35	-1.14
Subtotal (A)		**-107.59**	**-6.97**	**3.37**
B) (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Subtotal (B)		-	-	-
Other Comprehensive Income (A + B) (VIII)		-107.59	-6.97	3.37
(IX) Total Comprehensive Income for the year (VII+VIII)		**7,892.07**	**6,524.61**	**4,766.38**
(X) Earnings per equity share	32			
(Face value of ` 10/- each)				
Basic (`)		3.83	3.31	2.49
Diluted (`)		3.83	3.12	2.36

SGS & COMPANY
H.O. TRICHUR
Br. COCHIN
CALICUT
CHENNAI
CHARTERED ACCOUNTANTS

Annexure- III: Reformatted Summary of Cash Flow Statement			(₹ in Lakhs)
Particulars	**For the year/period ended**		
	March 31, 2022	**March 31, 2021**	**March 31, 2020**
A) Cash flow from Operating activities			
Profit before tax	10,725.23	9,599.36	9,245.90
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation, amortisation and impairment	2,792.37	2,473.57	2,538.00
Interest Income	(62,126.39)	(53,841.02)	(49,510.43)
Profit on sale of Property, plant, and equipment	(0.78)	(2.14)	(10.00)
Finance costs	36,915.29	31,592.56	28,106.98
Impairment on financial instruments	466.73	732.78	80.18
Bad debts written off	0.67	-	119.76
Provision for Gratuity	61.33	64.83	47.84
Cash inflow from interest on loans	58,619.14	49,798.35	43,368.09
Cash outflow towards finance costs	(30,646.62)	(30,756.50)	(26,111.37)
Operating Profit Before Working Capital Changes	**16,806.97**	**9,661.79**	**7,874.95**
Adjustments for:			
(Increase)/Decrease in other receivables	(53.88)	18.42	1.73
(Increase)/Decrease in Loans	(51,386.10)	(48,044.17)	(38,978.57)
(Increase)/Decrease in Other financial assets	23.18	25.77	234.34
(Increase)/Decrease in Other non-financial asset	(496.44)	(606.77)	(131.14)
Increase/(Decrease) in Other financial liabilities	242.16	21.96	(171.55)
Increase/(Decrease) in Other non-financial liabilities	81.59	76.06	(133.37)
Increase/(Decrease) in Trade payables	20.97	(98.91)	73.24
Increase/(Decrease) in Provisions	90.78	(4.36)	(2.28)
Cash generated from operations	**(34,670.77)**	**(38,950.21)**	**(31,232.65)**
Income tax paid	(3,229.16)	(2,953.36)	(3,443.80)
Net cash from / (used in) operating activities	**(37,899.93)**	**(41,903.57)**	**(34,676.45)**
B) Cash flow from Investing activities			
Purchase of Property, plant, and equipment and intangible assets	(974.25)	(1,056.25)	(820.34)
Proceeds from sale of property, plant, and equipment's	1.48	3.62	15.77
(Increase) / decrease in other bank balance	(9,353.04)	(5,804.68)	(1,510.87)
Interest received on fixed deposits	1,425.23	811.89	802.17
Net cash from / (used in) investing activities	**(8,900.58)**	**(6,045.42)**	**(1,513.27)**
C) Cash flow from Financing activities			
Proceeds from issue of equity share capital (including share premium)	5,751.50	3,487.61	-
Increase / (decrease) in debt securities	(10,765.88)	24,089.48	24,668.41
Increase / (decrease) in borrowings (other than debt securities)	46,683.28	33,072.65	4,385.03
Cash outflow towards Lease	(2,087.37)	(1,832.20)	(1,685.06)
Increase / (decrease) in Subordinate liabilities	(1,837.92)	1,997.12	434.54
Net cash from / (used in) financing activities	**37,743.62**	**60,814.66**	**27,802.92**
D) Net increase/(decrease) in cash and cash equivalent s (A+B+C)	**(9,056.89)**	**12,865.67**	**(8,386.80)**
Cash and cash equivalents at beginning of the period	16,358.86	3,493.19	11,879.99
Cash and cash equivalents at the end of the Period	**7,301.97**	**16,358.86**	**3,493.19**

SGS & COMPANY
H.O. TRICHUR
Br. COCHIN
CALICUT
CHENNAI
CHARTERED ACCOUNTANTS

Annexure- IV: Reformatted Statement of Changes In Equity

a. Equity Share Capital

Equity shares of ₹10/- each issued, subscribed and fully paid

Currency : ₹ in Lakhs

	Number	Amount
As at April 01, 2019	19,16,01,770	19,160.18
Changes during the year	-	-
As at March 31, 2020	**19,16,01,770**	**19,160.18**
Changes during the year	1,08,98,777	1,089.87
As at March 31, 2021	**20,25,00,547**	**20,250.05**
Changes during the year	1,43,78,755	1,437.88
Balance as at March 31, 2022	**21,68,79,302**	**21,687.93**

b. Other Equity

Currency : ₹ in Lakhs

Particulars	Reserves and Surplus								Other Comprehensive Income - Actuarial Gain or Loss	Total
	Reserve Fund U/S 45-IC (1) of RBI Act, 1934*	Capital Reserve	Revaluation Reserve	Securities Premium	Debenture Redemption Reserve	Impairment Reserve	General Reserve	Retained Earnings		
Balance as at April 01, 2019	4,396.68	9.07	2.86	357.30	11,660.97	2,419.29	-	(749.60)	23.51	18,120.08
Profit for the year (net of taxes)	-	-	-	-	-	-	-	4,763.01	-	4,763.01
Transfer to/(from) Retained Earnings	952.60	-	-	-	-	172.13	-	(1,124.73)	-	-
Amount transferred from / to General Reserve	-	-	-	-	(11,660.97)	-	11,660.97	-	-	-
Other Comprehensive Income (OCI) for the year (net of taxes)	-	-	-	-	-	-	-	-	3.37	3.37
Balance as at March 31, 2020	5,349.28	9.07	2.86	357.30	-	2,591.42	11,660.97	2,888.68	26.88	22,886.46
Profit for the year (net of taxes)	-	-	-	-	-	-	-	6,531.58	-	6,531.58
Transfer to/(from) Retained Earnings	1,330.30	-	-	-	-	811.71	-	(2,142.01)	-	-
Amount transferred from / to General Reserve	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income (OCI) for the year (net of taxes)	-	-	-	-	-	-	-	-	(6.97)	(6.97)
Balance as at March 31, 2021	6,679.58	9.07	2.86	2,755.03	-	3,403.13	11,660.97	7,278.25	19.91	31,808.80
Profit for the year (net of taxes)	-	-	-	-	-	-	-	7,999.66	-	7,999.66
Transfer to/(from) Retained Earnings	1,599.94	-	-	-	-	685.61	-	(2,285.55)	-	-
Shares issued on rights issue basis	-	-	-	4,313.63	-	-	-	-	-	4,313.63
Other Comprehensive Income (OCI) for the year (net of taxes)	-	-	-	-	-	-	-	-	(107.60)	(107.60)
Balance as at March 31, 2022	8,279.52	9.07	2.86	7,068.66	-	4,088.74	11,660.97	12,992.36	(87.69)	44,014.49

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*As required by section 45-IC of the RBI Act 1934, the Company maintains a reserve fund and transfers there in a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared. The Company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve fund maintained under section 45-IC of RBI Act, 1934.

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Annexure- V: Notes to Reformatted Summary Statement of Assets and Liabilities

Note 5.1: Cash and cash equivalents			(₹ in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Cash on hand	1,758.61	2,682.56	1,419.27
Balances with Banks			
- in current accounts	5,543.36	13,676.30	2,073.92
- in fixed deposit (maturing within a period of three months)	-	-	-
Total	**7,301.97**	**16,358.86**	**3,493.19**

Note 5.2: Bank balance other than cash and cash equivalents			(₹ in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Fixed deposits with bank (maturing after period of three months) (Refer Note 5.2.1)	26,675.74	17,326.83	11,592.29
Balance in other escrow accounts	-	-	-
Unclaimed Auction Surplus	103.90	86.57	-
Unclaimed interest and redemption proceeds of Non-Convertible debentures- Private Issue	59.05	72.25	-
Total	**26,838.69**	**17,485.65**	**11,592.29**

Note 5.2.1: Fixed deposits with banks

Fixed Deposits with bank include fixed deposits given as collateral security for borrowings ₹ 26,073.90 Lakhs (March 31, 2021 : ₹ 17,015.37 Lakhs and March 31, 2020: ₹ 11,394.58 Lakhs) and fixed deposits given as security for guarantees ₹ 27.38 Lakhs (March 31, 2022 : ₹ 26.07 Lakhs and March 31, 2020: ₹1.00 Lakh)

Note 6 : Receivables			(₹ in Lakhs)
(I) Trade Receivables			
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Receivables Considered good - unsecured	14.08	7.37	11.36
Receivables which have a significant increase in credit risk	-	-	-
Receivables -credit impaired	-	-	-
Total	**14.08**	**7.37**	**11.36**
Less: Allowance for impairment loss	-	-	-
Total Net Receivable	**14.08**	**7.37**	**11.36**

(II) Other Receivables			(₹in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Considered good – unsecured	-		
Receivables Considered good - unsecured	-	-	-
Receivables from Power Generation - Wind Mill	22.05	22.33	36.76
Receivables Others	47.45	-	-
Receivables which have a significant increase in credit risk	-	-	-
Receivables -credit impaired	-	-	-
Total	**69.50**	**22.33**	**36.76**
Less: Allowance for impairment loss	-	-	-
Total Net Receivable	**69.50**	**22.33**	**36.76**

None of the trade and other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. These receivables are non-interest bearing, short-term in nature and does not involve any credit risk hence no ECL provision has been made.

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Note 7: Loans						Currency: ₹ in Lakhs
Particulars	As at March 31, 2022					
	Amortized Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A) i) Gold Loan	3,96,680.71	-	-	-	-	3,96,680.71
ii) Business Loans	507.35	-	-	-	-	507.35
iii) Kisan Credit	528.56	-	-	-	-	528.56
iv) Micro Finance Loans	116.33	-	-	-	-	116.33
v) Mortgaged Loan	6,344.64	-	-	-	-	6,344.64
vi) Rental Loan	16.13	-	-	-	-	16.13
vii) Other Loans	147.52					147.52
Total (A) - Gross	4,04,341.24	-	-	-	-	4,04,341.24
Less: Impairment loss allowance	3,616.24	-	-	-	-	3,616.24
Total (A) - Net	4,00,725.00	-	-	-	-	4,00,725.00
(B) I) Secured by tangible assets						
i) Gold Loan	3,96,680.71	-	-	-	-	3,96,680.71
ii) Mortgaged Loan	6,344.64	-	-	-	-	6,344.64
Total (I) - Gross	4,03,025.35	-	-	-	-	4,03,025.35
Less: Impairment loss allowance	3,218.54	-	-	-	-	3,218.54
Total (I) - Net	3,99,806.81	-	-	-	-	3,99,806.81
II) Unsecured						
i) Business Loans	507.35	-	-	-	-	507.35
ii) Kisan Credit	528.56					528.56
iii) Micro Finance Loans	116.33	-	-	-		116.33
iv) Rental Loan	16.13	-	-	-	-	16.13
v) Other Loans	147.52	-	-	-	-	147.52
Total (II) - Gross	1,315.89	-	-	-	-	1,315.89
Less: Impairment loss allowance	397.70	-	-	-	-	397.70
Total (II) - Net	918.19	-	-	-	-	918.19
Total (B) (I+II) - Net	4,00,725.00	-	-	-	-	4,00,725.00
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	4,04,341.24	-	-	-	-	4,04,341.24
Total (C) (I) - Gross	4,04,341.24	-	-	-	-	4,04,341.24
Less: Impairment loss allowance	3,616.24	-	-	-	-	3,616.24
Total (C) (I)- Net	4,00,725.00	-	-	-	-	4,00,725.00
(II) Loans outside India	-	-	-	-	-	-
Total (C) (I) - Gross	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-
Total (C) (I) and (C) (II)	4,00,725.00	-	-	-	-	4,00,725.00

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Currency: ₹ in Lakhs

Particulars	As at March 31, 2021					
	Amortized Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A)						
i) Gold Loan	3,43,218.54	-	-	-	-	3,43,218.54
ii) Business Loans	1,634.99	-	-	-	-	1,634.99
iii) Micro Finance Loans	147.57	-	-	-	-	147.57
iv) Mortgaged Loan	5,806.26	-	-	-	-	5,806.26
v) Rental Loan	20.33	-	-	-	-	20.33
vi) Other Loans	148.20	-	-	-	-	148.20
Total (A) - Gross	3,50,975.89	-	-	-	-	3,50,975.89
Less: Impairment loss allowance	3,149.51	-	-	-	-	3,149.51
Total (A) - Net	**3,47,826.38**	-	-	-	-	**3,47,826.38**
(B) I) Secured by tangible assets						
i) Gold Loan	3,43,218.54	-	-	-	-	3,43,218.54
ii) Mortgaged Loan	5,806.26	-	-	-	-	5,806.26
Total (I) - Gross	**3,49,024.80**	-	-	-	-	**3,49,024.80**
Less: Impairment loss allowance	2,583.84	-	-	-	-	2,583.84
Total (I) - Net	**3,46,440.96**	-	-	-	-	**3,46,440.96**
II) Unsecured						
i) Business Loans	1,634.99	-	-	-	-	1,634.99
ii) Micro Finance Loans	147.57	-	-	-	-	147.57
iii) Rental Loan	20.33	-	-	-	-	20.33
iv) Other Loans	148.20	-	-	-	-	148.20
Total (II) - Gross	1,951.09	-	-	-	-	1,951.09
Less: Impairment loss allowance	565.67	-	-	-	-	565.67
Total (II) - Net	1,385.42	-	-	-	-	1,385.42
Total (B) (I+II) - Net	3,47,826.38	-	-	-	-	3,47,826.38
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	3,50,975.89	-	-	-	-	3,50,975.89
Total (C) (I) - Gross	3,50,975.89	-	-	-	-	3,50,975.89
Less: Impairment loss allowance	3,149.51	-	-	-	-	3,149.51
Total (C) (I)- Net	3,47,826.38	-	-	-	-	3,47,826.38
(II) Loans outside India	-	-	-	-	-	-
Total (C) (II) - Gross	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-
Total (C) (I) and (C) (II)	**3,47,826.38**	-	-	-	-	**3,47,826.38**

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Particulars	March 31, 2020					
	Amortized Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A)						
i) Gold Loan	2,90,876.23	-	-	-	-	2,90,876.23
ii) Mortgaged Loan	6,463.48	-	-	-	-	6,463.48
iii) Rental Loan	24.09	-	-	-	-	24.09
iv) Staff Loan	0.14	-		-	-	0.14
v) Micro Finance Loans	273.85	-	-	-	-	273.85
vi) Business Loans	2,148.73	-	-	-	-	2,148.73
vii) Other Loans	97.99	-	-	-	-	97.99
Total (A) - Gross	**2,99,884.51**	-	-	-	-	**2,99,884.51**
Less: Impairment loss allowance	2,637.49	-	-	-	-	2,637.49
Total (A) - Net	**2,97,247.02**	-	-	-	-	**2,97,247.02**
(B)						
I) Secured by tangible assets						
i) Gold Loan	2,90,876.23	-	-	-	-	2,90,876.23
ii) Mortgaged Loan	6,463.48	-	-	-	-	6,463.48
Total (I) - Gross	**2,97,339.71**	-	-	-	-	**2,97,339.71**
Less: Impairment loss allowance	2,000.43	-	-	-	-	2,000.43
Total (I) - Net	**2,95,339.28**	-	-	-	-	**2,95,339.28**
II) Unsecured						
i) Rental Loan	24.09	-	-	-	-	24.09
ii) Staff Loan	0.14	-	-	-	-	0.14
iii) Micro Finance Loan	273.85	-	-	-		273.85
iv) Business Loan	2,148.73	-	-	-	-	2,148.73
v) Other Loans	97.99	-	-	-	-	97.99
Total (II) - Gross	**2,544.80**	-	-	-	-	**2,544.80**
Less: Impairment loss allowance	637.06	-	-	-	-	637.06
Total (II) - Net	1,907.74	-	-	-	-	**1,907.74**
Total (B) (I+II) - Net	**2,97,247.02**	-	-	-	-	**2,97,247.02**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	2,99,884.51	-	-	-	-	2,99,884.51
Total (C) - Gross	**2,99,884.51**	-	-	-	-	**2,99,884.51**
Less: Impairment loss allowance	2,637.49	-	-	-	-	2,637.49
Total (C)- Net	**2,97,247.02**	-	-	-	-	**2,97,247.02**

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	March 31, 2022				March 31, 2021				March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade												
Performing												
High grade	3,77,388.05	-	-	3,77,388.05	3,11,238.13	-	-	3,11,238.13	2,67,791.63	-	-	2,67,791.63
Standard grade	-	5,667.36	-	5,667.36	-	8,548.79	-	8,548.79	-	15,041.23	-	15,041.23
Sub-standard grade	-	2,305.95	-	2,305.95	-	17,413.16	-	17,413.16	-	6,810.01	-	6,810.01
Past due but not impaired	-	9,329.77	-	9,329.77	-	5,726.34	-	5,726.34	-	3,308.98	-	3,308.98
Non- performing	-	-	-	-								
Individually impaired	-	-	9,650.11	9,650.11	-	-	8,049.47	8,049.47	-	-	6,932.66	6,932.66
Total	**3,77,388.05**	**17,303.08**	**9,650.11**	**4,04,341.24**	**3,11,238.13**	**31,688.29**	**8,049.47**	**3,50,975.89**	**2,67,791.63**	**25,160.22**	**6,932.66**	**2,99,884.51**
EIR impact of Service charges received	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount closing balance net of EIR impact of service charge received	**3,77,388.05**	**17,303.08**	**9,650.11**	**4,04,341.24**	**3,11,238.13**	**31,688.29**	**8,049.47**	**3,50,975.89**	**2,67,791.63**	**25,160.22**	**6,932.66**	**2,99,884.51**

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Reconciliation of ECL balance is given below:							(₹ in Lakhs)					
Particulars	March 31, 2022				March 31, 2021				March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
ECL allowance - opening balance	**1,085.59**	**397.19**	**1,666.73**	**3,149.51**	**978.92**	**521.29**	**1,137.27**	**2,637.48**	**1,090.53**	**559.61**	**907.16**	**2,557.30**
New assets originated or purchased	3,341.11	459.47	3,314.14	7,114.72	2,615.83	-	572.56	3,188.39	683.53	-	-	683.53
Assets derecognised or repaid (excluding write offs)	(2,998.19)	(924.05)	(1,706.57)	(5,628.81)	(2,407.07)	(177.32)	(91.97)	-2,676.36	(231.11)	-	(357.38)	(588.49)
Transfers to Stage 1	(53.66)	71.92	(1,589.62)	(1,571.36)	-	-	-	0.00	-	-	-	-
Transfers to Stage 2	(48.90)	349.17	-	300.27	(96.49)	96.49	-	0.00	(34.68)	34.68	-	-
Transfers to Stage 3	(2.76)	(36.07)	290.74	251.91	(5.60)	(43.27)	48.87	0.00	(529.35)	(73.00)	602.35	-
Impact on year end ECL of exposures transferred between stages during the year	**237.60**	**(79.56)**	**308.69**	**466.73**	106.67	(124.10)	529.46	512.03	(111.61)	(38.320)	244.97	95.02
Amounts written off	-	-	-	-	-	-	-	-	-	-	(14.85)	(14.85)
ECL allowance - closing balance	**1,323.19**	**317.63**	**1,975.42**	**3,616.24**	**1,085.59**	**397.19**	**1,666.73**	**3,149.51**	**978.92**	**521.29**	**1,137.27**	**2,637.48**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows: **(₹ in Lakhs)**

Particulars	March 31, 2022				March 31, 2021				March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Gross carrying amount opening amount	3,11,238.13	31,688.29	8,049.47	3,50,975.89	**2,67,791.63**	**25,160.22**	**6,932.66**	**2,99,884.51**	**2,29,107.76**	**20,720.95**	**5,944.61**	**2,55,773.32**
New assets originated or purchased	9,56,108.13	-	1,140.12	9,57,248.25	8,97,760.04	32.50	1,169.60	**8,98,962.14**	**48,282.36**	-	-	**48,282.36**
Assets derecognised or repaid (excluding write offs)	(8,78,912.53)	(30,226.03)	(2,743.67)	(9,03,882.23)	(8,20,326.52)	(25,111.94)	(2,432.30)	**(8,47,870.76)**	-	-	**(3,971.42)**	**(3,971.42)**
Transfers to Stage 1	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Stage 2	(19,045.01)	19,045.01	-	-	(33,957.26)	33,957.26	-	-	**(5,208.20)**	**5,208.20**	-	-
Transfers to Stage 3	-	(3,204.19)	3,204.19	-	(29.76)	(2,349.75)	2,379.51	-	**(4,310.29)**	**(768.93)**	**5,079.23**	-
Amounts written off	(0.67)	-	-	(0.67)	-	-	-	-	-	-	**(119.76)**	**(119.76)**
Gross carrying amount closing balance	**3,77,388.05**	**17,303.08**	**9,650.11**	**4,04,341.24**	**3,11,238.13**	**31,688.29**	**8,049.47**	**3,50,975.89**	**2,67,791.63**	**25,160.22**	**6,932.66**	**2,99,884.51**
EIR impact of Service charges received	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount closing balance net of EIR impact of service charge received	**3,77,388.05**	**17,303.08**	**9,650.11**	**4,04,341.24**	**3,11,238.13**	**31,688.29**	8,049.47	3,50,975.89	2,67,791.63	25,160.22	6,932.66	2,99,884.51

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Note 8: Other financial assets			(₹ in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Security deposits	1,338.45	1,259.52	1,190.41
Total	**1,338.45**	**1,259.52**	**1,190.41**

Note 9: Current tax assets (net)			(₹ in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Income tax refundable (net of provision)	1,562.56	1,095.74	981.63
Total	**1,562.56**	**1,095.74**	**981.63**

Note 10: Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Land	Building	Furniture & Fixtures	Electrical Fittings	Plant and Machinery	Vehicles	Computer and Accessories	Total	Capital-work-in progress
Gross block- at cost									
Deemed cost as at April 01, 2019	**8,506.62**	**576.13**	**7,535.94**	**1,474.44**	**576.00**	**335.95**	**1,404.94**	**20,410.02**	**98.55**
Additions	0.98	107.05	414.39	128.82	-	83.82	183.03	918.09	-
Disposals	-	-	5.49	-	-	51.23	-	56.72	98.55
As at March 31, 2020	**8,507.60**	**683.18**	**7,944.84**	**1,603.26**	**576**	**368.54**	**1,587.97**	**21,271.39**	-
Additions	-	-	622.81	157.27	-	27.63	234.31	1,042.02	-
Disposals	-	-	7.33	-	-	2.52	10.66	20.51	-
As at March 31, 2021	**8,507.60**	**683.18**	**8,560.32**	**1,760.53**	**576.00**	**393.65**	**1,811.62**	**22,292.90**	-
Additions	-	-	607.47	169.38	4.50	9.13	128.30	918.78	36.49
Disposals	-	-	4.12	1.58	-	-	13.55	19.25	-
As at March 31, 2022	8,507.60	683.18	9,163.67	1,928.33	580.50	402.78	1,926.37	23,192.43	36.49
Accumulated Depreciation									
As at March 31, 2019	-	**185.26**	**5,363.96**	**921.04**	**76.13**	**256.11**	**1,210.95**	**8,013.45**	-
Charge for the year	-	51.58	626.28	159.45	63.63	33.91	131.72	1,066.57	-
Disposals	-	-	4.91	-	-	46.05	-	50.96	-
As at March 31, 2020	-	**236.84**	**5,985.33**	**1,080.49**	**139.76**	**243.97**	**1,342.67**	**9,029.06**	-
Charge for the year	-	38.14	562.99	147.02	55.53	43.94	156.97	1,004.59	-
Disposals	-	-	6.51	-	-	2.39	10.13	19.03	-
As at March 31, 2021	-	274.98	6,541.81	1,227.51	195.29	285.52	1,489.51	10,014.62	-
Charge for the year	-	28.84	568.77	150.93	48.53	32.84	197.96	1,027.87	-
Disposals	-	-	4.12	1.55	-	-	12.87	18.54	-
As at March 31, 2022	-	303.82	7,106.46	1,376.89	243.82	318.36	1,674.60	11,023.95	-
Net Block									
As at March 31, 2020	**8,507.60**	**446.34**	**1,959.51**	**522.77**	**436.24**	**124.57**	**245.30**	**12,242.33**	-
As at March 31, 2021	**8,507.60**	**408.20**	**2,018.51**	**533.02**	**380.71**	**108.13**	**322.11**	**12,278.28**	-
As at March 31, 2022	**8,507.60**	**379.36**	**2,057.21**	**551.44**	**336.68**	**84.42**	**251.77**	**12,168.48**	36.49

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Note 11.1: Right of use assets	(` in Lakhs)
Particulars	**Premises**
Gross block	
As at April 01, 2019	**6,617.28**
Additions	216.99
Disposals	405.83
As at March 31, 2020	**6,428.44**
Additions	2,294.66
Disposals	2,691.94
As at March 31, 2021	**6,031.16**
Additions	1,871.29
Disposals	1,071.83
As at March 31, 2022	**6,830.62**
Accumulated Depreciation	
As at March 31, 2019	**2,618.31**
Charge for the year	1,430.27
Disposals	405.83
As at March 31, 2020	**3,642.75**
Charge for the year	1,430.22
Disposals	2,691.94
As at March 31, 2021	**2,381.03**
Charge for the year	1,718.42
Disposals	989.53
As at March 31, 2022	**3,109.92**
Net Block	-
As at March 31, 2020	**2,785.69**
As at March 31, 2021	**3,650.13**
As at March 31, 2022	**3,720.70**

Note 11.2: Lease Liabilities Currency: ₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Lease Liabilities	3,911.13	3,777.99	2,737.50
Total	**3,911.13**	**3,777.99**	**2,737.50**

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11.3 Maturity analysis of lease liabilities	Currency: ₹in Lakhs		
Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Less than 1 year	1,453.66	1,366.86	1,268.12
1 to 2 years	1,003.78	946.78	751.56
2 to 3 years	620.30	564.60	324.92
3 to 4 years	400.94	360.60	152.65
4 to 5 years	232.94	299.54	84.02
Above 5 year	199.51	239.61	156.23
Total	**3,911.13**	**3,777.99**	**2,737.50**

11.4 Amounts recognised in the Statement of Profit and Loss	(₹ in Lakhs)		
Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	1,718.42	1,430.22	1,430.27
Interest expense (included in finance costs)	431.51	578.02	202.60
11.5 Gains or losses arising from sale and leaseback transactions	-	-	-
11.6 The total cash outflow for leases during the year	2,001.38	1,707.26	1,660.63

11.7 Lease Disclosures

In the statement of profit and loss, operating lease expenses which were recognized as other expenses are now recognized as depreciation expense for the right-of-use asset and finance cost for interest accrued on the lease liability.

Particulars	For lease entered in the year ended		
	March 31, 2022	*March 31, 2021*	*March 31, 2020*
The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet is:	9.88%	10.72%	11.18%

The Company has not availed the option for charging off of rental related to short-term leases and leases of low-value assets. All leases have been considered for the determination of lease liability and Right of use assets.

The Company's leases mainly comprise of premises used for branch operations.

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Note 12: Other Intangible Assets				(₹ in Lakhs)
Particulars	**Licenses & Franchise**	**Brands/ Trademarks**	**Computer Software**	**Total**
Gross block- at cost				
Deemed cost as at April 01, 2019	122.31	1.66	286.42	410.39
Additions	0.30	0.50	-	0.80
Disposals	-	-	-	-
As at March 31, 2020	122.61	2.16	286.42	411.19
Additions	-	-	14.23	14.23
Disposals	-	-	-	-
As at March 31, 2021	122.61	2.16	300.65	425.42
Additions	-	-	19.00	19.00
Disposals	-	0.26	-	0.26
Net carrying amount as at March 31, 2022	122.61	1.90	319.66	444.17
Accumulated Depreciation				
As at April 01, 2019	22.47	0.91	60.99	84.37
Charge for the year	12.27	0.20	28.68	41.15
Disposals	-	-	-	-
As at March 31, 2020	34.74	1.11	89.67	125.52
Charge for the year	8.97	0.22	29.57	38.76
Disposals	-	-	-	-
As at March 31, 2021	43.71	1.33	119.24	164.28
Charge for the year	15.56	0.19	30.33	46.08
Disposals	-	0.26	-	0.26
Net carrying amount as at March 31, 2022	59.27	1.26	149.57	210.10
Net Block				
As at March 31, 2020	87.87	1.05	196.75	285.67
As at March 31, 2021	78.90	0.83	181.41	261.14
As at March 31, 2022	63.34	0.64	170.09	234.07

Note 13: Other Non-Financial Assets		(₹ in Lakhs)	
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Security Deposits with government authorities	250.57	247.52	247.53
Balances with government authorities	272.52	393.23	248.08
Prepaid expenses	1,075.46	514.68	156.90
Advance Account and Other Deposits	348.83	299.54	198.62
Stock of stamp	3.02	2.63	2.26
Other non-financial assets	12.67	9.03	6.47
Total	**1,963.07**	**1,466.63**	**859.86**

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Note 14.1 : Trade Payables				(₹ in Lakhs)
Particulars		**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Trade Payables				
(i)	total outstanding dues of micro enterprises and small enterprises	113.61	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	127.09	165.08	463.31
Total		**240.70**	**165.08**	**463.31**

Based on the information available with the Company, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2021 and 2020 together with interest paid /payable are required to be furnished.

Note 14.2 : Other Payables				(₹ in Lakhs)
Particulars		**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Trade Payables				
(i)	total outstanding dues of micro enterprises and small enterprises	1.77	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	142.90	199.32	-
Total		**144.67**	**199.32**	-

Note 15: Debt Securities (₹ in Lakhs)

Particulars	**As at March 31, 2022**			
	Amortized Cost	**At Fair value through profit or loss**	**Designated at fair value through profit or loss**	**Total**
Secured Non-Convertible Debentures*	-	-	-	-
Secured Non-Convertible Debentures Listed**	2,23,564.73	-	-	2,23,564.73
Total (A)	**2,23,564.73**	-	-	**2,23,564.73**
Debt securities in India	2,23,564.73	-	-	2,23,564.73
Debt securities outside India	-	-	-	-
Total (B)	**2,23,564.73**	-	-	**2,23,564.73**

Particulars	**As at March 31, 2021**			
	Amortized Cost	**At Fair value through profit or loss**	**Designated at fair value through profit or loss**	**Total**
Secured Non-Convertible Debentures* (Refer note 15.1)	-	-	-	-
Secured Non-Convertible Debentures - Listed** (Refer note 15.2)	2,28,322.99	-	-	2,28,322.99
Total (A)	**2,28,322.99**	-	-	**2,28,322.99**
Debt securities in India	2,28,322.99	-	-	2,28,322.99
Debt securities outside India	-	-	-	-
Total (B)	**2,28,322.99**	-	-	**2,28,322.99**

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Particulars	March 31, 2020			
	Amortised Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures*	2,044.29	-	-	2,044.29
Secured Non-Convertible Debentures - Listed**	2,02,059.87	-	-	2,02,059.87
Total (A)	**2,04,104.16**	-	-	**2,04,104.16**
Debt securities in India	2,04,104.16	-	-	2,04,104.16
Debt securities outside India	-	-	-	-
Total (B)	**2,04,104.16**	-	-	**2,04,104.16**

*Excludes unpaid (unclaimed) matured debentures which is shown as a part of Other financial liabilities in Note 18
**Includes EIR impact of transaction cost

Nature of security

Privately placed secured NCDs secured by first ranking paripassu charge on the entire movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of Company.

The principal amount of the listed Secured NCDs allotted in terms of various tranches of public issue of NCDs upto XIII[th] tranche, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking paripassu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking paripassu charge on the immovable property situated at Nagappattinam Dist. KelvelurTaluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met.

The principal amount of the Secured NCDs allotted in terms of XIV[th] and XV[th] tranches of public issue of NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking paripassu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking paripassu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met.

The principal amount of the Secured NCDs allotted in terms of XVI[th] to XXI[th] tranches of public issue of NCDs, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking paripassu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon.

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Particulars	March 31, 2022	March 31, 2021	March 31, 2020
	Amortised Cost	Amortised Cost	Amortised Cost
(I) Term loan			
(i) from banks	57,588.54	29,996.14	3,460.47
(ii) from other parties	7,025.89	-	-
(II) Loans repayable on demand			
(i) from banks			
Working Capital Demand Loan from Banks	42,579.31	39,008.97	27,049.73
Cash Credit/Overdraft facilitates from banks	24,750.57	16,255.91	21,678.17
(ii) from other parties			
Total (A)(I+II)	**1,31,944.31**	**85,261.02**	**52,188.37**
(I) Secured	1,31,944.31	85,261.02	52,188.37
(II) Unsecured	-	-	-
Total (B)	**1,31,944.31**	**85,261.02**	**52,188.37**
(I) Borrowings in India	1,31,944.31	85,261.02	**52,188.37**
(II) Borrowings outside India	-	-	-
Total (C)(I+II)	**1,31,944.31**	**85,261.02**	52,188.37

Terms of repayment -Term Loan				(₹in Lakhs)
Tenure (from the date of Balance Sheet)	Rate of Interest	March 31, 2022	March 31, 2021	March 31, 2020
Less than 1 year	9.75 -10.40%	28,255.52	8,621.60	1,339.26
1 to 2 years	9.75 -10.40%	22,653.27	8,721.15	1,272.73
2 to 3 years	9.75 -10.40%	9,763.14	7,356.00	848.48
3 to 4 years	9.75 -10.40%	3,382.50	3,194.89	-
4 to 5 years	9.75 -10.40%	560.00	2,102.50	-
Above 5 year	9.75 -10.40%	-	-	-
Total		**64,614.43**	**29,996.14**	**3,460.47**

Our Term loans, Cash Credits and Working Capital demand Loans are secured by paripassu floating charge on movable assets, current assets, book debts, loans & advances including cash and bank balances along with the existing Secured Creditors. The loans are also guaranteed by the personal guarantee of Mr. Mathew K Cherian - Managing Director of the Company, Mrs. Laila Mathew - Whole Time Director of the Company, Mrs. Jilu Saju Varghese - Director of the Company, Mrs. Milu Mathew and Mrs. Bala Mathew - Relative of director as per the terms mutually agreed with the respective lender bank. In addition to the properties of the Company, the properties of the Directors of the Company -Mr. Mathew K Cherian, Mrs. Laila Mathew and Mrs. Jilu Saju Varghese, Properties of relatives of Directors of the Company - Mrs. Milu Mathew and Mrs. Bala Mathew and the properties of Kosamattam Builders – A partnership firm where Mrs. Jilu Saju Varghese and Mrs. Milu Mathew are partners have also been provided to State Bank of India, South Indian Bank and Dhanlaxmi Bank as collateral Security, on the basis of agreement created with the respective banks.

Note 17: Subordinated Liabilities	₹ in Lakhs			
Particulars	As at March 31, 2022			
	Amortized Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
Perpetual Debt Instrument (Refer note 17.1)	675.16	-	-	675.16
Preference Share Other than those that qualify as equity	-			-
1,20,000 3% Compulsorily Convertible Cumulative Preference Shares of ₹1000/- each	-	-	-	-
Subordinated Debt- Listed**	29,339.82	-	-	29,339.82
Total (A)	**30,014.98**	-	-	**30,014.98**
Subordinated Liabilities in India	30,014.98	-	-	30,014.98
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**30,014.98**	-	-	**30,014.98**

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Particulars	March 31, 2021			
	Amortised Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
Perpetual Debt Instrument	1,381.00	-	-	1,381.00
Preference Share Other than those that qualify as equity			-	
1,20,000 3% Compulsorily Convertible Cumulative Preference Shares of ₹1000/- each	1,200.00	-	-	1,200.00
Subordinated Debt- Listed**	29,406.38	-	-	29,406.38
Subordinated Liabilities in India	**31,987.38**	-	-	**31,987.38**
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**31,987.38**	-	-	**31,987.38**

Particulars	March 31, 2020			
	Amortised Cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
Perpetual Debt Instrument	1,265.55	-	-	1,265.55
1,20,000 3% Compulsorily Convertible Cumulative Preference Shares of ₹1000/- each	1,200.00	-	-	1,200.00
Subordinated Debt*	-	-	-	-
Subordinated Debt- Listed**	27,287.31	-	-	27,287.31
Total (A)	**29,752.86**	-	-	**29,752.86**
Subordinated Liabilities in India	**29,752.86**	-	-	**29,752.86**
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**29,752.86**	-	-	**29,752.86**

*Excludes unpaid (unclaimed) matured debentures which is shown as a part of other financial liabilities in Note 18

**Includes EIR impact of transaction cost

3 % Compulsorily Convertible Cumulative Preference Shares

The Compulsorily Convertible Cumulative Preference Shares of the Company were converted during the current year (November 29, 2021). The Company allotted fully paid-up 30,00,000 Equity Shares of face value of ₹10/- each pursuant to conversion of 1,20,000 compulsorily convertible preference shares into equity shares as per the terms of offer letter issued at the time of issue of preference shares to the preference shareholders at an issue price of ₹40/- per Equity Share (including premium of ₹30/- per Equity Share). The fresh allotment of equity shares as stated above has resulted in an increase of equity share capital by ₹300 Lakhs and securities premium reserve by ₹900 Lakhs

Note 18: Other Financial Liabilities			(₹ in Lakhs)
Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Auction surplus refundable	103.90	86.57	64.61
Unpaid Matured Non-Convertible Debentures and interest thereon	55.65	61.15	61.15
Unpaid Matured Subordinate debt and interest thereon	3.40	11.10	11.10
Perpetual Debt Instrument Payable	238.03	-	-
Dividend payable (Including Dividend Distribution Tax) on CCPS	-	36.00	144.71
Total	400.98	194.82	281.57

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Note 19: Provisions			(` in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Provision for Employee Benefits - Gratuity	404.02	210.31	140.52
Provisions for other assets	322.93	220.75	-
Total	726.95	**431.06**	**140.52**

Note 20: Other Non-financial liabilities			(₹ in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Statutory dues payable	238.25	156.65	80.59
Total	**238.25**	**156.65**	**80.59**

Note 21: Equity Share Capital			(₹ in Lakhs)
21.1: The reconciliation of equity shares outstanding at the beginning and at the end of the period			
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Authorised			
50,00,00,000 ((March 31, 2021: 50,00,00, March 31, 2020: 50,00,00) Equity shares of ₹10/- each	50,000.00	50,000.00	50,000.00
Issued, subscribed and fully paid up	-	-	-
20,25,00,547 (March 31, 2021 : 19,16,01,770, March 31, 2020: 19,16,01,770) Equity shares of ₹10/- each fully paid up	21,687.93	20,250.05	19,160.18
Total Equity	**21,687.93**	**20,250.05**	**19,160.18**

21.2: Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. Upon show of hands, every member entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

21.3: Details of Equity shareholders holding more than 5% Equity shares in the company						
Particulars	**March 31, 2022**		**March 31, 2021**		**March 31, 2020**	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class	No. of shares held	% holding in the class
Mathew K Cherian	12,84,52,270	59.23%	12,54,52,270	61.95%	12,54,52,270	65.48%
Laila Mathew	3,01,48,300	13.90%	3,01,48,300	14.89%	3,01,48,300	15.73%
Kosamattam Ventures Private Limited	3,60,00,200	16.60%	3,60,00,200	17.78%	3,60,00,200	18.79%

21.4: Reconciliation of the number of Equity shares and of Equity share capital amount outstanding

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at the beginning and at the end of the year		(₹ in Lakhs)
Particulars	In Numbers	Amount
As at March 31, 2019	**19,16,01,770**	**19,160.18**
Add: Shares issued during the year	-	-
As at March 31, 2020	**19,16,01,770**	**19,160.18**
Add: Shares issued on rights issue basis (June 30, 2020)	64,12,814	641.28
Add: Shares issued on rights issue basis (November 13, 2020)	23,79,688	237.97
Add: Shares issued on rights issue basis (February 23, 2021)	21,06,275	210.62
As at March 31, 2021	**20,25,00,547**	**20,250.05**
Add: Shares issued on rights issue basis (April 30,2021)*	10,80,625	108.06
Add: Shares issued on rights issue basis (September 17, 2021)*	1,02,98,130	1,029.82
Add: Share issued pursuant to conversion of CCPS (November 29, 2021)**	30,00,000	300.00
As at March 31, 2022	**21,68,79,302**	**21,687.93**

*** Right Issue**

The Company allotted fully paid-up 1,13,78,755 Equity Shares of face value of ₹10/- each to the eligible equity shareholders at an issue price of ₹40/- per Equity Share (including premium of ₹30/- per Equity Share) in the Rights Issue.

The entire proceeds of the Rights Issue have been utilised as per the objects stated in the offer document for the Rights issue. The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by ₹1,137.88 Lakhs and securities premium reserve by ₹3,413.63 Lakhs

****Conversion of CCPS**

The Company allotted fully paid-up 30,00,000 Equity Shares of face value of ₹10/- each pursuant to conversion of 1,20,000 compulsorily convertible preference shares into equity shares as per the terms of offer letter issued at the time of issue of

Preference shares to the preference shareholders at an issue price of ₹40/- per Equity Share (including premium of ₹30/- per Equity Share).

The fresh allotment of equity shares as stated above has resulted in an increase of equity share capital by ₹300 Lakhs and securities premium reserve by ₹900 Lakhs

21.5: The Company has not allotted any share pursuant to contracts without payment being received in cash or as bonus shares nor has it bought back any shares during the preceding period of 5 financial years.

Note 22: Other Equity		(₹ in Lakhs)	
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Statutory Reserve			
Balance at the beginning of the year	6,679.58	5,349.28	4,396.68
Add: Transfer from Retained Earnings	1,599.94	1,330.30	952.60
Balance at the end of the year	**8,279.52**	**6,679.58**	**5,349.28**
Capital Reserve			
Balance at the beginning of the year	9.07	9.07	9.07
Balance at the end of the year	**9.07**	**9.07**	**9.07**
Revaluation Reserve			

Balance at the beginning of the year	2.86	2.86	2.86
Balance at the end of the year	**2.86**	**2.86**	**2.86**
Securities Premium			
Balance at the beginning of the year	2,755.03	357.30	-
Add: Shares issued on rights issue basis	4,313.63	2,397.73	357.30
Balance at the end of the year	**7,068.66**	**2,755.03**	**357.30**
Debenture Redemption Reserve			
Balance at the beginning of the year	-	-	11,660.97
Add: Amount transferred from Surplus in Statement of Profit and Loss	-	-	-
Less: Amount transferred to General Reserve	-	-	(11,660.97)
Balance at the end of the year	-	-	-
Impairment Reserve			
Balance at the beginning of the year	3,403.13	2,591.42	2,419.29
Add: Amount transferred from Retained Earnings	685.61	811.71	172.13
Balance at the end of the year	**4,088.74**	**3,403.13**	**2,591.42**
General Reserve			-
Balance at the beginning of the year	11,660.97	11,660.97	-
Add: Amount transferred from Debenture Redemption Reserve	-	-	11,660.97
Balance at the end of the year	**11,660.97**	**11,660.97**	**11,660.97**
Retained Earnings			
Balance at the beginning of the year	7,278.25	2,888.68	-749.60
Add: Profit for the year (net of taxes)	7,999.66	6,531.58	4,763.01
Less: Appropriation :-			
Transfer to Statutory Reserve	1,599.94	1,330.30	952.60
Transfer to Debenture Redemption Reserve			-
Transfer to Impairment Reserve	685.61	811.71	172.13
Total appropriations	2,285.55	2,142.01	1,124.73
Balance at the end of the year	**12,992.36**	**7,278.25**	**2,888.68**
Other Comprehensive Income			
Balance at the beginning of the year	19.91	26.88	23.50
Add: Other Comprehensive Income (OCI) for the year (net of taxes)	(107.60)	(6.97)	3.38
Balance at the end of the year	**(87.69)**	**19.91**	**26.88**
Total	**44,014.49**	**31,808.80**	**22,886.46**

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Note 21.1: Nature and purpose of reserve

Statutory reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly, an amount of ₹1,599.94 Lakhs (March 31, 2021 ₹1,330.30 Lakhs and March 31, 2020, ` 952.60 Lakhs) representing 20% of Profit for the period is transferred to the fund for the year.

Securities Premium

This Reserve represents the premium on issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Debenture Redemption Reserve

In terms of Section 71 of the Companies Act, 2013 read with Rule 18 (7) of Companies (Share Capital and Debentures) Rules 2014, the Company has created Debenture Redemption Reserve in respect of Secured Redeemable Non-Convertible Debentures and Unsecured Redeemable Non-Convertible Debentures issued through public issue as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

In accordance with The Companies (Share Capital and Debentures) Amendment Rules, 2020, any non-banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. Also, the exceptions as available to NBFCs earlier have been retained in terms of creation of DRR for privately placed debentures.

Further, the Company shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in the manner mentioned in Rule 18(7)(c). Accordingly, the Company has deposited ₹9,853.14 Lakhs in deposit account for debenture redemption.

Impairment Reserve

In accordance with RBI circular no. RBI/2019-20/170 dated March 13, 2020, the company has provided for impairment allowances as required by Ind AS. In parallel the company has also determined the asset classification and computed the impairment provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP).

Further, since impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP the difference has been appropriated from net profit after tax to 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. No withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI. The requirement for 'Impairment Reserve' shall be reviewed, going forward as per further instructions from RBI

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained Earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Other Comprehensive Income

Remeasurement of defined benefit plans

It represents the gain/(loss) on re-measurement of Defined Benefit Obligation and Plan assets.

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Annexure- VI: Notes to Reformatted Summary Statement of Profit and Loss

Note 23: Interest Income (` in Lakhs)

Particulars	March 31, 2022			March 31, 2021			March 31, 2020		
	On Financial assets measured at fair value through OCI	On Financial assets measured at amortized cost	Interest income on financial assets classified at fair value through profit or loss	On Financial assets measured at fair value through OCI	On Financial assets measured at amortized cost	Interest income on financial assets classified at fair value through profit or loss	On Financial assets measured at fair value through OCI	On Financial assets measured at amortized cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans									
Gold Loans	-	60,216.73	-	-	51,413.21	-	-	467,21.81	-
Other Loans	-	382.32	-	-	1,390.56	-	-	1,898.66	-
Interest on deposits with banks	-	1,425.23	-	-	900.58	-	-	794.59	-
Interest on fair value of deposit	-	102.11	-	-	94.87	-	-	95.37	-
Total	-	**62,126.39**	-	-	**53,799.22**	-	-	**49,510.43**	-

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Note 24: Fees and commission Income			(□in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Ancillary Charges on Loan	278.87	308.80	297.89
Commissions	15.80	12.44	13.55
Demat Services	13.85	13.75	19.57
Insurance Services	4.90	13.57	7.60
Money Transfer Services	21.67	23.55	45.75
Others	3.17	3.70	9.19
Total	**338.26**	**375.81**	**393.55**

Note 25: Other Income			(₹ in Lakhs)
Particulars	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Net gain / (loss) on derecognition of property, plant and equipment	0.78	2.14	10.00
Net gain on foreign currency transaction and translation	13.30	7.00	19.44
Total	**14.08**	**9.14**	**29.44**

Note 26: Finance Cost						(₹ in Lakhs)
Particulars	**March 31, 2022**		**March 31, 2021**		**March 31, 2020**	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
Interest on debt securities	-	23,880.19	-	21,636.58	-	19,508.81
Interest on borrowings (other than debt securities)	-	8,561.07	-	5,959.38	-	4,849.65
Interest on subordinated liabilities	-	3,538.55	-	3,074.20	-	3,174.63
Interest on lease liability	-	431.51	-	578.02	-	202.60
Bank Charges	-	480.10		333.16		327.77
Dividend on CCPS	-	23.87	-	11.22	-	43.52
Total	-	**36,915.29**	-	**31,592.56**	-	**28,106.98**

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Note 27: Impairment on financial instruments						(₹ in Lakhs)
Particulars	March 31, 2022		March 31, 2021		March 31, 2020	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
Loan Assets	-	466.73	-	512.03	-	80.18
Bad Debts Written Off	-	0.67	-	-	-	119.76
Other Assets	-	102.19	-	220.75	-	-
Total	-	**569.59**	-	**732.78**	-	**199.94**

Note 28: Employee Benefits Expenses			(₹ in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Salaries and Wages	7,709.22	6,656.56	6,195.29
Provision for Gratuity	433.94	301.00	47.84
Contribution to Provident and Other Funds	61.33	64.83	223.23
Staff Welfare Expense	154.39	377.14	142.96
Total	8,358.88	**7,399.53**	**6,609.32**

Note 29: Depreciation, amortization and impairment			(₹ in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Depreciation of property, plant and equipment	1,027.87	1,004.59	1,066.58
Depreciation on Right of use assets	1,718.42	1,430.22	1,430.27
Amortization of intangible assets	46.08	38.76	41.15
Less: Depreciation adjusted against windmill income	(61.43)	(55.53)	(63.63)
Less: Depreciation adjusted against Estate Income	(7.67)	(8.73)	(8.53)
Total	2,723.27	**2,409.31**	**2,465.84**

Note 30: Other Expenses			(₹ in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Advertisement and publicity	543.92	323.52	858.24
Annual Maintenance Charges	189.00	44.93	36.25
Auditors' fees and expenses (Refer note 30.1)	31.85	27.74	25.08
CSR Expenses (Refer note 30.2)	172.73	162.17	84.29
Donation	10.67	75.58	32.76
Electricity & Water Charges	175.13	176.92	172.26
GST	301.68	244.04	244.34
Insurance Charges	31.80	30.00	24.95
Legal & Professional Charges	273.43	249.67	363.29
Office Expenses	164.36	96.02	97.02
Printing and Stationery	214.36	213.21	157.66
Rates and Taxes	25.29	30.24	30.50

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Rating Fee	107.90	72.70	57.87
Repairs & Maintenance	211.38	127.33	181.34
Remuneration to Non-executive Directors	4.30	3.10	3.35
Security Charges	153.01	105.65	100.20
Telephone Expenses	185.35	161.02	259.12
Travelling Expenses	211.71	149.19	217.11
Trustee Remuneration	24.28	21.84	15.87
Vehicle Expenses	28.66	13.81	30.89
Estate (Income) / Expenses, net	99.93	101.65	92.83
Windmill (Income) / Expenses, net	25.73	20.30	25.97
Total	**3,186.47**	**2,450.63**	**3,305.44**

Note 30.1: Auditor's fees and expenses			(₹ in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
For statutory audit	19.47	19.47	17.70
For Taxation Matters	2.60	2.60	
For Other Services	7.78	5.67	7.38
For Reimbursement of Expenses	2.00	-	-
Total	**31.85**	**27.74**	**25.08**

Note 30.2: Expenditure on Corporate Social Responsibility			(₹ in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
a) Gross amount required to be spent by the Company during the year	172.34	162.17	112.84
b) Amount spent during the period	172.73	162.17	84.29
c) Shortfall (Excess) at the end of the year	(0.39)	-	28.55
d) Total of previous years shortfalls	-	-	
e) Reason for shortfall	-	-	
f) Nature of CSR activities	Promoting health care including preventive health care, Training to promote rural sports, setting up of homes for women, eradicating hunger, Promoting education, Empowering women.		
g) Details of related party transactions	-	51.90	-
h) Provision made during the year	-	-	-
Total	172.73	**162.17**	**84.29**

The company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII to the Companies Act, 2013.

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Note 30.3: Windmill Income / (Expenses), net			₹ in Lakhs
Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Income from Windmill	47.72	46.68	37.66
Depreciation - Windmill	(61.43)	(55.53)	(63.63)
AMC Charges	(12.02)	(11.45)	-
Total	**(25.73)**	**(20.30)**	**(25.97)**

Note 30.4: Estate Income / (Expenses), net			₹ in Lakhs
Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Income from Estate	108.94	114.65	89.20
Depreciation - Estate	(7.67)	(8.73)	(8.53)
Estate Expense	(201.20)	(207.57)	(173.50)
Total	**(99.93)**	**(101.65)**	**(92.83)**

Note 31.1: Income Tax			(` in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Current tax	2,762.33	2,529.52	2,387.31
Adjustment in respect of income tax of earlier year	-	309.73	2,478.79
Deferred tax relating to origination and reversal of temporary differences	(36.76)	228.53	-383.21
Income tax expense reported in statement of profit and loss	**2,725.57**	**3,067.78**	**4,482.89**
Income tax recognised in other comprehensive income (OCI)	-		
Deferred tax related to items recognised in OCI during the period:	-		
- Acturial gain/loss moved from PL	36.19	2.35	-1.14
- Remeasurement of defined benefit plans		-	-
Income tax charged to OCI	**36.19**	**2.35**	**-1.14**

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all the profits had been charged at India's corporate tax rate.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2022, the year ended March 31, 2021 and the year ended March 31, 2020, are as follows:

			(₹ in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Accounting profit before tax	10,725.23	9,599.36	9,245.90
Applicable tax rate	25.168%	25.168%	25.168%
Computed tax for the year	2,699.33	2,415.97	2,327.01
Rate Difference	-	-	192.26
Tax paid for earlier periods	-	309.73	2,478.79
DTA not recognised earlier	(51.56)	274.08	-567.60
Dividend on CCPS	6.01	2.82	10.95
Exempt income	25.83	23.39	21.22
Donation and CSR	46.16	40.72	17.03
Others	(0.20)	1.07	3.23

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Income tax expense reported in the Statement of Profit and Loss	2,725.57	3,067.78	4,482.89
	25.41%	31.96%	48.49%

As per amendment u/s 115BAA of Income Tax Act 1961, existing Domestic companies are provided with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The company, vide the provisions of this section, has irreversibly opted for the new tax rate of 25.168% inclusive of surcharge @ 10% and cess @ 4%.

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(₹ in Lakhs)

Deferred Tax Assets/(Liabilities)	March 31, 2022	March 31, 2021	March 31, 2020
Depreciation and Amortisation	715.49	679.01	655.64
Provision against loans	294.22	294.16	512.68
Fair value gain/(loss) on security deposits	51.20	55.26	47.69
Right of use assets / (liability)	47.93	32.18	-12.13
Provision for retirement benefits	101.68	52.93	35.37
Provision Others	81.28	-	-
Amortisation of processing fees expenses as per EIR	(375.74)	(270.41)	-169.94
Long Term Capital loss	-	-	-
MAT Credit Entitlement	-	-	-
Deferred Tax Assets (net)	**916.06**	**843.13**	**1,069.31**

Reconciliation of deferred tax assets/(liabilities) (₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Opening balance	843.13	1,069.31	695.30
Tax income/(expense) during the period recognised in Statement of Profit and Loss	36.76	(228.53)	383.21
MAT utilised for tax payment	-	-	-8.06
Tax income/(expense) during the period recognised in OCI	36.19	2.35	-1.14
Closing balance	**916.06**	**843.13**	**1,069.31**

Note 32: Earnings per share (₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Net profit attributable to ordinary equity holders	7,999.66	6,531.58	4,763.01
Weighted average number of equity shares for basic earnings per share	20,88,58,528	19,75,23,233	19,16,01,770
Earnings per share:			
Basic earnings per share (₹)	3.83	3.31	2.49

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(₹ in Lakhs)			
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Net profit attributable to ordinary equity holders	7,999.66	6,531.58	4,763.01
Add : Interest on Preference Shares	23.87	11.22	43.52
Adjusted profit for diluted earnings per share	8,023.53	6,542.80	4,806.53
Weighted average number of equity shares for basic earnings per share	20,88,58,528	19,75,23,233	19,16,01,770
Effect of dilution:	-	1,20,00,000	1,20,00,000
Weighted average number of equity shares for diluted earnings per share	20,88,58,528	20,95,23,233	20,36,01,770
Earnings per share:			
Diluted earnings per share (₹)	3.83	3.12	2.36

Annexure - VII: Significant Accounting Policies and Notes to the Financial Statements

1 Corporate Information

Kosamattam Finance Limited is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its debt securities are listed on the Bombay Stock Exchange. The company had been primarily incorporated as a Private Limited Company and converted into a Public Limited Company on November 22, 2013.

The Company is a Non-Banking Finance Company ('NBFC'), which provides a wide range of fund-based and fee-based services including gold loans, money exchange facilities, etc. The Company is a Systemically Important Non-Deposit Taking Non-Banking Financial Company Registered under Sec 45IA of RBI Act. The Company currently operates through 945 branches spread across the country.

The registration details are as follows:

RBI	B-16.00117
Corporate Identity Number (CIN)	U65929KL1987PLC004729

The financial statements of the Company for the year ended March 31, 2022, were approved for issue in accordance with the resolution of the Board of Directors on May 21, 2022

2 Basis of preparation and presentation

2.1 Statement of Compliance

The financial statements have been prepared as a going concern in accordance with the Indian Accounting Standard ('Ind AS'), notified under section 133 of the Companies Act,2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules,2015 and Companies (Indian Accounting Standards) amendments Rules,2016 issued by the Ministry of Corporate Affairs (MCA).

For all periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). The financial statements for the year ended 31 March 2020 are the first financial statement of the Company prepared in accordance with Ind AS.

These financial statements may require further adjustments, if any, necessitated by the guidelines/clarifications/directions issued in future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

i) Fair value through other comprehensive income (FVOCI) instruments,

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ii) Other financial assets held for trading,
iii) Financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.3 Presentation of Financial Statements

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when there is an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event and the parties intend to settle on a net basis

2.4 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest lakhs, except when otherwise indicated.

2.5 New Accounting Standards those are issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification that would have been applicable from April 01, 2021.

3 Significant accounting policies

3.1 Recognition of interest income

The Company recognizes interest income by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.
For purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
For other credit-impaired financial assets, the Company applies an effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.
The effective interest rate on a financial asset is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While estimating future cash receipts, factors like expected behaviour and life cycle of the financial asset, probable fluctuation in collateral value, etc. are considered which has an impact on the EIR.

While calculating the effective interest rate, the Company includes all fees and points paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

3.2 Recognition of revenue from the sale of goods or services

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to the customer, excluding amounts collected on behalf of third parties.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identity contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

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Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from a contract with the customer for rendering services is recognized at a point in time when the performance obligation is satisfied.

3.3 Financial instruments

A. Financial Assets

3.3.1 Initial recognition and measurement

All financial assets are recognized initially at fair value when the parties become parties to the contractual provisions of the financial asset. In the case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

3.3.2 Subsequent measurement

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

a. Financial assets measured at amortized cost

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is measured at FVTPL.

B. Financial liabilities

3.3.3 Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, non-convertible debentures, loans, and borrowings including bank overdrafts.

3.3.4 Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.4 Derecognition of financial assets and liabilities

3.4.1 Financial Asset

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

3.4.2 Financial Liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability with the difference charged to profit or loss.

3.5 Offsetting

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Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business

b. The event of default

c. The event of insolvency or bankruptcy of the Company and/or its counterparties

3.6 Impairment of financial assets

In accordance with Ind AS 109, the Company uses the 'Expected Credit Loss model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

Further, in accordance with RBI circular no. RBI/2019-20/170 dated March 13, 2020, the impairment allowances as per ECL shall be compared with the required provisioning under IRACP. If the impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP the difference is appropriated from net profit after tax to 'Impairment Reserve'.

3.6.1 Overview of the Expected Credit Loss (ECL) model

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

- At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

- At an amount equal to 12-month expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses mean expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses mean the portion of Lifetime ECL that represents the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial asset's credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses.

Based on the above process, the Company categorizes its loans into three stages as described below:

For non-impaired financial assets

• Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial asset. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. Interest revenue is calculated on the gross carrying amount of the asset.

• Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognizes lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision. Interest revenue is calculated on the gross carrying amount of the asset.

For impaired financial assets:

Financial assets are classified as stage 3 when there is objective evidence of impairment at the reporting date.

The Company recognizes lifetime ECL for impaired financial assets and interest revenue is calculated on the net carrying amount of the asset.

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3.6.2 Estimation of Expected Credit Loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.
The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral.

Forward-looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. Periodically, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation, etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as Land, buildings, securities, etc. However, the fair value of collateral affects the calculation of ECL. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral is valued based on data provided by third parties or management judgments. In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes of such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet. Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

3.7 Determination of fair value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 inputs are unobservable inputs for the asset or liability.
The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

3.8 Cash and cash equivalents
Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

3.9 Bank Balances other than cash and cash equivalents
Bank balances other than cash and cash equivalents include earmarked balances with banks and balances which are held as margin money or security against borrowings, guarantees, and other commitments.

3.10 Other receivables
Other receivables mean receivables emanating from items that are classified as 'others' under 'Revenue from Operations'.

3.11 Property, plant, and equipment
Property, plant, and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment if any. Cost of an item of property, plant, and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant, and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress. Subsequent expenditure related to the asset is added to its carrying amount or recognized as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.11.1 Depreciation
Depreciation on property, plant, and equipment is calculated using written down value method (WDV) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:	
Particulars	*Useful Life*
Building	*60 Years*
Building - Compound Wall and Well	*5 Years*

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Furniture and Fixtures	*10 Years*
Electrical Fittings	*10 Years*
Computer	*3 Years*
Vehicles	*8 Years*
Plant and Machinery	*22/15 Years*

The residual values, useful lives, and methods of depreciation of property, plant, and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates.

Property, plant, and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income/expense in the statement of profit and loss in the year the asset is derecognized. The date of disposal of an item of property, plant, and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.12 Intangible assets

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Subsequent expenditure related to the asset is added to its carrying amount or recognized as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortized on a straight-line basis over a period of 10 years unless it has a shorter useful life.

Gains or losses from the derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit or Loss when the asset is derecognized.

3.13 Impairment of non-financial assets: Property, Plant and Equipment and Intangible Assets

The Company assesses, at each reporting date, whether there is any indication that any property, plant and equipment, and intangible assets or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. A recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount

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3.14 Finance costs

Finance costs represent interest expense recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortized cost of financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. Any subsequent changes in the estimation of the future cash flows are recognized in interest income with the corresponding adjustment to the carrying amount of the assets.

3.15 Employee Benefits Expenses

3.15.1 Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include benefits such as salaries, wages, short-term compensated absence, etc. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

3.15.2 Post-Employment Benefits

A. Defined contribution schemes

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund at the prescribed rates and are charged to Statement of Profit and Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.

B. Defined Benefit schemes

Gratuity

The Company provides for gratuity covering eligible employees under which a lump sum payment is paid to vested employees at retirement, death, incapacitation, or termination of employment, of an amount reckoned on the respective employee's salary and his tenure of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under a defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases, and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods

3.16 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.17 Taxes

Income tax expense for the year comprises of current tax and deferred tax.

3.17.1 Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss i.e., either in other comprehensive income or in equity.

Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.17.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the financial statements for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits, and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss i.e., either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.17.3 Goods and services tax /value-added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the goods and services tax/value-added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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3.18 Other income and expenses

All other income and expenses are recognized in the period they occur.

3.19 Contingent Liabilities and Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are neither recognized nor disclosed in the financial statements.

3.20 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

3.21 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on the historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

3.22 Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue-generating, investing and financing activities of the Company are segregated.

3.23 Leases

The Company has adopted Ind AS 116-Leases effective from 1st April 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application.

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) The contract involves the use of an identified asset

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(ii) The Company has substantially all of the economic benefits from the use of the asset through the period of the lease and

(iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term

Leases) and leases of low-value assets. For these short-term and leases of low-value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

4 Significant accounting judgments, estimates, and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty, and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

4.1 Business Model Assessment

Classification and measurement of financial assets depend on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed, and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4.2 Effective Interest Rate (EIR) method

The Company's EIR methodology recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given and recognizes the effect of potentially different

SDS & COMPANY H.O. TRICHUR Br. COCHIN CALICUT CHENNAI CHARTERED ACCOUNTANTS interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgment regarding the expected behaviour and life-cycle of the instruments, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

4.3 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4 Contingent liabilities and provisions other than impairment on a loan portfolio

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation and arbitration in the ordinary course of business. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter, and historical evidence from similar incidents. Significant judgment is required to conclude these estimates.

4.5 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

4.6 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets, etc.

Annexure - VIII: Capitalization Statement as at March 31, 2022

(` in lakhs)

Particulars	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Debt Securities	2,53,579.71	2,60,310.37	2,33,857.02
Borrowings (other than debt securities)	1,31,944.31	85,261.02	52,188.37

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Total Debts (A)	**3,85,524.02**	**3,45,571.39**	**2,86,045.39**
Equity Capital			
Equity Share Capital	21,687.93	20,250.05	19,160.18
Other Equity			
Cumulative Convertible Preference Shares	NA	NA	NA
Capital Reserve	9.07	9.07	9.07
Statutory Reserve	8,279.52	6,679.58	5,349.28
Revaluation Reserve	2.86	2.86	2.86
Debenture Redemption Reserve	-	-	-
Securities Premium	7,068.66	2,755.03	357.30
General Reserve	11,660.97	11,660.97	11,660.97
Impairment Reserve	4,088.74	3,403.13	26.88
Other comprehensive Income	(87.69)	19.91	2,591.42
Retained Earnings	12,992.36	7,278.25	2,888.68
Total Shareholders' Funds (B)	**65,702.42**	**52,058.85**	**42,046.64**
Debt/Equity (A)/(B)	**5.87**	**6.64**	**6.80**

Annexure -IX: Statement of Secured Loans and Unsecured Loans

1 Secured Loans (₹ in Lakhs)

Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
(i) Debentures			
Secured Redeemable Non-Convertible Debentures (Private Placement)	-	-	1,583.74
Secured Redeemable Non-Convertible Debentures (Public Issue)	2,01,120.22	2,11,646.69	1,85,575.21
(ii) Term Loans from Banks and Financial Institutions	64,614.43	29,996.14	3,460.47
Vehicle Loan	-	-	-
(iii) Short Term Loan from Banks			
Cash Credit/Overdraft	67,329.88	55,264.88	48,727.90
Total	**3,33,064.53**	**2,96,907.71**	**2,39,347.32**

Debt securities: The principal amount of the listed Secured NCDs allotted in terms of various tranches of public issue of NCDs up to XIII[th] tranche, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met.

The principal amount of the Secured NCDs allotted in terms of XIV[th] and XV[th] tranches of public issue of NCDs, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee, and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met.

The principal amount of the Secured NCDs allotted in terms of XVI[th] to XXI[th] tranches of public issue of NCDs, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee, and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company

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equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon.

Borrowings (other than debt securities): Our Term loans, Cash Credits and Working Capital demand Loans are secured by paripassu floating charge on movable assets, current assets, book debts, loans & advances including cash and bank balances along with the existing Secured Creditors. The loans are also guaranteed by the personal guarantee of Mr. Mathew K Cherian - Managing Director of the Company, Mrs. Laila Mathew - Whole Time Director of the Company, Mrs. Jilu Saju Varghese - Director of the Company, Mrs. Milu Mathew and Mrs. Bala Mathew – Relative of director as per the terms mutually agreed with the respective lender bank. In addition to the properties of the Company, the properties of the Directors of the Company -Mr. Mathew K Cherian, Mrs. Laila Mathew and Mrs. Jilu Saju Varghese, Properties of relatives of Directors of the Company - Mrs. Milu Mathew and Mrs. Bala Mathew and the properties of Kosamattam Builders - A partnership firm where Mrs. Jilu Saju Varghese and Mrs. Milu Mathew are partners have also been provided to State Bank of India, South Indian Bank and Dhanlaxmi Bank as collateral Security, on the basis of agreement created with the respective banks.

2. Unsecured Loans		(₹ in Lakhs)	
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
a) Subordinate Debt	23,826.73	24,241.47	22,218.80
b) Perpetual Debt Instrument	565.00	1,190.00	1,190.00
c) Preference Share Other than those that qualify as equity	-	1200.00	1,200.00
Total	**24,391.73**	**26,631.47**	**24,608.80**

Annexure - X: Statement of Accounting Ratios			
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Earnings Per Share - Basic (₹)	3.83	3.31	2.49
Earnings Per Share - Diluted (₹)	3.83	3.12	2.36
Return on Net Worth (%)	12.01%	12.53%	11.34%
Net Asset Value per Equity Share (₹)	30.29	25.71	21.94
Weighted Avg. No. of Equity Shares used in calculating Basic EPS	20,88,58,528	19,75,23,233	19,16,01,770
Weighted Avg. No. of Equity Shares used in calculating Diluted EPS	20,88,58,528	20,95,23,233	20,36,01,770
Total No. of Equity Shares outstanding at the end of the year / period	21,68,79,302	20,25,00,547	19,16,01,770

Notes:

The ratios have been computed as below:

1. Earnings per Share (Basic) = Net Profit/ (Loss) as reformatted, attributable to equity shareholders / Weighted average number of equity shares outstanding during the year
2. Earnings per Share (Diluted) = Net Profit/ (Loss) as reformatted, attributable to potential equity shareholders / Weighted average number of equity shares outstanding during the year post conversion of CCPS.
3. Return on Net Worth (%)= Net Profit/ (Loss) after tax, as reformatted / Net Worth as reformatted
4. Net Assets Value per Equity Share (₹)= Net Worth as reformatted Less Preference Share Capital/ Number of equity shares outstanding at the end of the year
5. Net Worth = Equity Share Capital (+) Compulsory Convertible Preference Shares (+) Reserves and Surplus (excluding Revaluation Reserve)
6. Earnings per share calculations are in accordance with Accounting Standard 20 "Earning Per share".

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Annexure - XI : Details of Dividend			(₹ in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
On Equity Shares			
Fully Paid-up Share Capital (Nos.)	21,68,79,302	20,25,00,547	19,16,01,770
Face Value/ Paid Up Value (₹)	10	10	10
Equity Share Capital (₹ In lakhs)	21,687.93	20,250.05	1,91,60.10
Rate of Dividend	0.00	0.00	0.00
Dividend Per Share	0.00	0.00	0.00
Dividend Distribution Tax	0.00	0.00	0.00
On Preference Shares			
Fully Paid-up Share Capital (Nos.)	-	1,20,000	1,20,000
Face Value/ Paid Up Value (₹)	-	1000	1000
Share Capital (₹ In lakhs)	-	1,200.00	1,200.00
Rate of Dividend	-	3%	3%
Dividend Per Share	-	00.00	0.00
Dividend Distribution Tax	-	0.00	0.00

Annexure - XII: Statement of Contingent Liabilities			(₹ in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Contingent Liability	1,782.20	6,529.84	6,104.20

Annexure - XIII: Statement of Tax Shelter			(₹in Lakhs)
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Profits/ (Losses) before taxes as per books (A)	10,725.23	9599.36	9,245.90
Income Tax Rates (including surcharge and education cess) applicable (B)	25.168%	25.168%	25.168%
Tax Expenses (C)	2,762.33	2,529.52	2,327.19
Permanent Differences			
Provision for NPA and standard assets	102.18	220.75	80.18
Any other disallowances	183.40	161.79	67.66
Dividend Income	-	-	-
Loss (Profit) on Sale of Fixed Asset	-0.78	-2.14	-10.00
Other Exempt Income	102.65	92.92	84.30
Total Permanent Differences (D)	387.45	473.32	222.14
Timing Differences			
Difference between Tax and book Depreciation or vice versa (DTA)/DTL	144.93	97.16	123.37
Other Adjustments (DTA)/DTL	-282.03	-121.42	-115.93
Total Timing Differences (E)	-137.10	-22.14	7.44
Net Adjustments (F) = (D + E)	250.35	449.06	229.58
Tax impact of adjustments (G) = (F) * (B)	63.00	113.02	57.79
Taxable Income (H) = (A + F)	10,975.58	10,050.54	9,475.48
Tax provision based on taxable income (I) = (H * B)	2,762.33	2,529.52	2,384.98
Total tax provision for current tax (J)	2,762.33	2,529.52	2,387.31
Deferred Tax Charges/ (Credit) (K)	-36.76	228.53	-338.21
Tax For Earlier Years(L)	-	309.73	2,478.79
Provision for FBT (M)		-	-
Total tax expense/ (Credit) during the year on timing difference (N) = (J+K+L+M)	2,725.57	3,067.78	4,482.89

Note:

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1 The aforesaid Statement of Tax Shelters is based on the Profit/ (Losses) as per the "Reformatted Summary Statement of Profit and Losses".
2 Provision for Standard Assets is not considered for calculating the Deferred Tax Liability / Asset, as said provision represents a statutory provision as per the guidelines of RBI and in the opinion of the company, it does not result in a timing difference.

Annexure - XIV: Details of Related Parties & transaction with them (₹ in Lakhs)

Key Managerial Personnel

Sl. No.	March 31, 2022	March 31, 2021	March 31, 2020
1	Mathew K Cherian	Mathew K Cherian	Mathew K Cherian
2	Laila Mathew	Laila Mathew	Laila Mathew
3	Jilu Saju Varghese	Jilu Saju Varghese	Jilu Saju Varghese
4	Annamma Varghese C	Annamma Varghese C	Annamma Varghese C
5	Sreenath Palakkattillam	Sreenath Palakkattillam	Sreenath Palakkattillam
6	Kavil Viswambharan Raveendravilasam	Kavil Viswambharan Raveendravilasam	Kavil Viswambharan Raveendravilasam
7	C. Thomas John	C. Thomas John	C. Thomas John
8	Paul Jose Maliakal	Paul Jose Maliakal	Paul Jose Maliakal
9	Sebastian Kurian		

Relative of Key Managerial Personnel

Sl. No.	March 31, 2022	March 31, 2021	March 31, 2020
1	Saju Varghese John	Saju Varghese John	Saju Varghese John
2	Milu Mathew	Milu Mathew	Milu Mathew
3	George Thomas	George Thomas	George Thomas
4.	Sreekanth Palakkattillam	Sreekanth Palakkattillam	Sreekanth Palakkattillam
5	Krishnan Palakkattillam	Krishnan Palakkattillam	Krishnan Palakkattillam

Associates

Sl. No.	March 31, 2022	March 31, 2021	March 31, 2020
1	Kosamattam Ventures Private Limited	Kosamattam Ventures Private Limited	Kosamattam Ventures Private Limited
2	Kosamattam Builders	Kosamattam Builders	Kosamattam Builders
3	Kosamattam Security Systems	Kosamattam Security Systems	Kosamattam Security Systems
4	Velampadikkal Enterprises LLP	Kosamattam Enterprises LLP	Kosamattam Enterprises LLP
5	Kosamattam Builders Private Limited	Kosamattam Builders Private Limited	Kosamattam Builders Private Limited
6	Kosamattam Cherian Foundation	Kosamattam Cherian Foundation	KosamattamCherian Foundation
7	Kosamattam Nidhi Limited	Kosamattam Nidhi Limited	KosamattamNidhi Limited

(₹in Lakhs)

		Particulars	Key Managerial Personnel		
1			March 31, 2022	March 31, 2021	March 31, 2020
	A	**Transactions during the year**			
		Loans taken / recovered during the year	-	-	-
		Remuneration	216.00	207.00	216.00
		Interest Received During the Year	-	177.66	178.15

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		Interest paid on NCD - Listed	0.23	0.18	0.12
		Salaries and Allowances	26.03	21.10	21.95
		Commission	595.00	550.00	60.00
		Loans Repaid	-	1,269.00	-
		Rent paid	135.75	47.58	12.54
		Fixed Assets Purchased	-	-	68.57
		Shares Issued	300.00	-	-
		Non-Convertible Debentures purchased	-	1.18	1.49
		Non-Convertible Debentures redeemed	1.70	-	3.20
		Rent Security Deposit	2.14	55.27	21.00
	B	**Net Amt. Receivable / (Due) as at the year end**			
		Amt. Receivable at the year end	-	-	1269.00

		Particulars	Relative of Key Managerial Personnel		
			March 31, 2022	**March 31, 2021**	**March 31, 2020**
2	A	**Transactions during the year**			
		Interest Paid	3.61	2.23	2.23
		Interest received on Loan	136.90	-	-
		Interest paid on NCD - Listed	14.65	7.31	2.38
		Remuneration	15.18	14.54	13.50
		Loans given	1,250.00	-	-
		Loans Repaid	357.34	-	-
		Subordinate Debts Repaid	15.00	-	-
		Fixed Assets Purchased	-	-	-
		Shares Issued	-	12.50	-
		Non-Convertible Debentures purchased	21.26	31.21	35.70
		Non-Convertible Debentures redeemed	10.00	2.05	8.00
	B	**Net Amt. Receivable / (Due) as at the year end**	**892.66**	-	-

		Particulars	Associates		
			March 31, 2022	**March 31, 2021**	**March 31, 2020**
3	A	**Transactions during the year**			
		Rent Received	-	-	-
		Fixed Asset Purchased	81.11	42.37	68.54
		Advance for Fixed Assets		-	-
		Rendering of Services	176.60	-	-
		Loans & Advances	600.00	-	-
		Loans Repaid	600.00	-	-
		Shares Issued	-	-	-
		Interest Received on Loan	55.23	-	-
		CSR Expenses	-	51.90	-
	B	**Net Amt. Receivable / (Due) as at the year end**	-	-	-

MATERIAL DEVELOPMENTS

There have been no material developments since April 1, 2022 and there haven't arisen any circumstances that would materially or adversely affect the operations, or financial condition or profitability of our Company or the value of its assets or its ability to pay its liabilities within the next 12 months, except as stated below.

The following table sets out our capital adequacy ratios computed on the basis of applicable RBI requirements as of the dates indicated:

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Capital Adequacy Ratio	18.65%	18.60%	17.87%
Tier I Capital	14.45%	13.58%	12.86%
Tier II Capital	4.20%	5.02%	5.01%

Public issue of debentures

1. Public issue of secured redeemable non-covertible debenture and unsecured redeemable non-convertible debentures, of our Company, of face value ₹1,000 each, amount to ₹35,000 lakhs pursuant to the prospectus dated July 11, 2022. The allotment pursuant to this issue was completed on August 11, 2022.

2. Public issue of secured redeemable non-covertible debenture and unsecured redeemable non-convertible debentures, of our Company, of face value ₹1,000 each, amount to ₹40,000 lakhs pursuant to the prospectus dated March 10, 2022. The allotment pursuant to this issue was completed on April 18, 2022.

FINANCIAL INDEBTEDNESS

As on September 30, 2022, our Company had outstanding secured borrowings of ₹ 3,78,388.22 lakhs and unsecured borrowings of ₹ 26,301.93 lakhs. A summary of all the outstanding secured and unsecured borrowings of our Company together with a brief description of certain significant terms of such financing arrangements are as under:

A. Secured loan facilities

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
The South Indian Bank Limited *Cash Credit Open Loan (CCOL)/Overdraft (OD)/ WCDL (Sublimitof CCOL)* Sanction letter dated March 18, 2013 Credit facility agreement dated February 25, 2013 Agreement of hypothecation dated February 25, 2013 Renewed sanction letter dated July 18, 2014 Agreement of Hypothecation dated July 18, 2014 Renewed sanction letter dated October 6, 2016 Renewed sanction letter dated April 28, 2017 Adhoc limit of ₹20 crore	*CCOL- 12,500* *Term Loan 5,000* *Bank Guarantee (Financial) – 26*	Present effective rate is 10.20%	**17,111.24**	Primary Security: First ranking *pari passu* charge on all present and future movable assets (excluding written down value of furniture and fixtures to the extent of ₹10,80,91,696/- on which the Income Tax Department shall have the first charge), including book debts and receiveables, cash and bank balance, loans and advances, of the company, along with other charge holders. **Collateral Security:** a. 29.43 ares of commercial plot with building of 1,700 sq ft under Re Sy No.13/1, (Old Sy. No. 9/3, 9/5/9/3A, 9/5/1/, 9/6) Kottayam Village, Kerala in the name of Kosamattam Finance Limited. b. 200 cents (80.94 ares) of landed property at Re Sy No.253/9/3 of blokc no. 18 of Nattakom village, Kottayam Taluk and District in name of M/s Kosamattam Builders rep. by Jilu Mathew alias Jilu Saju. c. 4.80 ares of land with residential building (4,300 sq. ft) in Re Sy No.121/19 (Old Sy. No. 281/13/3), Block No. 23 Vijayapuram Village, Kottayam Taluk, Kottayam District in the name of Mathew K. Cherian. d. 5.10 ares of land with residential plot with building of 3990 sq.ft in Re. Sy. No. 121/20 (Old Sy. No. 281/13), Block No. 23, Vijayapuram Village, Kottayam Taluk, Kottayam District in the name of Mathew K.	On demand Repayable in 48 installemts

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
sanctioned *vide* letter dated April 25, 2018 Revised letter dated July 6, 2018 for regularisation and closure of the adhoc CCOL limit Sanction letter dated January 31, 2019 for WCDL of ₹150 Crore as sub limit to CCOL Santion letter dated September 24, 2020 for renewing the credit facility Agreement of Hypothecation dated September 24, 2020 Sanction letter dated March 20, 2021 for renewing the credit facility Sanction letter dated November 23, 2021 Sanction letter dated June 29, 2022				Cherian. e. 30.95 ares of house plot at Re. Sy. No. 14, 99, 71 of Block No. 146, Kottayam Village, Kottayam Taluk, Kottayam District in the name of M/s Kosamattam Builders rep. by Milu George alias Milu Mathew. f. 3.87 ares of commercial plot with building at Re Sy No 93/14/2 and 93/18 of Block No. 12, Kumarakom Village, Kottayam Taluk, Kottayam District in the name of Laila Mathew. g. 89.40 acres of land -Cardamom estate with 6100 sq ft old building in Old Sy.No.196/1, 91/1, 91, 92, 212 Re-Sy. No. 501, 500/2, 502,500/1 of Block No. 58, Kattappana, Village, Udumbanchola Thaluk, Idukki District in the name of Kosamattam Finance Limited h. 11.60 ares of land-Cardamom Estate in Sy. No 91/1,91,92 in Chakkupallom Village, Udummbanchola Thaluk, Idukki District in the name of M/s Kosamattam Finance Limited. i. 10.26 ares of vacant land in Sy. No. 279/4A/1, 279/4A/2, 279/4B/ 1, C/1, 157/21, 158/1, 158/2 Re Sy No.117/9-11-4 in Block no. 23, Muttambalam Village, Kottayam Taluk and Distirct in the name of Kosamattam Finance Limited. j. 13.99 ares of land with building in Old Sy No. 243, Re Sy No 7, Vellor Village, Kottayam Taluk, Kerala. **First Pari passu charge on below properties with SBI on reciprocal basis:** 1. EM over 10.60 ares of land and building thereon	

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
				in the name of Mathew K Cherian under Re Sy No 12/4 in Kottayam Village, Kottayam taluk, Kottayam district 2. EM over 6.10 ares of land and building thereon in the name of Mathew K Cherian under Re Sy No 13 in Kottayam Village, Kottayam taluk, Kottayam district 3. EM over 8.47 ares of land and building thereon in the name of Mathew K Cherian under ReSy No 12/3 Old Sy No 8/17 in Kottayam Village, Kottayam taluk, Kottayam district Personal guarantee of promoter directors – Mathew K. Cherian, Laila Mathew, Jilu Mathew and Milu Mathew. Corporate Guarantee – M/s Kosamattam Builders	
State Bank of India *Fund Based Working Capital (CC) – Book Debts/ Term Loan – Working Capital* Sanction letter dated March 28, 2015 Credit facility agreement dated June 11, 2015 Renewed sanction letter dated April 27, 2016	*Cash Credit (WCDL) - 15,000* *Term loan (working capital) – 10,550*	Pricing at 250 bps above 6-month MCLR (MCLR w.e.f. 15.07.2021 is 6.95%) (present effective rate 9.85% p.a) Pricing at 225 bps above 6-month MCLR (MCLR w.e.f. 15.07.2021 is 6.95%) (present effective rate 9.90% p.a)	**22,396.86**	First charge over entire current assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future, of the Company, on *pari passu* basis with the Secured Creditors including debenture trustees and other banks/Financial Institutions in the Multiple Banking Arrangement. Equitable mortgage over 1.85 ares of land and building thereon in the name of Mathew K. Cherian under Re Sy No 30, Old Sy No 38/26A in Changanacherry Village, Changanacherry Taluk, Kottayam District Equitable mortgage over 8.47 ares of land and	On demand 11 quarterly instalments of ₹4.25 crores and last quarterly instalment of ₹3.25 crores 18 Quarterly instalments ₹ 3.20 Crores and 1 Quarterly Installment of ₹ 2.40 Crores.

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
Renewed sanction letter dated February 8, 2017 Renewal sanction letter dated March 1, 2019 Renewed sanction letter dated April 29, 2020 Sanction letter dated June 22, 2020 Supplimental agreement of loan for increase in the over all limit dated June 26, 2020 Supplemental agreement of hypothecation of goods and assets for increase in the over all limit dated June 26, 2020 Sanction letter dated September 08, 2021 Agreement dated September 28, 2021				building thereon in the name of Mathew K. Cherian under Re Sy No 12/3, Old Sy No 8/17 in Kottayam Village, Kottayam Taluk, Kottayam District on pari passu first charge basis with The South Indian Bank Limited Equitable mortgage over 10.60 ares of land and building thereon in the name of Mathew K Cherian under Re Sy No. 12/4, Kottayam Village, Kottayam Taluk, Kottayam Dist on parri passu first charge basis with The South Indian Bank Limited. EM over 6.10 ares of Land and building thereon in the name of Mathew k. Cherian under Re Sy. No. 13 in Kottayam village, Kottayam taluk, Kottayam District on pari passu first charge basis with the South Indian Bank Limited. Cash collateral of ₹43.25 crores secured by lien on term deposit exclusively for cash credit. Personal guarantee of Managing Director – Mathew K. Cherian and Whole Time Director – Laila Mathew.	
Dhanlaxmi Bank Limited *Fund Based Working Capital - Cash Credit Facility (with sublimit of WCDL)*	*Cash Credit - (with sublimit of WCDL) - 5,000*	10.20% p. a. (presently one year MCLR 8.90% +1.30%) Floating with annual reset Present effective rate is 10.20% p.a.	**4,943.00**	First ranking *parri passu* charge on all movable assets (exclusing the charge on the written down value of furniture and fixture of the our Company to the extent of ₹10,80,91,696/- on which Income Tax Department would be having the first charge) and current assets including book debts and receivables,	On demand

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
Sanction letter dated February 12, 2016 Credit facility agreement dated February 15, 2016. Revised sanction letter dated February 17, 2017 Letter reducing rate of interest dated November 1, 2016 Enhancement Sanction letter dated October 11, 2018 for ₹5,000 lakhs Letter dated December 17, 2018 for modification of primary security for cash credit of ₹5,000 lakhs *vide* Enhancement Sanction letter dated October 11, 2018 Renewal sanction letter dated September 23, 2019 Renewal santion letter dated September 4, 2020 Renewal Sanction letter dated September 15, 2021				cash and bank balance, loans and advances, both present and future of our Company thereon with the secured creditors including debenture trustees and other banks/financial institutions in the multiple banking arrangements with 25% margin Equitable mortgage over 11.465 cents of land under R. Sy. No 55/2, 55/3 and 55/4 of block no. 89 at Kodimatha Kara, Kottayam District Equitable mortgage over 10.52 ares 26 cents of commercial land under R Sy No 38/3 and 2.30 ares nilam land under Sy No 36 of block 27 and 109 at Panayakazhippu Kara, Kottayam District Equitable Mortgage over 145.789 cents of land under R Sy No 188/3 of block no. 6 at Arpookara Kara, Kottayam District. Personal guarantee of promoter directors – Mathew K. Cherian, Laila Mathew, Jilu Saju Varghese and Bala Mathew.	

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
Renewal Sanction letter dated July 20, 2022					
Union Bank of India *Cash Credit Facility (WCDL)* Sanction letter dated October 26, 2016 Hypothecation agreement of goods and debts dated December 23, 2016. Revised sanction letter dated December 14, 2017 Hypothecation agreement of goods and debts dated December 20, 2017. Hypothecation (Book Debts) Agreement dated December 20, 2017 Sanction letter dated December 27, 2018 Hypothecation agreement of goods and debts dated December 28, 2018. Hypothecation (Book debt)	*Cash Credit (WCDL) - 7,500* *Term Loan – 5,000*	Present rate for Cash Credit , WCDL and Term Loan is 10.60%, 9.95% and 9.75%, respectively	**11,976.53**	First Pari passu charge on current assets of the Company including book debts, loans and advances and receivables including gold loan receivables along with existing charge holders. Cash collateral of 25% by way of fixed deposit with the lien marked in favour of Union Bank of India. Margin- 25% Personal guarantee of promoter directors – Mathew K. Cherian, Laila Mathew and Jilu Saju Varghese.	On demand Repayable in 33 equal monthly instalments of 1.52 crores

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
agreement dated December 28, 2018 Renewed sanction letter dated June 2, 2020 Composite Hypothecation Deed (SD-20) dated July 4, 2020 Hypothecation (Book Debts) Agreement (SD-05) dated July 4, 2020 Renewal Sanction letter dated August 06, 2021 Term Loan sanction letter dated January 04, 2022 Renewal Sanction letter July 18, 2022					
CSB Bank Limited *Term Loan* Sanction letter dated November 6, 2019 Common Hypothecation Agreement dated November 14, 2019 Sanction letter dated April	*WCDL – 5,000* *Term Loan – 2,500*	Present effective rate is 10.50% p.a. for WCDL and 9.50% for Term loan	**7,078.47**	**Primary Security**: Pari passu first charge over entire current assets including gold loan receivables (present and future) which are standard assets along with other existing lenders under multible banking arrangements. **Collateral Security** (WCDL): Lien noted Cash Collateral equitant to 25% of the aggregate limit (₹12.50 crore, being 25% of the sanctioned limit of ₹50 crore) **Collateral Security (Term Loan):** Lien noted Cash	On demand 36 monthly instalments of .69 crores

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
01, 2020 Rupee Term Loan (RTL) Sanction letter dated December 31, 2020 Common Hypothecation Agreement dated December 31, 2020 Sanction letter dated March 26, 2021 on conversion of existing ODBD limit to WCDL and renewal of existing WCDL Common Hypothecation agreement dated May 26, 2021 Sanction letter dated February 01, 2022.				Collateral equitant to 15% of the term loansanctioned. (₹ 3.75 crore, being 15% of the sanctioned limit of ₹25 crore) **Personal Guarantee**: Mathew K. Cherian, Managing Director, Laila Mathew, Whole time Director and Jilu Saju Varghese, Non Executive Director	
Canara Bank *Over draft against Bank Deposit (Working Capital Demand Loan)* Sanction letter dated September 26, 2017 Common Hypothecation	*Term Loan – 4,000.00 lakhs*	Present effective rate is 9.50%,	**7,791.01**	**Primary Security:** First charge over all movable assets and current assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future, of the Company, (excluding value of furniture and fixtures to the extent of Rs.10.81 crores on which Income Tax Department shall have first charge) on pari-passu basis with all working capital lenders and debenture holders with ACR of not less than 1.33 times. **Collateral:** Cash margin in the form of fixed deposits	To be repaid in 45 installments of ₹ 0.89 Crores each for first 44 months and remaining 45th instalment of ₹ 0.84 Crores

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
Agreement dated September 27, 2017 Guarantee Agreement dated September 27, 2017 Enhancement sanction letter dated November 30, 2018				to the extent of 25 % of the exposure. **Personal Guarantee:** 1. Mathew K. Cherian, 2. Laila Mathew and 3. Jilu Saju Varghese.	
Rupee Term Loan (RTL) Sanction letter dated November 6, 2019 Common Hypothecation Agreement dated November 14, 2019 Sanction letter dated April 01, 2020	*Term Loan – 3,500*			First charge over all movable assets and current assets, including book debts and receivables, cash and bank balancs, both present and future of the company on pari passu basis with all working capital lenders and debenture holders with ACR of 1.33 times.	To be repaid in 32 installments of ₹ 1.06 crores and and 33rd instalment of ₹ 1.08 crores
Sanction letter dated December 31, 2020 Common Hypothecation Agreement dated December 31, 2020	*Term Loan – 5,000*			**Primary Security:** First charge over all movable assets and current assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future, of the Company, (excluding value of furniture and fixtures to the extent of Rs.10.81 crores on which Income Tax Department shall have first charge) on pari-passu basis with all working capital lenders and debenture holders with ACR of not less than 1.33 times. **Collateral:** Cash margin in the form of fixed deposits to the extent of 25 % of the exposure.	To be repaid in 45 intallments of ₹1.11 crores each for first 44 months and remaining 45th instalments of ₹1.16 crores.

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
Sanction Letter dated October 20, 2021 Hypothecation Agreement dated October 29, 2021	*Term Loan - 4,000*			**Personal Guarantee**: 1. Mathew K. Cherian, 2. Laila Mathew and 3. Jilu Saju Varghese **Primary Security:** First charge over all movable assets and current assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future, of the Company, (excluding value of furniture and fixtures to the extent of Rs.10.81 crores on which Income Tax Department shall have first charge) on pari-passu basis with all working capital lenders and debenture holders with ACR of not less than 1.33 times. **Collateral:** Cash margin in the form of fixed deposits to the extent of 25 % of the exposure. **Personal Guarantee**: 1. Mathew K. Cherian, 2. Laila Mathew and 3. Jilu Saju Varghese	To be repaid in 35 installments of ₹ 1.11 crores and one instalment of ₹ 1.15 crores.
The Karur Vysya Bank Limited *Cash Credit Facility against Bank Deposit (Working Capital Demand Loan) – as sublimit to CCBD* Sanction letter dated September 13, 2017 Agreement of Guarantee dated September 15, 2017	*CCBD (WCDL) - 5,000* *Term Loan - 2,500 lakhs*	Present effective rate for CCBD and WCDL is 10.00% and 9.75% p.a., respectively	**6,809.47**	First *pari passu* charge on current assets, booked debts, loans and advances and receivables including gold loan receivables with a margin of 25% 25% cash margin (value of ₹ 1,875 lakhs) Personal guarantee of promoter directors – Mathew K. Cherian, Laila Mathew and Jilu Saju Varghese.	On demand 12 equal instalments of ₹ 2.08 Crores

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
Working Capital Demand Loan Agreement dated August 15, 2017 Hypothecation agreement for cash credit overdraft dated September 15, 2017 Hypothecation Agreement for cash credit/overdraft dated April 02, 2019. Renewal sanction letter dated April 2, 2019 Enhancement of facilities *vide* Sanction letter dated December 2, 2020 Sanction letter dated December 13, 2021 Facility Agreement dated December 23, 2021					
Bank of Baroda *Cash Credit Facility with sublimit for Working Capital Demand Loan* Sanction letter dated December 18, 2017	*Cash Credit facility – 7,500*	2.20% over one year MCLR (applicable on the date of review) + Strategic Premium i.e.9.85% p.a. at present.	**11,756.88**	First *pari passu* charge over the loan assets or book debts funded out of the bank loan with a minimum cover of 1.33 times. Cash collateral of 25% of the sanctioned limit. Cash collateral of 25% of the sanctioned loan limit in the form of term deposit to be kept for the tenure of the loan along with interest credited to the deposit account and lien marked in favour of the bank.	12 months subject to annual review

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
Composite Hypothecation Agreement dated December 27, 2017 Letter dated October 31, 2018 for increasing interest rate. Renewal sanction letter dated April 10, 2019 Sanction letter issued by Vijaya Bank dated March 16, 2018. Agreement for hypothecation of supply bills and book executed with Vijaya Bank dated June 19, 2018. Agreement for demand cash credit against hypothecation of stocks and book executed with Vijaya Bank dated June 19, 2018. Sanction letter dated December 31, 2020 Composite Hypothecation Agreement dated December 31, 2020	*Term Loan – 5,000*	2.20% Over one year MCLR + SP i.e. 9.85% p.a. at present with reset of MCLR annually		Personal guarantee of promoter directors – Mathew K. Cherian, Laila Mathew and Jilu Saju Varghese. First pari-passu charge by way of hypothecation of all chargeable current assets, book. debts, loans and advances and receivables includes gold loan receivables of the Company both present and future along with other fenders including NCO holders. Any underlying / receivables classified as NPA / overdue receivables respectively should be replaced / excluded. Minimum Security Coverage of 1.33 times to be maintained. **Collateral:** Cash Collateral of minimum 25% of the sanctioned limit in the form of Term Deposit to be kept in the form of the tenure of the loan.. **Personal Guarantee:** Mr. Mathew K. Cherian , Mrs. Laila Mathew and Mrs. Jilu Saju Varghese	36 months subject to annual review 12 quarterly instalments

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
Sanction letter dated March 30, 2022					
Punjab National Bank *Cash Credit Facility with sublimit for Working Capital Demand Loan* Sanction letter dated January 5, 2018. Agreement of Hypothecation of Assets dated January 20, 2018 Renewal sanction letter dated July 7, 2019 Renewal sanction letter dated October 17, 2020 Renewal Sanction letter dated February 08, 2022	*Cash Credit (Book Debt)-- 1,000* *Working Capital Demand Loan - 1,500*	Benchmark 1 year MCLR of the bank plus spread of 2.00% chargeable on monthly rests. Present effective rate being 10.00% p.a	**2,461.83**	First *pari passu* charge with the existing secured creditors on entire current assets and all movable assets, including book debt and receivables, cash and bank balances, loan and advances, both present and future of the Company. Margin 25%, Minimum asset coverage – 1.33 times Collateral – Duly discharge term deposit of ₹6.25 crores. Personal guarantee of promoter directors – Mathew K. Cherian (₹45.40 crores) and Laila Mathew (₹6.67 crore).	For a period of one year.
DCB Bank Limited Sanction letter dated August 05, 2019 Deed of hypothecation by borrower dated August 19, 2019	*Working capital demand loan (WCDL) - 3,000*	Present effective rate is 9.5% p.a.	**3,971.87**	Pari-passu charge on entire current assets including entire loan receivables of the Company along with other participating banks & secured debenture holders. Minimum asset cover of 1.10 times of the loan outstanding with DCB Bank at all times. Cash margin @ 10% Guarantee: Mathew K. Cherian, Laila Mathew and	

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
Agreement for revolving WCDL facility dated August 19, 2019 Deed of hypothecation dated July 29, 2020 Enhancement of facilities *vide* sanction letter dated March 23, 2021 Sanction letter dated June 13, 2022		9.93% [6 months MCLR 9.68% + 0.25%]		Jilu Saju Varghhse	On 89 days of disbursement and rollover in 2 days
The Federal Bank Limited Agreement for working capital facility dated December 31, 2020 Sanction letter dated December 31, 2020 Sanction letter dated September 29, 2021 Loan Agreement dated September 29, 2021	*LDS Working Capital Loan – 120* *Cash Credit – 80* *Term Loan - 7,300*	One year MCLR MCLR+1.90% Present effective Rate is 10%	**5,029.23**	**Primary:** First pari passu charge over the gold loan assets or book debts funded out of the bank loan i.e. Assignment of book debts, created out of the funds borrowed from the bank along with debenture trustees and other Banks/ Multiple Banking Arrangement. **Collateral**: Fixed Deposit of 25% of the sanctioned limit. **Presonal Guarantee**: Mathew K. Cherian and Laila Mathew.	For 12 months Repayment in 18 equal instalments
Bank of Maharashtra Sanction letters dated March 03, 2021 and March 04, 2021. Deed of Hypothecation for	*Term Loan-10,000*	MCLR+2.70%=10.00% p.a.with monthly rests and annual rest of MCLR.	**7,429.14**	**Primary:** First Pari-Passu charge by way of Hypothecation of standard loan receivables of the company to the extent of 1.33 times of outstanding loan. **Collateral Security:** 25% of the sanctioned amount in the form of fixed deposit	Span of Repayment-Door –To-Door: 60 Months Moratorium-3 months Repayment of Principal: 57 Months

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
all facilities dated March 31, 2021				**Personal Guarantee:** 1. Mr. Mathew K. Cherian, Managing Director 2. Laila Mathew, Whole-Time Director	Repayment Commercial Date: After the Moratorium period of 3 months Repayment end date: within 5 years from first disbursement
IDFC First Bank Limited Sanction letter dated November 20, 2021 Deed of Hypothecation dated December 10, 2021 Facility Agreement dated December 10, 2021 New Term Loan sanction letter dated September 03, 2022	*Term Loan - 5,000 lakhs* *Term Loan – 10,000 lakhs* *CC – 500 lakhs*	10.25% p.a 12 months MCLR plus a spread of 1.55%	**13, 153.02**	First paripassu charge over loan receivable and book debts of the borrower so as to provide a security (Primary Amount) cover 1.15 times on principal Outstanding. Loans provided by way of security must be less than 90DPD	Door to door 24 months. Equal monthly repayment from the date of disbursement.
Tata Capital Financial Services Limited Sanction letter dated September 20, 2021 Deed of Hypothecation dated September 28, 2021 Loan agreement dated September 28, 2021	*Term Loan - 2,500 lakhs* *Term Loam – 1,607 lakhs*	12.30% p.a 10.75% p.a	**2,998.18**	First pari passu charge by thenway of hypothecation of Standard loan receivables of the company, with a minimum asset cover of 1.33x (Standard Assets) of outstanding loan	36 months including 3 months moratorium Repayment in 36 equal installments

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
New Term Loan sanction letter dated September 16, 2022					
Indian Bank Sanction letter dated November 15, 2021 Agreement of Hypothecation dated December 10, 2021 Term Loan Agreement dated December 10, 2021	*Term Loan - 2,500 lakhs* *CC/WCDL - 1,000 lakhs*	1year MCLR (7.30%) +3.25% Present effective rate -10.55%	**3,141.66**	Paripassu charge by way of hypothecation/assignment over specific standard receivables/book debts in respect of specific loans (excluding assets ineligible for bank financing, asset securitised and pertaining to group concerns) disbursed by the company to individual borrowers with 1.20 times coverage of loan outstanding at any point of time by replacing the closed loans/NPA loans with fresh loans.	Repayment in 30 monthly instalments after moratorium period of 6 months I year
Northern Arc Capital Sanction letter dated January 28, 2022 Sanction letter dated September 27, 2022	*Term Loan- 5,000.00 lakhs* *Term Loan 4,000.00 lakhs*	Present effective Rate - 11.00%	**7,161.89**	First pari passu charge on all existing and future movable assets including intangibles, book debts, and current assets of the Borrower (including gold loan receivables, book debts, stock in trade etc.) subject to the charge the Income Tax Department has in terms of applicable law on the furniture and fixtures of written down value of Rs. 10,80,91,696 indicated in the Order u/s.281 dated 26/12/2018 to be excluded from the permission granted thereunder under clause (ii) of section 281 of the Income Tax Act, 1961.	18 installments of ₹ 302.59 lakhs
HDFC Bank Limited Sanction letter dated February 28, 2022	*WCDL – 5000.00 lakhs*	Present effective rate – 8.25%	**5,000.00**	Pari-passu first charge over entire current assets of the company including gold loan receivables (Present and future) which are standard assets along with other existing lenders undr MBA with 25% margin.	On demand

Name of the lender, facility and details of documentation	Amount sanctioned (in ₹ lakhs)	Rate of interest	Amount outstanding as on September 30, 2022 (in ₹ lakhs)	Security	Repayment date/ Schedule
ESAF Small Finance Bank Limited Sanction letter dated March 09, 2022	*Term Loan – 3,000 lakhs*	Repo Rate + 6.50% Present effective Rate – 11.90%	**2,249.85**	First paripassu charge on current assets, book debt, loans and advances and receivables including gold loan receivables (excluding investment made by way of NCDs and loans given to group companies/related parties) with 15% Margin.	In 8 quarterly Installments
Bandhan Bank Limited Sanction letter dated August 26, 2022	*Term Loan 10,000 lakhs* *Overdraft – 500 lakhs*	Present effective Rate -11.00 % Present effective rate -10.70%	**12,000.00**	1st paripassu charge over the receivables of the company (Standard) with security coverage ratio of 1.10x times	12 equal monthly instalments with a moratorium of 3 months. On demand
Equitas Small Finance Bank Limited Sanction letter dated September 16, 2022	*Term loan – 1500 lakhs*	10.00% p.a	**1,500.00**	First paripassu charge by way of hypothecation of all chargeable current assets, book debts, loans and advances and receivables including gold loan receivables of the company both present and future with a cover of 1.10x	15 equal monthly instalments
Total outstanding bank borrowings of our Company as on September 30, 2022 was ₹ 1,55,960.13 lakhs.					

- **Secured Non-Convertible Debentures**

Our Company has issued, on private placement basis, secured redeemable non-convertible debentures under various series of which ₹ 46.15 lakhs was cumulatively outstanding as on September 30, 2022, the details of which are set forth below.

Debenture Series	Date of Allotment	Coupon (in %)	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Tenure	Redemption Date	Security
Kosamattam Secured Bonds*	August 18, 2010 to January 24, 2014	10% to 12.75%	46.15	36 months to 66 Months	July 01, 2019	First ranking *pari passu* charge over all movable assets including book debts and receivables, cash and bank balances; loans and advances, both present and future of the Company pertaining to loans granted by the Company
Total			**46.15**			

**Redemption date is expired and pending for disbursement because of the existence of pending suit between the heirs.*

Restrictive Covenants

Our financing agreements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the lenders before carrying out such activities. For instance, our Company, *inter-alia*, is required to obtain the prior written consent in the following instances:

- to declare dividend other than from the profits for the current year;
- for any change in the management/constitution, takeovers/mergers etc. or any expansion, new project/investment/acquiring assets under lease/enter into borrowing arrangements;
- to undertake any new project, or diversification, modernisation or substantial expansion of the project, or alter the financing plans or the scope of the project whether by way of any reduction or increase to its size, layout, specification or quality or otherwise;
- engage in any business or activities other than those which the borrower is currently engaged in, either alone or in partnership or joint venture with any other person, nor acquire any ownership interest in any other entity or person or enter into any profit sharing or royalty agreement or other similar arrangement whereby the borrower's income or profits are, or might be shared with any other entity or person, or enter into any management contract or similar arrangement whereby its business or operations are managed by any other person;
- to contract, create, incur, assume or suffer to exist any indebtedness in any manner whatsoever except as otherwise permitted under the credit facility agreement. This provision shall not apply to normal trade guarantees;
- to prepay any indebtedness incurred by the borrower. If the bank permits the borrower to prepay any such indebtedness the borrower shall if so required by the bank, make proportionate prepayment to the bank subject to such conditions (including payment of prepayment charges) as may be stipulated by the bank;
- to pay any commission to its promoters, directors, trustees, members, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability in connection with any

indebtedness incurred by the borrower or in connection with any other obligation undertaken for or by the borrower;

- to create any subsidiary or permit any company/other entity to become its subsidiary;

- to undertake or permit any merger, de-merger, consolidation, reorganisation, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction or change its constitution;

- make any investments whether by way of deposits, loans, or investments in share capital or otherwise, in any concern or provide any credit or give any guarantee, indemnity or similar assurance except as otherwise permitted under the credit facility agreement. This provision shall not apply to loans and advances granted to staff or contractors or suppliers in the ordinary course of business;

- to create or permit to subsist any encumbrance (save and except for securing borrowings for working capital requirements in the ordinary course of business, up to the limit approved by the bank) or any type of preferential arrangement (including retention arrangements or escrow arrangements having the effect of granting security), in any form whatsoever on any of its assets including Intellectual Property and Intellectual Property Rights, or (b)(whether voluntarily or involuntarily) sell, transfer, grant lease or otherwise dispose of or deal with (or agree to do any of the foregoing at any future time), all or any of its assets including Intellectual Property and Intellectual Property Rights;

- carry out or permit any material amendment, termination or cancellation of any (i) project document including any agreements with its machinery suppliers, collaborators, technical consultants and suppliers of raw materials, or (ii)agreements, documents or arrangements entered into with, or executed in favour of, any other bank or providers of funds;

- declare or pay any dividend or authorise or make any distribution to its shareholders: (a) unless it has paid all the dues in respect of the facilities up to the date on which the dividend is proposed to be declared or paid, or has made satisfactory provisions therefor, and/or (b) if an event of default has occurred and is subsisting or would occur as a result of such declaration or payment of dividend or authorisation or making of distribution;

- (a) buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any of its share capital now or hereafter outstanding, or set aside any funds for the foregoing purposes, or (b) issue any further share capital whether on a preferential basis or otherwise or change its capital structure in any manner whatsoever;

- change such of the financial year-end which has been intimated to the bank (or such other date as may be approved by the bank);

- change the accounting method or policies currently followed by the borrower;

- amend or modify its Memorandum and Articles of Association/Bye Laws/Trust Deeds;

- the borrower shall not compound or release any of the book-debts/receivables nor do anything whereby the recovery of the same may be impeded, delayed or prevented without obtaining prior consent in writing of the bank;

- the borrower shall not undertake guarantee obligation on behalf of any third party or any other company/firm etc. without the prior written consent of the bank

- the borrower shall not alienate or dispose of or charge or encumber any of the securities provided to the bank without the written consent of the bank;

- the moneys brought in by the borrowers/partners/friends/relatives/principal shareholders/directors/ depositors/other associate firms/group companies for financing the needs of the borrower will not be allowed to be withdrawn, during the currency of the said credit facility, without the permission of the bank.

B. Public issue of secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 3,370.63 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD VII)	78 months	11.15% to 11.25%	3,370.63	June 9, 2016	December 8, 2022	CARE BBB+ stable by CARE	25,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

Our Company *vide* a public offer, issued secured and unsecured, redeemable, non-convertible debentures of which₹ 2,478.59 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Unsecured, Subordinated Redeemable Non-convertible Debenture (NCD VIII)	78 months	11.00% to 11.25%	2,478.59	September 29, 2016	March 28, 2023	CARE BBB+ stable by CARE	2,500.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 1,859.19 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-	84 months	10.41%	1,859.19	February 01, 2017	January 31, 2024	IND BBB+ stable	30,000.00

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Convertible Debenture (NCD IX)						by India Ratings	

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

Our Company *vide* a public offer, issued secured and unsecured, redeemable, non-convertible debentures of which ₹ 1,249.07 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Unsecured Subordinated Redeemable Non-convertible Debenture (NCD X)	86 months	10.16%	1,249.07	May 09, 2017	July 08, 2024	IND BBB+ stable by India Ratings	2,500.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 1,336.08 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XI)	88 months	9.91%	1,336.08	August 29, 2017	December 27, 2024	IND BBB+ stable by India Ratings	22,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

Our Company *vide* a public offer, issued secured and unsecured, redeemable, non-convertible debentures of which ₹ 3,000.00 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	**Tenure**	**Coupon**	**Amounts outstanding as on September 30, 2022 (in ₹ lakhs)**	**Dates of Allotment**	**Redemption Date**	**Credit Rating**	**Total Issue Size (Principal amount) (in ₹ lakhs)**
Unsecured Subordinated Redeemable Non-convertible Debenture (NCD XII)	88 months	10% and 9.91%	3,000.00	January 08, 2018	May 07, 2025	IND BBB+ stable by India Ratings	3,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 6,563.23 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	**Tenure**	**Coupon**	**Amounts outstanding as on September 30, 2022 (in ₹ lakhs)**	**Date of Allotment**	**Redemption Date**	**Credit Rating**	**Total Issue Size (Principal amount) (in ₹ lakhs)**
Secured Redeemable Non-Convertible Debenture (NCD XIII)	60 and 88 months	9.91% to 10.00%	6,563.23	April 23, 2018	April 21, 2023 to August 22, 2025	IND BBB+ stable by India Ratings	30,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

Our Company *vide* a public offer, issued secured and unsecured, redeemable, non-convertible debentures of which ₹ 3,034.20 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XIV)	60 months	10.25%	191.40	September 24, 2018	September 22, 2023	IND BBB+ stable by India Ratings	22,000.00
Unsecured Subordinated Redeemable Non-convertible Debenture (NCD XIV)	84 months	10.25% to 10.41	2,842.80	September 24, 2018	September 23, 2025	IND BBB+ stable by India Ratings	3,000.00

The principal amount of the Secured NCDs with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon and first ranking *pari passu* charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. No.(OLD No.41/18C) New F/18C-1 Full extent in 150 sq. meters.

Our Company *vide* a public offer, issued secured and unsecured, redeemable, non-convertible debentures of which ₹ 4,320.57 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XV)	48 and 60 months	10.00% to 10.67%	2,340.44	January 31, 2019	January 30, 2023 to January 30, 2024	IND BBB+ stable by India Ratings	26,000.00
Unsecured Subordinated Redeemable Non-convertible Debenture (NCD XV)	84 months	10.25% to 10.41%	1,980.13	January 31, 2019	January 30. 2026	IND BBB+ stable by India Ratings	4,000.00

The principal amount of the Secured NCDs with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon and first ranking *pari passu* charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. No.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. meters.

Our Company *vide* a public offer, issued secured and unsecured, redeemable, non-convertible debentures of which

₹ 4,236.27 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XVI)	48 and 60 months	10.00% to 10.67%	2,520.37	May 06, 2019	May 05, 2023 to May 04, 2024	IND BBB+ stable by India Ratings	27,500.00
Unsecured Subordinated Redeemable Non-convertible Debenture (NCD XVI)	84 months	10.25% to 10.41%	1,715.90	May 06, 2019	May 05, 2026	IND BBB+ stable by India Ratings	2,500.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured and unsecured, redeemable, non-convertible debentures of which ₹ 6,507.14 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XVII)	36, 48 and 60 months,	10.00% to 10.67%	4,054.83	August 21, 2019	August 19, 2023 to August 20, 2024	IND BBB+ stable by India Ratings	27,500.00
Unsecured Subordinated Redeemable Non-convertible Debenture (NCD XVII)	84 months	10.25% to 10.41%	2,452.31	August 21, 2019	August 20. 2026	IND BBB+ stable by India Ratings	2,500.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 19,507.56 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XVIII)	36, 48, 66 and 84 months ,	10.00% to 10.67%	19,507.56	December 10, 2019	December 09, 2023 to December 09, 2026	IND BBB+ stable by India Ratings	35,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 20,731.27 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XIX)	39, 48 and 66 months	10.00% to 10.71%	18,005.54	29 May, 2020	28 August, 2023 to 28 November 2025	IND BBB+ stable by India Ratings	27,000.00
Unsecured Subordinated Redeemable Non-convertible Debenture (NCD XIX)	84 months	10.25% to 10.41%	2,725.73	29 May 2020	28 May 2027	IND BBB+ stable by India Ratings	3,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 22,473.37 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ` lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XX)	30, 39, 42, 50, 84 months	9.34% to 10.75%	22,473.37	14 October, 2020	13 April 2023 to 13 October 2027	IND BBB+ stable by India Ratings	30,000.00

The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of creating security over on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of `10,80,91,696/-), including book debts and receivables, cash and bank balances, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 27,277.07 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XXI)	30, 39, 48 and 66 months	9.34% to 10.71%	24,480.13	January 23, 2021	22 July, 2023 to 22 July, 2026	BWR BBB+ outlook stable by Brickwork Ratings	32,000.00
Unsecured Subordinated Redeemable Non-convertible Debenture (NCD XXI)	84 months	10.25% to 10.41%	2,796.94	January 23, 2021	22 January 2028	BWR BBB+ outlook stable by Brickwork Ratings	3,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 21,988.54 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Dates of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XXII)	24, 36, 42 and 48 months.	8.50% to 10.67%	19,403.28	29 April 2021	28 April 2023 to 28 April 2025	BWR BBB+ outlook stable by Brickwork Ratings	31,000.00
Unsecured Subordinated Redeemable Non-convertible Debenture (NCD XXII)	66 and 84 months	10.25% to 10.41%	2,585.26	29 April 2021	28 October 2026 and 28 April 2028	BWR BBB+ outlook stable by Brickwork Ratings	4,000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 30,000.00 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Date of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XXIII)	20, 24, 36, 42, 50, 72 and 84 months.	8.30% to 10.41%	30,000.00	30 September 2021	29 May 2023 to 29 September 2028.	BWR BBB+ outlook stable by Brickwork Ratings	30,0000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹ 10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 38,377.56 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Date of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XXIV)	18, 36, 42, 48, 54, 60 and 88 months.	8.04% to 10.00%	38,377.56	18 April 2022	17 October 2023 to 17 August 2029.	'IND BBB+/Stable', by India Ratings & Research Private Limited	40,0000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹ 10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Our Company *vide* a public offer, issued secured, redeemable, non-convertible debentures of which ₹ 27,898.33 lakhs was outstanding as on September 30, 2022:

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Date of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Secured Redeemable Non-Convertible Debenture (NCD XXV)	400 days, 36,36, 42, 48, 54, 60 and 88 months.	7.00% to 9.91%	27,898.33	August 11, 2022	15 September 2023 to 10 December 2029.	'IND BBB+/Stable', by India Ratings & Research Private Limited	35,0000.00

The principal amount of the Secured NCDs together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹ 10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

Unsecured facilities

- **Unsecured Non-Convertible Debentures**

Nature of Debenture	Tenure	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Date of Allotment	Redemption Date	Credit Rating	Total Issue Size (Principal amount) (in ₹ lakhs)
Unsecured Non-Convertible Debentures in the nature of Subordinated Debt	61 months.	10.00%	790.25	30 April, 2022	30 May, 2027	NA	2,500.00
Unsecured Non-Convertible Debentures in the nature of Subordinated Debt	61 months.	10.00%	1,118.25	21 September, 2022	20 October, 2027	NA	2,000.00

As on September 30, 2022, our Company has an unclaimed privately placed subordinated debts and the same are pending for disbursement of ₹ 1.70 lakhs due the dispute between the legal heirs of the original bondholders.

➢ **Perpetual Debt Instruments**

Debenture series	Tenor	Coupon	Amounts outstanding as on September 30, 2022 (in ₹ lakhs)	Dates of Allotment	Redemption date	Total issue size (principal amount) (in ₹ lakhs)
Kosamattam Mega Bond 2	Perpetual	8% to 14 %	150.00	October 03, 2012 to March 31, 2013	Perpetual	1,000.00
Kosamattam Mega Bond 3		9% to 14 %	415.00	July 08, 2013 to March 31, 2014		1,000.00
Total			**565.00**			

Commercial Papers

Our Company has not issued any commercial papers.

Loan from Directors and Relatives of Directors

Our Company has not taken any loan from our directors or any relative of our directors.

Inter Corporate Loans

Our Company has not borrowed any amount in the nature of demand loans from Companies under same management.

Servicing behaviour on existing debt securities, payment of interest on due dates on financing facilities or securities

Our Company has not defaulted upon or delayed in payment of any interest and/or principal for the existing term loan and the non-convertible debentures during the last three years. Our Company has not issued any corporate guarantee.

SECTION VI - ISSUE RELATED INFORMATION

ISSUE STRUCTURE

(Term Sheet)

The key common terms and conditions of the NCDs are as follows:

Issuer	Kosamattam Finance Limited
Lead Manager	SMC Capitals Limited
Security Name/ Type and nature of Instrument	Secured redeemable non-convertible debentures.
Seniority	Senior (the claims of the Debenture Holders holding the NCDs shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The NCDs would constitute secured obligations of our Company and shall rank *pari passu* with the Existing Secured Creditors, on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon.
Mode of Issue	Public issue
Debenture Trustee	Vistra ITCL (India) Limited
Registrar to the Issue	KFIN Technologies Limited
Face Value of NCDs (₹/NCD)	₹1,000
Issue Price (₹/NCD)	₹1,000
Minimum Application	10 NCDs i.e., ₹10,000 (across all options of NCDs)
In multiples, of	One NCD after the minimum application
Mode of Allotment	In dematerialised form only
Mode of Trading	NCDs will be traded in dematerialised form only
Terms of Payment	Full amount on Application
Minimum Subscription	Minimum subscription is 75% of the Base Issue i.e. ₹15,000 lakhs
Issue	Public Issue by our Company of NCDs aggregating up to ₹20,000 lakhs with an option to retain over-subscription up to ₹20,000 lakhs aggregating up to ₹40,000 lakhs, on the terms and in the manner set forth herein;
Stock Exchange proposed for listing of the NCDs	The NCDs are proposed to be listed on BSE Limited ("**BSE**"), the Designated Stock Exchange
Listing and timeline for Listing	The NCDs shall be listed within 6 Working Days of Issue Closing Date
Depositories	NSDL and CDSL
Day count basis	Actual/ Actual
Description regarding Security (where applicable) including type of security (movable/ immovable/ tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover,	The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon. Interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this Draft Prospectus: NA

revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this Draft Prospectus	
Security Cover	Our Company shall maintain a minimum 100 percent security cover or higher on the outstanding balance of the NCDs plus accrued interest thereon.
Eligible Investors	The following categories of persons are eligible to apply in the Issue: **Category I** (Institutional Investors) • Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution, which are authorised to invest in the NCDs; • Provident Funds of minimum corpus of ₹2,500 lakhs, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs; • Venture Capital funds and/or Alternative Investment Funds registered with SEBI; subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Insurance Companies registered with the IRDA; • State industrial development corporations; • National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India); • Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India; • Mutual Funds registered with SEBI; and • Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net worth of more than ₹50,000 lakhs as per the last audited financial statements. **Category II** (Non Institutional Investors) • Companies falling within the meaning of Section 2(20) of the Companies Act 2013; • Statutory bodies/ corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Public/private charitable/ religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. **Category III** (High Net-worth Individual Investors) ("**HNIs**") • High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹10 lakhs across all series of NCDs in Issue **Category IV** (Retail Individual Investors)*

	Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lacs across all series of NCDs in Issue. **Applications up to a value of ₹ 5 lakhs can be made under the UPI Mechanism*
Credit Rating	**Rating agency**: India Ratings; **Instrument**: Proposed Issue of NCDs; **Rating symbol**: 'IND A-/Stable'; **Date of credit rating letter**: November 23, 2022; **Amount rated**: ₹ 40,000 lakhs; **Rating definition**: Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Issue Size	Public Issue by our Company of NCDs aggregating up to ₹20,000 lakhs with an option to retain over-subscription up to ₹20,000 lakhs aggregating up to ₹40,000 lakhs, on the terms and in the manner set forth herein; Base Issue Size being ₹20,000 lakhs.
Mode of payment	Please refer to the chapter titled "*Issue Procedure – Terms of Payment*" on page 203
Application money	The entire Application Amount is payable on submitting the application.
Issue Schedule	The Issue shall be open from [●] to [●] with an option to close earlier as may be decided by the Board or by a duly authorised committee of the Board and informed by way of newspaper publication on or prior to the earlier closer date/date of closure up to maximum 30 days from the date of the Prospectus.
Objects of the Issue	Please see "*Objects of the Issue*" on page 67.
Put/Call Option	None
Details of the utilisation of the proceeds of the Issue	Please see "*Objects of the Issue*" on page 67.
Coupon rate and redemption premium	Please see "*Issue Structure – Terms and Conditions of the NCDs*" on page 167.
Step up/ Step down coupon rate	Not applicable
Coupon payment frequency	Please see "*Issue Structure – Terms and Conditions of the NCDs*" on page 167.
Coupon payment dates	Please see "*Issue Structure – Terms and Conditions of the NCDs*" on page 167.
Coupon type (fixed, floating or other structure)	Please see "*Issue Structure – Terms and Conditions of the NCDs*" on page 167.
Interest on Application money	Company shall not offering interest on application money.
Working Day convention	If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.
Issue Opening Date	[●]
Issue Closing Date	[●]
Default interest date	In the event of any default in fulfilment of obligations by our Company under the Debenture Trust Deed, the Default Interest Rate payable to the Applicant shall be as

Credit rating detail:

Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated	Rating definition
India Ratings	Proposed Issue of NCDs	'IND A-/Stable'	November 23, 2022	₹ 40,000 lakhs	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

	prescribed under the Debenture Trust Deed.
Deemed Date of Allotment	The date on which the Board or a duly authorised committee approves the Allotment of NCDs. All benefits relating to the NCDs including interest on NCDs shall be available to Investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 10 (ten) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors or the Debentures Committee from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when stock exchanges are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Transaction documents	This Draft Prospectus and the Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trusteeship Agreement, the Debenture Trust Deed and other security documents, if applicable, and various other documents/agreements/ undertakings, entered or to be entered by the Company with Lead Manager and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trusteeship Agreement, the Public Issue Account and Sponsor Bank Agreement, the Agreement with the Registrar and the Agreement with the Lead Manager. For further details, see "*Material Contracts and Documents for Inspection*" on page 304.
Conditions precedent to disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions precedents to disbursement.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions subsequent to disbursement.
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	Please see "*Terms of Issue*" on page 174.
Event of Default (including manner of voting /conditions of joining inter creditor agreement)	Please see "*Terms of Issue - Events of Default*" on page 177.
Creation of recovery expense fund	The creation of the recovery expense fund will be finalised upon the execution of the Debenture Trust Deed, as applicable in accordance with the applicable provisions of SEBI NCS Regulations and other applicable laws. For further details, please refer to the chapter titled "*Terms of Issue – Recovery Expense Fund*" on page 175
Conditions for breach of covenants (as specified in Debenture Trust Deed)	The conditions for breach of covenants will be finalised upon execution of the Debenture Trust Deed which shall be executed as per Regulation 18 of SEBI NCS Regulations.
Cross Default	Please see "*Terms of Issue - Events of Default*" on page 177.
Roles and responsibilities of the Debenture Trustee	Please see "*Terms of Issue - Debenture Trustees for the NCD Holders*" on page 176.
Risk factor pertaining to the Issue	Please see "*Risk Factors*" on page 17.
Settlement Mode	Please see "*Terms of Issue - Payment on Redemption*" on page 184.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Kottayam.

**The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure, as may be decided by the Board or the duly authorised committee of the Board constituted by resolution of the Board. In the event of such early closure of* *subscription list of the Issue, our Company shall ensure that notice of such early closure is given to the prospective investors through an advertisement in an English national daily newspaper and a regional daily newspaper in Kerala where the registered office is located, with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange.*

#In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this Issue of NCDs in dematerialised form. However, In terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfil such request through the process of rematerialisation, if the NCDs were originally issued in dematerialised form.

Terms of the NCDs

Tenor	18 months	24 months	30 months	36 months	39 months	48 months	54 months	88 months
Nature	Secured							
Options	I	II	III	IV	V	VI	VII	VIII
Frequency of Interest Payment	Cumulative	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative	Cumulative
Minimum Application	10 NCDs (₹10,000) (across all options of NCDs)							
In multiples, of	1 NCD after the minimum application							
Face Value of NCDs (₹/ NCD)	₹1,000							
Issue Price (₹/ NCD)	₹1,000							
Mode of Interest Payment/ Redemption	Through various options available							
Coupon (%) per annum	NA	8.25	NA	9.00	NA	9.50	NA	NA
Coupon Type	Fixed							
Redemption Amount (₹/ NCD) for NCD Holders	1,122.40	1,000.00	1,226.00	1,000.00	1,333.00	1,000.00	1,500.00	2,000.00
Effective Yield (%) (per annum)	8.00	8.57	8.49	9.38	9.25	9.92	9.43	9.91
Put and Call Option	Not Applicable							
Deemed Date of Allotment	The date on which the Board or a duly authorised committee approves the Allotment of NCDs. All benefits to the NCDs including interest on the NCDs shall be available to the investors from the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment.							

Interest and Payment of Interest

Interest would be paid monthly under Option I, II, IV, V and VII at the following rate of interest in connection with the relevant categories of NCD Holders, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of NCDs:

Category of NCD Holder	Rate of Interest (p.a.) for the following tenures		
	24 months	36 months	48 months
	Option II	Option IV	Option VI
Category I, II, IV, V and VII (%)	8.25%	9.00%	9.50%

For avoidance of doubt where interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till the last date of every month on an actual/actual basis during the tenor of such NCDs, and paid on the first day of every subsequent month. For the first interest payment for NCDs under the monthly options if the Deemed Date of Allotment is prior to the fifteenth of that month, interest for that month will be paid on first day of the subsequent month and if the Deemed Date of Allotment is post the fifteenth of that month, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month.

Cumulative bond redemption options

Option III, VI and VIII of the NCDs shall be redeemed as below:

Category of NCD Holder	Redemption Amount (per NCD)				
	18 months	30 months	39 months	54 months	88 months
	Option I	Option III	Option V	Option VII	Option VIII
Category III, VI and VIII (₹)	1,122.40	1,226.00	1,333.00	1,500.00	2,000.00

Our Company shall provide a list of debenture holders of our Company who hold non-convertible debentures in our Company, issued on a private placement basis as on the Issue Opening Date to the Registrar.

Day count convention

Please refer to Annexure I for details pertaining to the cash flows of the Company in accordance with the SEBI Operational Circular.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this 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 is payable on application. The entire face value of per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms of specified in "*Terms of Issue – Terms of Payment*" on page 182**.**

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue. For further details, please see the chapter titled "*Issue Procedure*" on page 188.

TERMS OF THE ISSUE

Authority for the Issue

This Issue has been authorised by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on October 19, 2022. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders *vide* their resolution passed at their EGM held on September 29, 2018.

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 applicable provisions of 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 Trusteeship Agreement, the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs being offered through this Issue would constitute direct and secured obligations of the Company and shall rank *pari passu inter se*, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of creating security over on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon. The claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements.

Security

The Issue comprises of public issue of NCDs of face value of ₹1,000 each.

The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696), including book debts and receivables, cash and bank balances, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon

Our Company will create the security for the NCDs in favour of the Debenture Trustee for the Debenture Holders holding the NCDs on the assets to ensure 100.00% security cover or higher of the amount outstanding including interest in respect of the NCDs at any time.

Our Company has entered into the Debenture Trusteeship Agreement and in furtherance thereof intends to enter into a deed of agreement with the Debenture Trustee for the benefit of the NCD Holders, ("**Debenture Trust Deed**"), the terms of which shall govern the appointment of the Debenture Trustee and the issue of the NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed within three months of the closure of the issue and shall utilise the funds only after the stipulated security has been created. If the Company fails to execute the trust deed within the period as mentioned, without prejudice to any liability arising on account of violation of the provisions of the Act and the SEBI NCS Regulations, the Company shall also pay interest of at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Debenture Holders holding the NCDs the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on the NCDs at the rate specified in the Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security subject to prior written consent of the Debenture Trustee and/or may replace with another asset of the same or a higher value.

Our Company confirms that the Issue proceeds shall be kept in the Public Issue Account until the documents for creation of security i.e. the Debenture Trust Deed, is executed.

Further, in the event our Company fails to execute the Debenture Trust Deed within a timeline specified under Regulation 18 of SEBI NCS Regulations, our Company shall pay interest of at least 2% p.a. to each NCD Holder, over and above the agreed coupon rate, till the execution of the Debenture Trust Deed.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI NCS Regulations, any non-banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Financial Year 2019-20 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR.

Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Draft Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 3lst day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

A. in deposits with any scheduled bank, free from any charge or lien
B. in unencumbered securities of the Central Government or any State Government;
C. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
D. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Recovery Expense Fund

Pursuant to the SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 ("**SEBI Circular**"), the creation of the recovery expense fund shall be in accordance with the SEBI Circular, as may be amended from time to time. Company has maintained recovery expense fund in the nature of bank guarantee with the BSE Limited.

Face Value

The face value of each NCD to be issued under this Issue shall be ₹1,000.

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum of Association and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136(1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.

2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holders or in case of joint-holders, the one whose name stands first in the Register of Debenture Holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the SEBI NCS Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Prospectus, the Application Forms, the Abridged Prospectus, Corrigendum if any, addendum if any, 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 the upto date record 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, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Prospectus and the Debenture Trust Deed.

Debenture Trustees for the NCD Holders

We have appointed Vistra ITCL (India) Limited to act as the Debenture Trustees for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us within such period as specified under Regulation 18 of the SEBI NCS Regulations and on failure to do the same, we shall pay interest of at least two percent per annum to the NCD Holder(s), over and above the agreed coupon rate, till the execution of the trust deed. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost. It is it the duty of the debenture trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Our Company shall not create any further encumbrances on the Security except with the prior approval of the Debenture Trustee. In the event of such request by our Company, the Debenture Trustee shall provide its approval for creation of further charges provided that our Company provides a certificate from a chartered accountant stating that after creation of such further charges, the required Security cover is maintained.

At any time before the Security constituted hereunder becomes enforceable, the Debenture Trustee, may, at the request of our Company and without any consent of the NCD Holders, do or concur our Company in doing all or any of the things which our Company might have done in respect of the Security as if no security had been created and particularly, but not by way of limitation, the following assent to any modification of any contracts or arrangements which may be subsisting in relation to the Security.

Events of Default

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular Options of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice, *inter alia*, if any of the events listed below occurs. The description below is indicative and a complete list of events of default including cross defaults, if any, and its consequences will be specified in the Debenture Trust Deed:

(i) default is committed in payment of the principal amount of the NCDs on the due date(s); and
(ii) default is committed in payment of any interest on the NCDs on the due date(s).

Market Lot and Trading Lot

The NCDs shall be allotted only in dematerialized form. As per the SEBI NCS Regulations, the trading of the NCDs shall be in dematerialised form only. Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in the Issue will be in Demat form in multiples of one NCD. For details of allotment, see "*Issue Procedure"* beginning on page 188.

Nomination facility to NCD Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") and Section 72 of the Companies Act, 2013, the sole NCD Holder, or first NCD Holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the Form No. SH.13, any one person in whom, in the event of the death of Applicant the NCDs Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in Form No. SH.13 any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in Form No. SH.14, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the NCDs; or

- to make such transfer of the NCDs, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, the Board may thereafter withhold payment of all interests or redemption amounts or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialised form and since the allotment of NCDs pursuant to this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. The nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialised form.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Kottayam, Kerala India.

Application in the Issue

Applicants shall apply in this Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialised form only.

Form of Allotment and Denomination of NCDs

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD ("**Market Lot**"). Allotment in the Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

Transfer/ Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/ CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Company or Registrar.

Pursuant to the SEBI Listing Regulations, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Title

In case of:

- the NCDs held in the dematerialised form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and

- the NCD held in physical form, pursuant to any rematerialisation, the person for the time being appearing in the Register of NCD Holders as NCD Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the NCD Holder.

Register of NCD Holders

No transfer of title of NCD will be valid unless and until entered on the Register of NCD Holders or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, the Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of the Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased NCD Holder. He shall approach the respective Depository Participant of the NCD Holder for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.

2. Proof that the non-resident Indian is an Indian national or is of Indian origin.

3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for Re-materialization of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose to rematerialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.**

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue except as may be required under RBI requirements and as provided in our Articles of Association. Pursuant to the SEBI Listing Regulations, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018

Period of Subscription

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 in an English national daily newspaper and a regional daily newspaper in Kerala where the registered office is located, with wide circulation.

Issue Opening Date	[●]#
Issue Closing Date	[●]*

 # The subscription list for the Issue shall remain open for subscription up to 5 p.m., with an option for early closure by such period, up to a period of 30 days from the date of Opening of the Issue, as may be decided at the discretion of the Board or the 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 of the Issue is given as the case may be on or before such early date of closure or the initial Closing Date through advertisement/s in a leading national daily newspaper.

**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 Members of the Syndicate, Trading Members and 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. 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 the 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 any Member of the Syndicate, Trading Members or designated branches of SCSBs is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

Basis of payment of Interest

Payment of Interest/Maturity Amount will be made to those entitled NCD Holders whose names appear in the register of Debenture Holders (or to first holder in case of joint-holders) as on Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Please see, *" - Manner of Payment of Interest / Redemption Amounts"* at page 182.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialised form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

If the date of interest payment falls on a Saturday, Sunday or a public holiday in Mumbai or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest would be paid on the next working day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of the Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention:

Interest shall be computed on actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Operational Circular.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the "**Effective Date**"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Operational Circular is disclosed at page 307.

Maturity and Redemption

The NCDs issued pursuant to this Draft Prospectus have a fixed maturity date. The NCDs will be redeemed at the expiry of 400 days from the Deemed Date of Allotment for Option I, 36 months from the Deemed Date of

Allotment for Option II and III, 42 months from the Deemed Date of Allotment for Option IV, 48 months from the Deemed Date of Allotment for Option V, 54 months from the Deemed Date of Allotment for Option VI, and 60 months from the Deemed Date of Allotment for Options VII and 88 months from the Deemed Date of Allotment for Options VIII. There is no put or call option available to any Investor.

Application Size

Each application should be for a minimum of 10 NCDs and multiples of one NCD thereof. The minimum application size for each application would be ₹10,000 (for all kinds of Series I, II, III, IV, V, VI, VII and VIII NCDs either taken individually or collectively) and in multiples of ₹1,000 thereafter.

Applicants can apply for any or all series of NCDs offered hereunder provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹1,000 per NCD is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of this Draft Prospectus.

Manner of Payment of Interest / Refund/ Redemption Amounts

The manner of payment of interest /refund/ redemption in connection with the NCDs is set out below:

For NCDs held in dematerialised form:

The bank details will be obtained from the Depositories for payment of Interest / redemption amount as the case may be. Holders of the NCDs, are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Manager, our Company or the Registrar shall have no any responsibility and undertake no liability for the same.

For NCDs held in physical form on account of re-materialization:

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see " - *Procedure for Re-materialization of NCDs*" on page 180.

The mode of payment of Interest/Redemption Amount shall be undertaken in the following order of preference:

1. **Direct Credit/ NACH/ RTGS**: Investors having their bank account details updated with the Depository shall be eligible to receive payment of Interest / Redemption Amount, through:

    i. **Direct Credit**: Interest / Redemption Amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

    ii. **NACH**: National Automated Clearing House which is a consolidated system of ECS. Payment of Interest / Redemption Amount would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of Interest / Redemption Amount through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the Interest / Redemption Amount through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get Interest / Redemption Amount through NEFT or Direct Credit or RTGS.

iii. **RTGS**: Applicants having a bank account with a participating bank and whose Interest / Redemption Amount exceeds ₹2 lakhs, or such amount as may be fixed by RBI from time to time, have the option to receive the Interest / Redemption Amount through RTGS. Such eligible Applicants who indicate their preference to receive Interest / Redemption Amount through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrars to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, Interest / Redemption Amount shall be made through NECS subject to availability of complete bank account details for the same as stated above.

iv. **NEFT**: Payment of interest / redemption shall be undertaken through NEFT wherever the Applicants' bank has been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of the Interest / Redemption Amounts, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of Interest / Redemption Amount will be made to the Applicants through this method.

2. **Registered Post/Speed Post**: For all other NCD Holders, including those who have not updated their bank particulars with the MICR code, the Interest Payment / Redemption Amount shall be paid by way of Interest/ Redemption warrants dispatched through Speed Post/ Registered Post only to Applicants that have provided details of a registered address in India.

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption amount as the case may be. Applicants who are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the Applicant at the Applicant's sole risk, and the Lead Manager, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Printing of Bank Particulars on Interest/ Redemption Warrants

As a matter of precaution against possible fraudulent encashment of Interest/ Redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs held dematerialised form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form on account of rematerialisation, the investors are advised to submit their bank account details with our Company / Registrar at least seven (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCD as available in the records of our Company. Bank account particulars will be printed on the warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Procedure for Redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialization:

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) be surrendered for redemption on maturity and should be sent by the NCD Holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see " - *Payment on Redemption*" on page 184.

NCDs held in electronic form:

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of re-materialisation:

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s). Dispatch of cheques/pay order, etc. in respect of such payment will be made on the Redemption Date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those NCD Holders whose names stand in the Register of NCD Holders maintained by us/Registrar to the Issue on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us at least 7 (seven) days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 (seven) days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties *inter se* and no claim or action shall lie against us or the Registrar.

Our liability to holder(s) towards their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

NCDs held in electronic form:

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Kerala and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Issue of duplicate NCD Certificate(s)

If any NCD certificate(s), issued pursuant to rematerialisation, if any, is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, *pari passu* or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection.

Impersonation

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

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

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

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

shall be liable for action under Section 447."

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

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. ₹15,000 lakhs). 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. ₹ 15,000 lakhs prior to the Issue Closing Date and as prescribed under the Companies Act and any rules thereto, the entire Application Amount blocked shall be unblocked in the relevant ASBA Account(s) of the Applicants within six working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within six working days from the Iss ue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

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.

Utilisation of Issue Proceeds

(a) All monies received out of the Issue shall be credited/ transferred to a separate bank account maintained with a scheduled bank as referred to in section 40(3) of the Companies Act 2013;

(b) Details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue;

(c) Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;

(d) We shall utilize the Issue proceeds only upon allotment of the NCDs, execution of Debenture Trust Deed, receipt of the listing and trading approval from the Stock Exchange;

(e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property; and

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

Listing

The NCDs offered through the Prospectus are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter dated [●]. 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 six 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(s) of NCDs shall not be listed. 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 the Prospectus.

Guarantee/Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Arrangers

No arrangers have been appointed for this Issue.

Monitoring & Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. Our Board shall monitor the utilisation of the proceeds of this Issue. Our Company will disclose in the Company's financial statements for the relevant financial year commencing from the financial year ended March 31, 2021, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of this Issue that have not been utilised thereby also indicating investments, if any of such untilised proceeds of this Issue.

Lien

Not Applicable

Lien on Pledge of NCDs

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

ISSUE PROCEDURE

This chapter applies to all Applicants. Pursuant to the SEBI Operational Circular issued by SEBI, all Applicants are required to apply for in the Issue through the ASBA process and an amount equivalent to the full Application Amount as mentioned in the Application Form will be blocked by the Designated Branches of the SCSBs. Further, the UPI Mechanism as a payment mechanism is applicable for the Issue, wherein a UPI Investor, may submit the Application Form with a SCSB or a Designated Intermediary or through the app/web based interface platform of the Stock Exchange and use their bank account linked UPI ID for the purpose of blocking of funds, if the Application being made is for a value is ₹5 lakhs or less. The UPI Mechanism is applicable for public issue of debt securities which open for subscription on or after January 1, 2021. An additional mode for application in public issues of debt securities through an online (app/web) interface to be provided by the stock exchanges. In this regard, SEBI has also stipulated that the stock exchanges formulate and disclose the operational procedure for applying through the app/web based interface developed by them for making applications in public issues through the stock exchange's website. Since, BSE is the Designated Stock Exchange for the Issue, BSE's online platform BSE Direct, shall be available to UPI Investors to make an application under the UPI Mechanism, in accordance with the operational procedures notified by BSE vide notifications dated December 28, 2020.

Applicants should note that they may submit their Application Forms (including in cases where Applications are being made under the UPI Mechanism) at (i) the Designated Branches of the SCSBs or (ii) at the Collection Centres, i.e. to the respective Members of the Consortium at the Specified Locations, the Trading Members at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations or (iii) through BSE Direct, the app/ or web based interface/ platform of the Sotck Exchange, as applicable. For further information, please see "Issue Procedure - Submission of Completed Application Forms" on page 204.

Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in the Prospectus.

Please note that this section has been prepared based on the requirements notified the SEBI Operational Circular and the notifications issued by BSE, in relation to the UPI Mechanism, dated December 28, 2020.

THE DESIGNATED INTERMEDIARIES (OTHER THAN TRADING MEMBERS), SCSBS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATION THROUGH TRADING MEMBERS REGISTERED WITH THE STOCK EXCHANGE.

For purposes of this Issue, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai and/or Kottayam, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in Mumbai. Furthermore, for the purpose of post issue period, i.e. period beginning from the Issue Closure to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays in Mumbai, as per the SEBI NCS Regulations.

The information below is given for the benefit of the investors. Our Company and the Members of Syndicate are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus.

PROCEDURE FOR APPLICATION

Availability of the Abridged Prospectus and Application Forms

The Abridged Prospectus containing the salient features of the Prospectus together with Application Form may be obtained from:

(a) Our Company's Registered Office;
(b) Offices of the Lead Manager/Syndicate Members;

(c) the CRTA at the Designated RTA Locations;
(d) the CDPs at the Designated CDP Locations;
(e) Trading Members at the Broker Centres; and
(f) Designated Branches of the SCSBs.

Electronic copies of the Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Manager, the Stock Exchange, SEBI and the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchange and on the websites of the SCSBs that permit submission of Application Forms electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

UPI Investors making an Application upto ₹5 lakhs, using the UPI Mechanism, must provide the UPI ID in the relevant space provided in the Application Form. Application Forms that do not contain the UPI ID are laible to be rejected. UPI Investors applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Who can apply?

The following categories of persons are eligible to apply in this Issue:

Category I - Institutional Investors

- Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution, which are authorised to invest in the NCDs;
- Provident Funds of minimum corpus of ₹2,500 lakhs, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs;
- Venture Capital funds and/or Alternative Investment Funds registered with SEBI; subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Insurance Companies registered with the IRDA;
- State industrial development corporations;
- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India);
- Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India;
- Mutual Funds registered with SEBI; and
- Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net worth of more than ₹50,000 lakhs as per the last audited financial statements.

Category II - Non Institutional Investors

- Companies falling within the meaning of Section 2(20) of the Companies Act 2013;
- Statutory bodies/ corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Public/private charitable/ religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);

- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III - High Net-worth Individual Investors ("HNIs")

- High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹10 lakhs across all series of NCDs in Issue.

Category IV - Retail Individual Investors*

- Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lacs across all series of NCDs in Issue.

**Applications up to a value of ₹ 5 lakhs can be made under the UPI Mechanism*

For Applicants applying for NCDs, the Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID and where applicable the UPI ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Members of the Syndicate or the Trading Members, as the case may be.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue.

The Lead Manager and its respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in this Issue and any Application from such persons and entities are liable to be rejected:

(a) Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Application by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);

(b) Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;

(c) Persons resident outside India and other foreign entities;

(d) Foreign Portfolio Investors;

(e) Foreign Venture Capital Investors;

(f) Qualified Foreign Investors;

(g) Overseas Corporate Bodies; and

(h) Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Application Forms belonging to an account for the benefit of a minor (under guardianship). In case of such Application, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in this Issue.

Please see "*Issue Procedure - Rejection of Applications*" on page 206 for information on rejection of Applications.

Method of Application

Eligible investor desirous of applying in the Issue can make Applications through the ASBA mechanism only.

Further, the Application may also be submitted through the app or web interface developed by Stock Exchange wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries. Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form (except Bid cum Application Form from a Retail Individual Investor bidding using the UPI mechanism) to respective SCSB, where the Bidder has a bank account and shall not submit it to the non-SCSB bank or any Escrow Bank. Applicants should submit the Application Form only at the Bidding Centers, i.e. to the respective Syndicate Members at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centers, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at https://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms (except a Bid cum Application Form from RIIs using the UPI Mechanism) with the SCSB with whom the relevant ASBA Accounts are maintained. An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

The Sponsor Bank shall provide details of the UPI linked bank account of the Bidders to the Registrar to the Issue for purpose of reconciliation.

RIIs using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

RIIs using UPI Mechanism, submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only the UPI ID is mentioned in the field for Payment Details in the Bid cum Application Form. Application Forms submitted by RIIs using UPI Mechanism to Designated Intermediary (other than SCSBs) with ASBA Account details, are liable to be rejected.

Further, such Bidders including RIIs using the UPI Mechanism, shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of the relevant Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms (except electronic Bid-cum-Application Forms) not bearing such specified stamp may be liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a RII who is not Bidding using the UPI Mechanism.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to the Issue should be made by Applicants directly to the relevant Stock Exchange.

In terms of the SEBI Operational Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

1. **Through Self-Certified Syndicate Bank (SCSB) or intermediaries** (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)

   a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e., investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.

   b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

   c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 lac or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.

2. **Through Stock Exchange**

   a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchange (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism.

   b. BSE extended their web-based platforms i.e. 'BSEDirect' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto ₹ 5 Lac. To place bid through 'BSEDirect' platform/ mobile app the eligible investor is required to register himself/ herself with BSE Direct.

   c. An investor may use the following links to access the web-based interface developed by the Stock Exchange to bid using the UPI Mechanism: BSE: https://www.bsedirect.com.

   d. The BSE Direct mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' on Google Playstore for downloading mobile applications.

   e. For further details on the registration process and the submission of bids through the App or web interface, the Stock Exchange have issued operational guidelines and circulars available at BSE: https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60, and https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61.

Application process through physical Application Form

Applicants opting for the physical mode of Application process, should submit the Application Form (including for Applications under the UPI Mechanism) only at the Collection Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the registered broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available on SEBI's website for Applications under the UPI Mechanism at https://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of Application Forms from ASBA Applicants (including for Applications under the UPI Mechanism), shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit the Application Forms (except Application Forms submitted by UPI Investors under the UPI Mechanism) with the SCSB with whom the relevant ASBA Accounts are maintained. An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB, with the SCSB and can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. For Applicants submitting the physical Application Form who wish to block the funds in their respective UPI linked bank account through the UPI Mechanism, post uploading of the details of the Application Forms into the online platform of the Stock Exchange, the Stock Exchange shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such UPI Investors for blocking of funds.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/014 dated October 1, 2019 ("**SEBI Circular 2019**"), mutual funds are required to ensure that the total exposure of debt scehemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by 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 on a standalone basis and a net worth certificate from its statutory auditor(s). **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor**.

Application by commercial banks, co-operative banks and regional rural banks

Commercial banks, co-operative banks and regional rural banks can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority of India ("**IRDAI**"), a certified copy of certificate of registration issued by IRDA must be lodged along with Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.**

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time including the IRDAI Investment Regulations.

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of SEBI registration certificate. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Associations of Persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or **regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Public Financial Institutions or Statutory Corporations, which are authorised to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorised person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of incorporation/ registration under any act/rules under which they are incorporated; **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Fund

The application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

The Application must be accompanied by certified true copies of certified copy of certificate of the partnership deed or registration issued under the Limited Liability Partnership Act, 2008, as applicable. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non-Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company and the Lead Manager may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

APPLICATIONS FOR ALLOTMENT OF NCDs

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Manager and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our directors, affiliates, associates and their respective directors and officers, the Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications (including Applications under the UPI Mechanism) accepted by and/or uploaded by and/or accepted but not uploaded by Trading Members, Registered Brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs or failure to block the Application Amount under the UPI Mechanism. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (https://www.sebi.gov.in) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI https://www.sebi.gov.in as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centers, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centers, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Submission of Applications

Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.

    In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

(b) Physically through the Designated Intermediaries at the respective Collection Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Collection Center where the Application Form is submitted (a list of such branches is available at https://www.sebi.gov.in/sebiweb).

(c) An UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is upto ₹5 lakhs, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the

Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

(d) An UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange. Post which:

for *Applications other than under the UPI Mechanism* - the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at https://www.sebi.gov.in). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form.

for *Applications under the UPI Mechanism* – once the Application details have been entered in the bidding platform through Designated Intermediaries or BSE Direct, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. Post uploading of the Application details on the Stock Exchange's platform, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with the Applicants UPI ID, with the Sponsor Bank appointed by our Company. The Sponsor Bank shall then initiate a UPI Mandate Request on the Applicant. The request raised by the Sponsor Bank, would be electronically received by the Applicant as an SMS or on the mobile app, associated with the UPI ID linked bank account. The Applicant shall then be required to authorise the UPI Mandate Request. Upon successful validation of block request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account. The status of block request would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the Designated Intermediary.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

(a) Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries at the respective Collection Centers; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

(b) The Designated Branches of the SCSBs shall accept Application Forms directly from Applicants only during the Issue Period. The SCSBs shall not accept any Application Forms directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 44. **Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if**

not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialised form only.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange.

In the event the Direct Online Application facility is implemented by the Stock Exchange, relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number ("**UAN**") and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per the Debt Application Circular issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchange putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- All Applicants need to tick the Series of NCDs in the Application Form that they wish to apply for. Applications for all the Series of the NCDs may be made in a single Application Form only.
- Application Forms must be completed in **BLOCK LETTERS IN ENGLISH**, as per the instructions contained in the Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- It shall be mandatory for subscribers to the Issue to furnish their PAN and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction.
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. The Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.
- Applicants must provide details of valid and active DP ID, Client ID, PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID, PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose

of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same series or across different series.

- If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- All Applicants are required to ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/Designated Branch of the SCSB;
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
- Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.
- All Applicants are required to check if they are eligible to apply as per the terms of this Draft Prospectus and applicable law, rules, regulations, guidelines and approvals;
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form;
- All Applicants should correctly mention the ASBA Account number (including bank account number/ bank name and branch) and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected;
- A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be; and
- In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchange, the Applicants should ensure that they have first withdrawn their original Application and submit a fresh Application.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

B. Applicant's Beneficiary Account Details

Applicants must mention their DP ID, Client ID and UPI ID (wherever applicable) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID, PAN and UPI ID (wherever applicable) mentioned in the Application Form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID, PAN and UPI ID (wherever applicable) available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected.

On the basis of the Demographic Details as appearing on the records of the DP, the Registrar to the Issue will take steps towards demat credit of NCDs. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in demat credit and neither our Company, Designated Intermediaries, SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue. Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the demographic details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Registrar to the Issue, Public Issue Account Bank and Sponsor Bank, nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of such Applicants. **Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID, PAN and UPI ID (wherever applicable), then such Application are liable to be rejected.**

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

D. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications all interest / redemption amount payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other series of NCDs, subject to a minimum application size as specified in the Prospectus and in multiples thereafter as specified in the Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹10 lakhs shall be deemed such individual Applicant to be an HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under this Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of the Prospectus and applicable law, rules, regulations, guidelines and approvals;

2. Read all the instructions carefully and complete the Application Form in the prescribed form.

3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to this Issue.

4. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID, PAN available in the Depository database. Ensure that the DP ID, Client ID, PAN and UPI ID (wherever applicable) are correct and the depository account is active as Allotment of the Equity Shares will be in dematerialized form only. The requirement for providing Depository Participant details is mandatory for all Applicants.

5. Ensure that you have mentioned the correct ASBA Account number in the Application Form (for all Applicants other than UPI Investors applying using the UPI Mechanism) in the Application Form. Further, UPI Investors using the UPI Mechanism must also mention their UPI ID.

6. UPI Investors applying using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking, is certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries.

7. UPI Investors applying using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected.

8. Ensure that the Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) in case the Applicant is not the ASBA account holder. Applicants (except UPI Investors making an Application using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Application Form. UPI Investors applying using the UPI Mechanism should ensure that they have mentioned the correct UPI-linked bank account number and their correct UPI ID in the Application Form.

9. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.

10. UPI Investors making an Application using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to Application Amount and subsequent debit of funds in case of Allotment, in a timely manner.

11. UPI Investors making an Application using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using their UPI PIN. Upon the authorization of the mandate using their UPI PIN, the UPI Investor may be deemed to have verified the attachment containing the application details of the UPI Investor making and Application using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to issue a request to block the Application Amount mentioned in the ASBA Form in their ASBA Account.

12. UPI Investors making an Application using the UPI Mechanism should mention valid UPI ID of only the Applicants (in case of single account) and of the first Applicant (in case of joint account) in the ASBA Form.

13. UPI Investors making an Application using the UPI Mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in their account and in case of Allotment in a timely manner.

14. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/Designated Branch of the SCSB.

15. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Collection Centre.

16. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form.

17. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

18. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta.

19. Ensure that the Applications are submitted to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 44.

20. **Permanent Account Number:** Each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected.

21. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

22. All Applicants should choose the relevant option in the column "Category of Investor" in the Application Form.

23. Choose and mark the series of NCDs in the Application Form that you wish to apply for.

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.

Don'ts:

1. Do not apply for lower than the minimum application size.

2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.

3. Do not send Application Forms by post. Instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be.

4. Do not submit the Application Form to any non-SCSB bank or our Company.

5. Do not apply through an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.

6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.

7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

8. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (wherever applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.

9. Do not submit the Application Form without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of UPI Investors making and Application using the UPI Mechanism, in the UPI-linked bank account where funds for making the Application are available;

10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.

11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.

13. Do not submit Applications to a Designated Intermediary at a location other than Collection Centers**;**

14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.

15. Do not apply if you are a person ineligible to apply for NCDs under this Issue including Applications by Persons Resident Outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA).

16. Do not make an application of the NCD on multiple copies taken of a single form.

17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue.

18. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 cretified by the NPCI in case of Bids submitted by UPI Investors using the UPI Mechanism.

19. Do not submit more than five Application Forms per ASBA Account.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries, to deposit such Application Forms (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Please see " - *Rejection of Applications*" on page 206 for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Collection Centers, named by such SCSB to accept such Applications from the Designated Intermediaries, as the case may be (a list of such branches is available at https://www.sebi.gov.in).

For Applications other than those under the UPI Mechanism, the relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application. For Applications under the UPI Mechanism, i.e., upto ₹5 lakhs, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. The blocking of funds in such case (not exceeding ₹5 lakhs) shall happen under the UPI Mechanism.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs or the Sponsor Bank (as the case maybe) to unblock the excess amount in the ASBA Account.

For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

For Applications submitted under the UPI Mechanism, post the successful validation of the UPI Mandate Request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

An UPI Investor applying through the UPI Mechanism should ensure that, they check the relevant SMS generated for the UPI Mandate Request and all other steps required for successful blocking of funds in the UPI linked bank account, which includes accepting the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchange (except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day), have been completed.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs (in case of Application under the UPI Mechansim) on the basis of the instructions issued in this regard by the Registrar to the respective SCSB or the Sponsor Bank within six Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of this Issue or until rejection of the Application, as the case may be.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms		To whom the Application Form has to be submitted
ASBA Applications	(i)	If using physical Application Form, (a) to the Designated Intermediaries at relevant Collection Centres, or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or
	(ii)	If using electronic Application Form, to the SCSBs, electronically through

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
	internet banking facility, if available.
Application under the UPI Mechanism	(i) Through the Designated Intermediary, physically or electronically, as applicable, or (ii) Through BSE Direct

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slips which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

(a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications (including those under the UPI Mechanism) using the on-line facilities of the Stock Exchange. **The Members of Syndicate, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchange or (vi) any Application made under the UPI Mechanism , accepted or uploaded or failed to be uploaded by a Designated Intermediary or through the app/ web based interface of the Stock Exchange and the corresponding failure for blocking of funds under the UPI Mechanism.**

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

(b) The Stock Exchange will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on this Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 44.

(c) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Series of NCDs applied for
- Number of NCDs Applied for in each series of NCD

- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(d) With respect to Applications submitted to the Designated Intermediaries, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Series of NCDs applied for
- Number of NCDs Applied for in each series of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(e) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**

(f) Applications can be rejected on the technical grounds listed on page 206 or if all required information is not provided or the Application Form is incomplete in any respect.

(g) The permission given by the Stock Exchange to use its network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(h) **Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment**. The Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or a duly constituted committee thereof, reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

(a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Applications by persons prohibited from buying, selling or dealing in securities, directly or indirectly, by SEBI or any other regulatory authority;

(c) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicants' ASBA Account maintained with an SCSB;

(d) Applications not being signed by the sole/joint Applicant(s);

(e) Investor Category in the Application Form not being ticked;

(f) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;

(g) Applications where a registered address in India is not provided for the non-Individual Applicants;

(h) In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);

(i) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;

(j) PAN not mentioned in the Application Form, in case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;

(k) DP ID, Client ID and UPI ID (wherever applicable) not mentioned in the Application Form;

(l) GIR number furnished instead of PAN;

(m) Applications by OCBs;

(n) Applications for an amount below the minimum application size;

(o) Submission of more than five ASBA Forms per ASBA Account;

(p) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

(q) Applications under power of attorney or by limited companies, corporate, trust etc. submitted without relevant documents;

(r) Applications accompanied by Stockinvest/ cheque/ money order/ postal order/ cash;

(s) Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);

(t) Applications by persons debarred from accessing capital markets, by SEBI or any other appropriate regulatory authority;

(u) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant

(v) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;

(w) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediary, as the case may be;

(x) ASBA Applications not having details of the ASBA Account to be blocked or the UPI-linked Account to be blocked;

(y) In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID, UPI ID and PAN;

(z) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

(aa) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

(bb) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;

(cc) Authorization to the SCSB for blocking funds in the ASBA Account not provided;

(dd) Applications by any person outside India;

(ee) Applications not uploaded on the online platform of the Stock Exchange;

(ff) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;

(gg) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, the Prospectus and as per the instructions in the Application Form and the Prospectus;

(hh) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

(ii) Applications providing an inoperative demat account number;

(jj) Applications submitted to the Designated Intermediaries other than the Collection Centers or at a Branch of a SCSB which is not a Designated Branch;

(kk) Applications submitted directly to the Public Issue Bank (except in case the ASBA Account is maintained with the said bank as a SCSB;

(ll) Investor Category not ticked;

(mm) In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application;

(nn) A UPI Investor applying through the UPI Mechanism, not having accepted the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the stock exchange except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day; and

(oo) A non-UPI Investor making an Application under the UPI Mechanism, i.e., an Application for an amount more than ₹5 lakhs.

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please see "*Information for Applicants*" below.

Information for Applicants

Upon the closure of the Issue, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID UPI ID (wherever applicable) and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database and prepare list of technical rejection cases. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such Applications or treat such Applications as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchange and determine the valid Application for the purpose of drawing the basis of allocation.

Allocation Ratio

The registrar will aggregate the applications based on the applications received through an electronic book from the Stock exchange and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the following manner:

Grouping of Applications and Allocation Ratio: Applications received from various applicants shall be grouped together on the following basis:

a. *Applications received from Category I applicants:* Applications received from Category I, shall be grouped together, ("**Institutional Portion**");

b. *Applications received from Category II applicants*: Applications received from Category II, shall be grouped together, ("**Non-Institutional Portion**");

c. *Applications received from Category III applicants:* Applications received from Category III, shall be grouped together, ("**High Net Worth Individual Portion**")

d. *Applications received from Category IV applicants:* Applications received from Category IV, shall be grouped together, ("**Retail Individual Investor Portion**")

For removal of doubt, "***Institutional Portion***", "***Non-Institutional Portion***", "***High Net Worth Individual Portion***" and "***Retail Individual Portion***" are individually referred to as "***Portion***" and collectively referred to as "***Portions***"

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Issue up to ₹20,000 lakhs i.e. aggregating up to ₹40,000 lakhs. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the **"*Overall Issue Size*".**

Basis of Allotment for NCDs

Allotments in the first instance:

(i) Applicants belonging to the Category I, in the first instance, will be allocated NCDs up to 10% of Overall

Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Lead Manager and their respective Affiliates/SCSB (Designated Branch or online acknowledgement);

(ii) Applicants belonging to the Category II, in the first instance, will be allocated NCDs up to 10% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement));

(iii) Applicants belonging to the Category III, in the first instance, will be allocated NCDs up to 30% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement));

(iv) Applicants belonging to the Category IV, in the first instance, will be allocated NCDs up to 50% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement))

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with Stock Exchange, in each Portion subject to the Allocation Ratio. However, on the date of oversubscription, the allotments would be made to the applicants on proportionate basis.

(a) Under Subscription:

Under subscription, if any, in any Portion, priority in allotments will be given in the following order:

(i) Retail Individual Investor Portion
(ii) High Networth Individual Portion
(iii) Non-Institutional Portion
(iv) Institutional Portion

on a first come first serve basis

Within each Portion, priority in Allotments will be given on a first-come-first-serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchange.

For each Portion, all Applications uploaded in to the Electronic Book with the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where Applications uploaded into the Platform of the Stock Exchange on a particular date exceeds NCDs to be allotted for each Portion respectively.

Minimum allotment of 1 (one) NCD and in multiples of 1 (one) NCD thereafter would be made in case of each valid Application.

(b) Allotments in case of oversubscription:

In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of NCDs to the valid applicants on a first come first serve basis for forms uploaded up to 5 pm of the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the valid applicants on the date of oversubscription (based on the date of upload of the Application on the Stock Exchange Platform, in each Portion). In case of over subscription on date of opening of the Issue, the Allotment shall be made on a proportionate basis. Applications received for the NCDs after the date of oversubscription will not be considered for allotment.

In view of the same, the Investors are advised to refer to the Stock Exchange website at www.bseindia.com for details in respect of subscription.

(a) Proportionate Allotments: For each Portion, on the date of oversubscription:

(i) Allotments to the applicants shall be made in proportion to their respective application size, rounded off to the nearest integer;

(ii) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue size, not all applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each applicant whose allotment size, prior to rounding off, had the highest decimal point would be given preference;

(iii) In the event, there are more than one applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

(b) Applicant applying for more than one Options of NCDs:

If an applicant has applied for more than one Options of NCDs, and in case such applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for due to such applications received on the date of oversubscription, the option-wise allocation of NCDs to such applicants shall be in proportion to the number of NCDs with respect to each option, applied for by such applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Manager and Designated Stock Exchange.

In cases of odd proportion for allotment made, our Company in consultation with the Lead Manager will allot the residual NCD (s) in the following order:

(i) first with monthly interest payment in decreasing order of tenor i.e. Options VI, IV and II; and
(ii) followed by payment on maturity options in decreasing order of tenor i.e. Options VIII, VII, V, III and I.

Hence using the above procedure, the order of allotment for the residual NCD (s) will be: Options VII, V, IV, II, I, VIII, VI, and III.

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 Option I NCDs to all valid applications, wherein the applicants have not indicated their choice of the relevant options of the NCDs.

Valid applications where the Application Amount received does not tally with or is less than the amount equivalent to value of number of NCDs applied for, may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹1,000 in accordance with the pecking order mentioned above.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Issue shall be taken by our Company in consultation with the Lead Manager and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Draft Prospectus.

Retention of oversubscription

Our Company shall have an option to retain over-subscription up to the Issue Limit.

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications

The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB or the Sponsor Bank (for Application under the UPI Mechanism), as applicable, to unblock the funds in the relevant ASBA Account/ UPI linked bank account for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants upon approval of Basis of Allotment. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories. Therefore instructions will be given to the Designated Intermediaries to indicate Option I NCD as the Applicant’s choice of the relevant NCD Series wherein the Applicants have not indicated their choice.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within six Working Days from the Issue Closing Date.

Application Amount shall be unblocked within six Working Days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the Application Amount shall be unblocked in the ASBA Accounts or the UPI linked bank accounts (for Applications under the UPI Mechanism) of the Applicants forthwith failing which interest shall be due to be paid to the Applicants in accordance with applicable law.

Our Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Applicants can withdraw their Applications until the Issue Closing Date. In case an Applicant wishes to withdraw the Application during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite.

In case of Applications (other than under the UPI Mechanism) were submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and intimating the Designated Branch of the SCSB to unblock of the funds blocked in the ASBA Account at the time of making the Application. In case of Applications (other than under the UPI Mechanism) submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account, directly.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Revision of Applications

Cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary and the Designated Branch of the SCSBs, as the case may be. For Applications made under the UPI Mechanism, an Applicant shall not be allowed to add or modify the details of the Application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the Applicant may withdraw the Application and reapply.

However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/ modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/ or the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed among our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialised form. In this context:

(i) Tripartite agreement dated March 21, 2014 among our Company, the Registrar and CDSL and tripartite agreement dated March 27, 2014 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

(iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(v) Non-transferable Allotment Advice will be directly sent to the Applicant by the Registrar to this Issue.

(vi) It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.

(vii) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue (except the Applications made through the Trading Members of the Stock Exchange) should be addressed to the Registrar to the Issue, quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of the Application Form, name and address of the Designated Intermediary or Designated Branch of the SCSBs, as the case may be, where the Application was submitted.

Applicants may contact our Compliance Officer and Company Secretary or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice or credit of NCDs in the respective beneficiary accounts, as the case may be.

Interest in case of delay

Our Company undertakes to pay interest, in connection with any delay in allotment and demat credit, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Our Company undertakes that:

(a) All monies received pursuant to this Issue shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.

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

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

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

(e) Undertaking by our Company for execution of the Debenture Trust Deed. Further, as per Regulation 18 of SEBI NCS Regulations, in the event our Company fails to execute the Debenture Trust Deeds within a timeline specified under Regulation 18 of SEBI NCS Regulations, our Company shall pay interest of at least 2% p.a. over and above the agreed coupon rate, to each NCD Holder, till the execution of the Debenture Trust Deed;

(f) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deeds as stated in this Draft Prospectus and the Prospectus, on receipt of the minimum subscription of 75% of the Base Issue i.e., ₹ 15,000 lakhs and receipt of listing and trading approval from the Stock Exchange;

(g) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property business, dealing in equity of listed companies or lending/investment in group companies;

(h) Application money shall be unblocked within 6 (six) Working Days from the closure of this Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the Applicants in accordance with applicable law, failing which interest shall be due to be paid to the Applicants for the delayed period, if applicable in accordance with applicable law; and

(i) Details of all monies unutilised out of the previous issues made by way of public offer, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.

Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Draft Prospectus has not been recommended or approved by any regulatory authority in India, including any registrar of companies, stock exchange or SEBI nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of investors is invited to the section '*Risk factors*' on page 17.

Our Company has no side letter with any NCD holder. Any covenants later added shall be disclosed on the stock exchanges' website where the NCDs are listed.

Other undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Trading Members) will be attended to by our Company expeditiously and satisfactorily;

(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;

(c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within six Working Days of this Issue Closing Date;

(d) Funds required for dispatch of Allotment Advice/NCD Certificates (only upon rematerialisation of NCDs at the specific request of the Allottee/ Holder of NCDs) will be made available by our Company to the Registrar to the Issue;

(e) Our Company will forward details of utilisation of the proceeds of this Issue, duly certified by the Statutory Auditor, to the Debenture Trustee required under applicable laws;

(f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of this Issue as contained in this Draft Prospectus;

(g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report;

Our Company shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

SECTION VII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Except as described below, there are no outstanding litigations including, suits, criminal or civil prosecutions and taxation related proceedings against our Company and its Board of Directors that may have an adverse effect on our business. Further, there are no defaults, non-payment of statutory dues including, institutional/bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against our Company as of the date of this Draft Prospectus.

Save as disclosed herein below, there are no:

- *litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoters of our Company 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;*

- *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 the issuer;*

- *pending proceedings initiated against our Company for economic offences;*

default and non-payment of statutory dues etc.

Further from time to time, we have been and shall continue to be involved in legal proceedings filed by and/or against us, arising in the ordinary course of our business. These legal proceedings are mostly civil in nature. We believe that the number of proceedings in which we are/were involved is not unusual for a company of our size doing business in India.

Unless stated to the contrary, the information provided below is as of the date of this Draft Prospectus.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Litigations against our Company

Tax Litigations

Direct Tax

1. The Commissioner of Income Tax (Central), Kochi ("**CITK**") filed a writ petition (c) bearing no. 23856/2013 dated August 28, 2013 ("**Writ Petition**"), before the High Court of Kerala against the order dated March 25, 2013 ("**Order**") passed by the Income Tax Settlement Commission, Chennai ("**Commission**") for the assessment years 2004-05 to 2010-11, granting immunity to our Company from penalty and prosecution. Aggrieved by the Order, the Writ Petition was filed by CITK *inter-alia* on the ground that the Commission has no authority to grant immunity to our Company from penalty and prosecution unless our Company makes full and true disclosure of its income, manner in which it was derived and cooperates with the Commission in the proceedings. The CITK further alleged that the income admitted by our Company was less than the income quantified by the Commission and hence full and true disclosure wasn't made and thus the Order passed by the Commission was against law. Further, the CITK has prayed for the issuance of writ of certiorari or any other appropriate order quashing the Order to the extent that it granted immunity to our Company from prosecution and penalty. The matter is currently pending.

2. The Commissioner of Income Tax (Central), Kochi ("**CIT**") passed an order dated November 30, 2016 under Section 263 of the Income Tax Act, 1961 ("**IT Act**") directing the Assistant Commissioner of Income Tax, Central Circle, Kottayam ("**AO**") to verify a deduction amounting to ₹123.07 lakhs claimed by the Company towards discount allowed to debenture holders during the AY 2012-13. The Assistant Commissioner of Income Tax, Central Circle, Kottayam ("**AO**") passed an assessment order dated August 31, 2017 under Section 263 of the IT Act ("**Order**") giving effect to the direction of the CIT in relation to deduction amounting to ₹123.07 lakhs claimed by the Company towards discount allowed to debenture holders during the AY 2012-13. In the Order, the AO disallowed the deduction on the grounds that certain debenture holders

(out of the list of entire debenture holders) had not confirmed the debenture subscription in a prescribed proforma sent to them, as notices under Section 133(6) of the IT Act and in certain cases, as summons under Section 131 of the IT Act and some debenture holders who were served notices and summons did not respond at all. Further the Order also states that there was an instance of a cash deposit of ₹20.00 lakhs on November 26, 2011, in the Company's bank account with Kilimanoor branch which has been accounted by the Company towards subscription of debentures. The subscription amount relating to all these debenture holders aggregating to ₹3,366.40 lakhs was added to the income of the Company under Section 68 of the IT Act, and consequently, a demand of ₹1,895.72 lakhs was raised on the Company. The Company has filed an appeal dated September 28, 2017 before the Commissioner of Income Tax (Appeals) ("**CIT – A**") challenging the Order on *inter-alia* grounds that the assessment order is violative of principles of natural justice, additions made under Section 68 were beyond jurisdiction of the AO as well as grounds on merits justifying the claim of deduction of expenditure. Further Company has filed an appeal dated November 14, 2017, before the Income Tax Appellate Tribunal, Cochin against the order under Section 263. Separately, the Company approached the High Court of Kerala ("**High Court**") requesting for stay of demand. The High Court has passed an order dated September 12, 2017 directing the CIT – A to decide the stay application within two months of receipt of a certified copy of the High Court order. The CIT- A passed an order dated December 27, 2017 granting a stay on recovery of the demand amount. Further our Company has received an order dated September 5, 2019 from Income Tax Appellate Tribunal, Cochin by dismissing the appeal filed on November 14, 2017. The AO has completed a fresh assessment for the Assessment Year 2012-13 and passed order dated December 29, 2019 under section 143(3) of the IT Act read with section 153A of the IT Act, raising a demand of ₹1,077.00 lakhs. The demand raised by the AO under section 153A of the IT Act was already covered by the erstwhile Income-tax officer under the regular assessment and had concluded the assessment *vide* his order dated August 31, 2017. Since, there is no fresh addition *vide* the order of AO dated December 29, 2019, the appeal already filed against the order dated August 31, 2017 with the CIT - A on September 28, 2017 shall stand. The matter is currently pending before CIT - A

3. The Assistant Commissioner of Income Tax, Central Circle, Kottayam ("**AO**") has passed an order dated December 29, 2019 under section 143(3) of the Income Tax Act, 1961 ("**Act**") read with section 153A of the Act, raising a demand of ₹1,154.78 lakhs for the Assessment Year 2015-16 ("**Assessment Order**"). Our Company has filed a rectification application on January 09, 2020 with the AO under section 154 of the Act in order to rectify the Assessment Order. Our Company has also filed an appeal before the Commissioner of Income Tax (Appeals) ("**CIT – A**") against the Assessment Order. The matter is currently pending before CIT – A.

4. The Assistant Commissioner of Income Tax, Central Circle, Kottayam ("**AO**") has passed an order dated December 29, 2019 under section 143(3) of the Income Tax Act, 1961 ("**Act**") read with section 153A of the Act, raising a demand of ₹1,426.08 lakhs for the Assessment Year 2016-17 ("**Assessment Order**"). Our Company has filed an application on January 9, 2020 with the AO under section 154 of the Act in order to rectify the Assessment Order. Our Company has also filed an appeal before the Commissioner of Income Tax (Appeals) ("**CIT – A**") against the Assessment Order. On September 30, 2020, CIT – A passed an order under section 154 of the Act based on the rectification filed by our Company and revised the total demand to ₹1,469.92 lakhs. The matter is currently pending before CIT – A.

5. The Commissioner of Income Tax (Central) Kochi filed a writ petition bearing no. 23149/2013 ("**Writ Petition**"), before the High Court of Kerala against the order dated March 25, 2013 ("**Order**") passed by the Income Tax Settlement Commission, Chennai ("**Commission**") for the assessment years 2004-05 to 2010-11, granting immunity to our Group Company, Kosamattam Mathew K. Cherian Financiers Private Limited ("**MKC Finance**") (since then merged with our Company *vide* an order of the NCLT dated June 26, 2018) from penalty and prosecution. Aggrieved by the Order, the Writ Petition was filed by CITK *inter-alia* on the ground that the Commission has no authority to grant immunity to MKC Finance from penalty and prosecution unless MKC Finance makes full and true disclosure of its income, manner in which it was derived and cooperates with the Commission in the proceedings. The CITK further alleged that the income admitted by MKC Finance was less than the income quantified by the Commission and hence full and true disclosure wasn't made and thus the Order passed by the Commission was against law. Further, the CITK has prayed for the issuance of writ of certiorari or any other appropriate order quashing the Order to the extent that it granted immunity to MKC Finance from prosecution and penalty. The matter is currently pending.

6. A notice for hearing dated April 15, 2016 was issued by the Assistant Commissioner of Income Tax, Central Circle, Kottayam ("**Authority**") to verify the sale consideration of the property purchased by Mathew K. Cherian Financiers Private Limited ("**MKC Finance**") (since then merged with our Company *vide* an order

of the NCLT dated June 26, 2018) disclosed in its income tax return, less than the actual sale consideration of the property as reported in the annual returns and the alleged mismatch in the amount paid to related persons under section 40A(2)(b) reported in the audit report and income tax return. Thereafter, MKC Finance submitted a response dated July 10, 2017 stating that tax has been paid at the maximum taxable rate and that there is no mismatch in the amount paid. Subsequently, the Authority issued an order dated October 30, 2017 against MKC Finance initiating proceedings under section 271(1)(c) for concealment of income and demanding payment to the tune of ₹93.79 lakhs for the assessment year 2015-16. Thereafter, MKC Finance filed an appeal dated November 25, 2017 before the Commissioner of Income Tax (Appeals)-III, Kochi. The matter is currently pending.

Indirect Tax

1. The Office of the Commissioner of Central Excise and Customs, Cochin ("**Authority**") issued a Show Cause Notice bearing No. 224/2016/ST, C. No. V/ST/15/190/2016-STAdj dated April 22, 2016 ("**SCN**"). The SCN called upon our Company to show cause as to why a sum of ₹7192.42 lakhs collected in excess of 18% per annum from the gold loan customers, accounted as interest on gold loan account, ₹76.06 lakhs accounted as token charges and ₹53.67 lakhs accounted as postage charges, should not be included in the value of taxable services rendered by them during the period from April 1, 2014 to March 31, 2015 ("**Taxable Period**"). Our Company was asked to show cause as to why a service tax amounting to ₹878.66 lakhs, education cess of ₹17.57 lakhs and secondary higher education cess of ₹8.79 lakhs in the Taxable Period should not be levied. Our Company filed a reply to the SCN, dated May 21, 2016. The matter is currently pending.

2. The Office of the Commissioner of Central Excise and Customs, Cochin ("**Authority**") issued a Show Cause Notice bearing No. 01/2016/ST (R) C. No IV/10/15/KF/2015-ST(R) dated February 19, 2016 ("**SCN**"). The SCN called upon our Company to show cause, as to why the refund of ₹4.95 lakhs claimed for services provided to the Mobile Telephone Switching Office ("**MTSOs**") during the period covered in the Notification No. 19/2015 ST dated October 14, 2015, issued under Section 11C of Central Excise Act, 1944 should not be rejected. Subsequently, the Authority *vide* order dated March 31, 2016 rejected the claim for refund of ₹4.95 lakhs ("**Order**"). Our Company filed an appeal dated June 4, 2016, against the Order, before the Commissioner of Central Excise and Customs (Appeals), Cochin ("**Appeal**"). The Appeal was rejected *vide* an order dated July 27, 2018 ("**Order in Appeal**"). Subsequently, our Company filed an appeal against Order in Appeal before the Assistant Registrar, Customs, Excise and Service Tax Appellate Tribunal, Bangalore and prayed that the Order in Appeal be set aside and the Service Tax of ₹4.86 lakhs paid by our Company for the period from April 2014 to September 2014, which was not payable, be ordered to be refunded along with the applicable interest. Further, the Assistant Registrar, Customs, Excise and Service Tax Appellate Tribunal, Bangalore *vide* an order dated June 4, 2019, allowed our Company to entitle the benefits of exemption notification No. 19/2015 dated October 14, 2015 for qualification / verification proof of payment of service tax, disposed off the appeal filed in the Order in Appeal and remanded back the matter to the original authority. The matter is currently pending.

3. The Office of the Inspecting Assistant Commissioner (Intelligence Branch), Commercial Taxes, Kottayam ("**Authority**") issued a Show Cause Notice bearing No. IBK/2/1/15-16 dated August 31, 2016 ("**SCN**"). The SCN called our Company to show cause as to a penalty of ₹117.90 lakhs should not be charged for evading Tax Deductible at Source ("**TDS**"), which was allegedly due under The Kerala Value Added Tax Act, 2003 ("**KVAT**") towards work contracts entered into with various dealers toward setting up wind mills. Our Company filed a reply dated October 06. 2016 to this SCN, stating that TDS under Section 10 of the KVAT, as claimed by the Authority, would be applicable only to a works contract. Our Company claims that the contracts entered into with the dealers are in the nature of divisible contracts, not work contracts, and therefore Section 10 of the KVAT would be inapplicable. Our Company also claimed that in case of inter-state transactions, the KVAT would be inapplicable. The State Tax Officer, Kottayam passed an order dated July 19, 2018 **("Penalty Order")** imposing a penalty of ₹83,35,666 under Section 67(1) of the KVAT for evasion of tax. Consequently, our Company on August 31, 2018 had filed a writ petition bearing reference number WP (C) 28524/2018 before the High Court of Kerala at Ernakulum ("**WP 28524/2018**") praying before the High Court to stay all further proceedings pursuant to the Penalty Order, however, the WP 28524/2018 got dismissed on the ground that the issues under WP 28524/2018 stand squarely covered against our Company by a judgment dated January 11, 2019 in W.P. (C) No.11335 of 2018. In this regard, our Company had filed a writ appeal bearing reference number W.A.1068/19 before the High Court of Kerala at Ernakulum challenging the dismissal of the aforesaid WP 28524/2018 and the High Court of Kerala *vide* order dated April 09, 2019 allowed the writ appeal and the aforesaid WP 28524/2018 is restored for fresh consideration and for disposal of the issues as provided in the appeal order.

Further, a demand notice bearing No. A-2266/19, KTM II (RRC No.84/19-20) under Section 7 of KVAT **("Demand Notice")** was recived by our Company on August 31, 2019 from the office of the Assistant Commissioner, State Goods and Service Taxes of Kottayam informing our Company that if the amount in arrears pursuant to the Penalty Order amounting to ₹83.35 lakhs, notice fee of ₹0.0004 lakhs and all expenses of distress is not paid then the distrained property will be immediately brought to public sale. Consequently, our Company *vide* its letter dated September 20, 2019 requested the Assistant Commissioner, State Goods and Service Taxes of Kottayam, that the demand made under the Demand Notice may be withdrawn/kept in abeyance as the decision of the High Court of Kerala under WP 28524/2018 in connection to the Peanlty Oder is still pending. The matter is currently pending.

4. The Commercial Tax Inspector, Commercial Tax Check Post, Cumbummettu ("**Inspector**"), intercepted a vehicle belonging to our Company, which were loaded with windmill flour foundation parts and found certain discrepancies in the documents presented at the spot. Being dissatisfied the Inspector issued a notice under Section 47 of the Kerala Value Added Tax Act, 2003 questioning the genuineness of the documents provided and alleged an attempt to evade taxation. The Inspector demanded security deposit of ₹2.90 lakhs pending disposal of the matter. Thereafter the matter was transferred to the Office of the Intelligence Officer, Squad No. IV, Commercial Taxes, Kottayam ("**Authority**") who on account of the failure of the consignee to appear before the Authority, passed an order dated November 25, 2016 ("**Order**") converting the security deposit amount of ₹2.90 lakhs into a penalty. Our Company has filed an appeal against the Order before the Deputy Commissioner (Appeals), Department of Commercial Taxes, Kottayam. Consequently, the Deputy Commissioner (Appeals), Department of Commercial Taxes, Kottayam set aside the aforesaid Order of penalty *vide* order dated February 02, 2019 ("**Order I**") and directed our Company to file objection and produce the books of accounts before the assessing Authorithy within three weeks from the date of Order I and remanded back the matter to the Commercial Tax Department for fresh adjudication. The State Tax Officer, State GST Department (Squard IV, Kottayam) issued order dated December 27, 2019 by imposing a penalty of ₹ 0.1 lakhs for the non accompanying of proper documents at the time of transporattion of goods and ordered to refund the balance amount of ₹2.80 lakhs to our Company.

5. The Intelligence Inspector, Commercial Tax Idukki at Kattappana ("**Inspector**"), intercepted a vehicle belonging to our Company, which were loaded with windmill flour foundation parts and found certain discrepancies in the documents presented at the spot. Being dissatisfied the Inspector issued a notice dated May 2, 2017 under Section 47 of the Kerala Value Added Tax Act, 2003 questioning the genuineness of the documents provided and alleged an attempt to evade taxation. The Inspector demanded security deposit of ₹159,450. Subsequently, the Intelligence Officer, Squad No. IV, Commercial Taxes, Kottayam ("**Enquiry Officer**"), converted the security deposit into penalty *vide* order dated 28 June 2017 under Section 47 read with Rule 67 of the KVAT Act ("**Order**"), on grounds that our Company could not produce enough evidence to establish their claim and therefore attempted tax evasion is well proved. Being aggrieved by the Order, our Company filed an appeal dated October 23, 2017, before the Deputy Commissioner (Appeals) Department of Commercial Taxes, Kottayam, against the penalty of ₹1.59 lakhs imposed by the Enquiry Officer. Subsequently, the State Tax Officer *vide* its order, directed to refund the security deposit of ₹1.59 lakhs to our Company. The matter is currently pending.

6. The Commercial Tax Inspector, Commercial Tax Check Post at Kottayam ("**Inspector**"), intercepted three vehicles belonging to our Company, transporting windmill devices to Idukki district and found certain discrepancies in the documents presented. Being dissatisfied, the Inspector issued notices for each vehicle dated March 30, 2015 under Section 47 of the Kerala Value Added Tax Act, 2003 questioning the genuineness of the documents provided and alleged an attempt to evade taxation. The Inspector demanded a security deposits of ₹1.13 lakhs from each vehicle. Subsequently, the Intelligence Officer, Squad No. I, Commercial Taxes, Kottayam ("**Enquiry Officer**") converted the security deposits into penalty *vide* order dated December 5, 2017 ("**Order**") on grounds of attempted tax evasion. Being aggrieved by the Order, our Company filed an appeal dated January 18, 2018 before the Deputy Commissioner (Appeals) Department of Commercial Taxes, Kottayam ("**Court**") against the penalty of ₹1.13 lakhs imposed on each vehicle by the Enquiry Officer. Subsequently, the Court *vide* order dated July 4, 2018 remanded back the penalty orders to the Enquiry Officer for a detailed enquiry and fresh disposal. That, the Enquiry Officer *vide* it's order dated August 21, 2019 reduced the penalty amount to ₹0.1 lakhs and the balance amount of ₹1.03 lakhs was ordered to be refunded to the Company. The matter is currently pending.

7. The Intelligence Inspector, Squad VI, Idukki at Kumily ("**Inspector**"), intercepted two vehicles belonging to our Company, loaded with wind mill devices and found certain discrepancies in the documents in support.

Subsequently, the Inspector issued a notice dated May 30, 2016 under Section 47 of the Kerala Value Added Tax Act, 2003 ("**KVAT Act**") pointing out certain defects in the documents and demanded a security deposit of ₹1.4 lakhs each. Subsequently, the Intelligence Officer, Commercial Taxes, Kottayam ("**Enquiry Officer**"), converted the security deposit into penalty *vide* order dated December 20, 2017 under Section 47(6) read with Rule 67 of the KVAT Act ("**Order**"), alleging that the intention of our Company was to resell the goods and evade payment of tax. Aggreived by the Order passed by the Enquiry Officer, our Company had filed an appeal before the Assistant Commission (Appeals), State Goods and Services Tax Department, Kottayam ("**Assistant Commissioner**"). The Assistant Commissioner *vide* its order dated November 30, 2019 reduced the penalty into a minimum penalty of ₹0.1 lakhs and directed the Enquiry Officer to revise the penalty. The matter is presently pending before the Equiry Officer for revision of the penalty.

8. The Intelligence Inspector, Squad VI, Idukki at Kumily ("**Inspector**"), intercepted a vehicle belonging to our Company, loaded with wind mill devices and found certain discrepancies in the documents in support. Subsequently, the Inspector issued a notice dated June 29, 2016 under Section 47 of the Kerala Value Added Tax Act, 2003 ("**KVAT Act**") pointing out certain defects in the documents and demanded security deposit of ₹2.7 lakhs. Subsequently, the Intelligence Officer, Commercial Taxes, Kottayam ("**Enquiry Officer**"), converted the security deposit into penalty *vide* order dated December 20, 2017 under Section 47(6) read with Rule 67 (7) of the KVAT Act ("**Order**"), alleging that the intention of our Company was to resell the goods and evade payment of tax. Aggreived by the Order passed by the Enquiry Officer, our Company had filed an appeal before the Assistant Commission (Appeals), State Goods and Services Tax Department, Kottayam ("**Assistant Commissioner**"). The Assistant Commissioner *vide* its order dated November 30, 2019 reduced the penalty into a minimum penalty of ₹0.1 lakhs and directed the Enquiry Officer to revise the penalty. The matter is presently pending before the Equiry Officer for revision of the penalty.

9. The Intelligence Inspector, Squad VI, Idukki at Kumily ("**Inspector**"), intercepted a vehicle belonging to our Company, loaded with wind mill devices and found certain discrepancies in the documents in support. Subsequently, the Inspector issued a notice dated May 25, 2016 under Section 47 of the Kerala Value Added Tax Act, 2003 ("**KVAT Act**") pointing out certain defects in the documents and demanded security deposit of ₹1.9 lakhs. Subsequently, the Intelligence Officer, Commercial Taxes, Kottayam ("**Enquiry Officer**"), converted the security deposit into penalty *vide* order dated December 20, 2017 under Section 47(6) read with Rule 67 (7) of the KVAT Act ("**Order**"), alleging that the intention of our Company was to resell the goods and evade payment of tax. Aggreived by the Order passed by the Enquiry Officer, our Company had filed an appeal before the Assistant Commission (Appeals), State Goods and Services Tax Department, Kottayam ("**Assistant Commissioner**"). The Assistant Commissioner *vide* its order dated November 30, 2019 reduced the penalty into a minimum penalty of ₹0.1 lakhs and directed the Enquiry Officer to revise the penalty. The matter is presently pending before the Equiry Officer for revision of the penalty.

10. State Tax Officer, Office of the State Tax officer, 2nd Circle, Kottayam on November 26, 2018 ("**Authority**") issued a notice ("**Notice**") against our Company under Section 10 of the KVAT ACT, 2003 stating that our Company has failed to deduct the TDS from the payment to the contractos as provided in the Notice and instructed our Company to pay the tax of an amount to ₹41.68 lakhs. To this, our Company *vide* it's letter dated January 29, 2019 replied that our Company is not liable to deduct any TDS as the provisions of Section 10 of the KVAT ACT, 2003 is not applicable to the transctions undertaken by our Company and submitted that the imposition of penalty is not warranted. However, proceedings before the Authorithy was initiated and our Company *vide* order dated June 29, 2019 ("**Order**") was directed to pay an amount of ₹63.51 lakhs including the interest of an amout of ₹21.83 lakhs to the Authority. Consequently, our Company has filed a reply stating that the Authoirthy has erred in considering the submisions made by our Company and therefore, requested the Authorithy to rectify the order passed on June 29, 2019. Aggrieved by the order dated June 29, 2019 passed by the Authority, our Company has filed a writ petition having W.P.(C) No. 33858 of 2019 ("**Petition**") before the High Court of Kerala, at Ernakulam ("**High Court**") for issuing a wirt of Mandamus or such other writ, order or direction directing the Authority to consider and pass appropriate orders in rectification application on merits and restraining the Authority from recovering the amounts under Order. Subsequently, the High Court *vide* it's judgement dated December 11, 2019 ("**Judgement**"), disposed of the Writ Petition after directing the Authority to consider and pass orders on rectification application within a period of one month from the date of receipt of a copy of Judgement, after hearing the Company. Further, the Aurthority were also directed that the recovery steps pursuant to revenue recovery notice for recovery of the amounts confirmed against the Company under the Order shall be kept in abeyance till such time the orders is passed by the Authority. Subsequently, the Authority re-examined the matter pursuant to the Judgement passed by High Court and passed an order on February 29, 2020, rejecting the rectification application on the ground that the rectification application is not sustainable, therefore no rectification is required in the Order.

The matter is pending.

11. In furtherance to the show cause notice bearing number C. No. V/ST/15/194/2014 ST Adj 828/14 dated May 22, 2014, The Commissioner of Central Excise, Customs and Service Tax, Cochin *vide* an order bearing no. COC-EXCUS-0000COM-075/14-15 dated February 27, 2015 ("**Order**") directed Kosamattam Mathew K Cherian Financiers Private Limited ("**MKC Finance**") (since then merged with our Company *vide* an order of the NCLT dated June 26, 2018) that on account of charging risk interest, token charges, postage and other expenses over and above the rate of 18% interest on gold loan, which was held to be includible in the value of the taxable service. Therefore in contravention of Section 68, 69, 70 and 78 of Finance Act, 1994 ("**Act**"), read with Rule 6 of Service Tax Rules, 1994 ("**Rules**") and other applicable provisions, MKC Finance was directed to pay an amount to the tune of ₹139.10 lakhs towards unpaid service tax, along with ₹2.78 lakhs being the education cess, ₹1.39 lakhs being the secondary and higher education cess, total amounting to ₹143.28 lakhs with interest and penalty of ₹0.10 lakhs while providing "Banking & other Finance Services" for the period April, 2009 to June, 2012. MKC Finance has preferred an appeal no. ST/21302/2015-DB dated June 9, 2015 before the Customs, Excise and Service Tax Appellate Tribunal, Bangalore ("**Tribunal**") against the Order ("**Appeal**") praying for the Order to be set aside and the amount of ₹139.10 lakhs be included in the taxable value under 'Banking and Financing Services' in terms of Section 67 of the Act read with Rule 6 of the Rules along with setting aside the imposition of penalty and other demands. The matter is currently pending before the Tribunal.

12. Kosamattam Mathew K Cherian Financiers Private Limited ("**MKC Finance**") (since then merged with our Company *vide* an order of the NCLT dated June 26, 2018) has received a show cause notice bearing no. 106/2015/ST dated April 20, 2015 ("**Notice**") from the Office of the Commissioner of Central Excise and Customs, Cochin ("**Authority**"). The Notice was issued notifying MKC Finance of being in violation of Section 68, 69 and 70 of the Finance Act, 1994 read with Service Tax Rules 1994 ("**Act**") and directing that services provided to customers from April 1, 2013 to March 31, 2014 for which MKC Finance received consideration, is to be treated as taxable service along with the amount to the tune of ₹36.87 lakhs being the leviable service tax, amount to the tune of ₹0.74 lakhs being the leviable education cess and amount to the tune of ₹0.36 lakhs being the secondary and higher education cess on the taxable value of ₹307.25 lakhs, along with imposition of penalty and interest is recoverable from MKC Finance. MKC Finance replied to the Notice *vide* a letter dated July 2, 2015. The Authority passed an order dated December 29, 2015 confirming the demand along with levying penalties of ₹3.79 lakhs for failure to pay service tax and ₹0.1 lakhs under Section 77 of the Act. Our Company filed an appeal bearing number ST/20869/2016-DB dated May 31, 2016 before the Customs Excise and Service Tax Appellate Tribunal, Bangalore. The matter is currently pending.

13. Kosamattam Mathew K Cherian Financiers Private Limited ("**MKC Finance**") (since then merged with our Company *vide* an order of the NCLT dated June 26, 2018) has received a show cause notice bearing no. 307/2014/ST dated October 27, 2014 ("**Notice**") from the Office of the Commissioner of Central Excise and Customs, Cochin ("**Authority**"). The Notice was issued notifying MKC Finance to show cause as to why the services provided by them to their customers from July 1, 2012 to March 31, 2013 for which MKC Finance received consideration should not be considered to be services as defined under Section 65B(44) and 65B(51) of the Finance Act, 1994 read with Service Tax Rules 1994 ("**Act**") and consequently be subject to a levy of ₹64.35 lakhs as service tax, ₹1.29 lakhs as education cess and ₹0.64 lakhs as secondary and higher secondary cess on the taxable value of ₹536.28 lakhs. Our Company replied to the Notice *vide* a letter dated December 6, 2014. The Authority passed an order dated December 29, 2015 confirming the demand along with levying penalties of ₹6.63 lakhs for failure to pay service tax and ₹0.1 lakhs under Section 77 of the Act. Our Company filed an appeal bearing number ST/20869/2016-DB dated May 31, 2016 before the Customs Excise and Service Tax Appellate Tribunal, Bangalore. The matter is currently pending.

14. Kosamattam Mathew K Cherian Financiers Private Limited ("**MKC Finance**") (since then merged with our Company *vide* an order of the NCLT dated June 26, 2018) has received a show cause notice bearing no. 61/2017-18 ST (JC) dated February 22, 2018 ("**Notice**") from the Office of the Commissioner of Central GST and Central Excise, Thiruvananthapuram ("**Authority**"). The Notice was issued notifying MKC Finance of being in violation of Section 68 and 70 of the Finance Act, 1994 read with Service Tax Rules 1994 ("**Act**") and directing that services provided to customers from April 1, 2015 to March 31, 2016 for which MKC Finance received consideration, is to be treated as taxable service along with the amount to the tune of ₹58.30 lakhs being the leviable service tax, amount to the tune of ₹0.06 lakhs being the leviable education cess and amount to the tune of ₹0.03 lakhs being the secondary and higher education cess and amount to the tune of ₹0.88 lakhs being the Swatch Bharat Cess totalling to ₹59.28 lakhs on the taxable value of ₹420.25 lakhs, along with imposition of penalty and interest is recoverable from MKC Finance. MKC Finance replied to the

Notice *vide* a letter dated May 5, 2018. Subsequently, the Authority *vide* its order dated July 16, 2018 demanded ₹0.06 lakhs being the leviable service tax, amount to the tune of ₹0.001 lakhs being the leviable education cess and amount to the tune of ₹0.0006 lakhs being the secondary and higher education cess along with penalty aggregating to ₹0.01 lakhs. Our Company has filed an appeal dated October 10, 2018 ("**Appeal**"), against the order of the Authority to set aside the impugned Order, demand of service tax and interest and the penalty levied. Subsequently, *vide* order dated September 14, 2020, the Commissioner (Appeals) rejected the Appeal filed by our Company against the order of the Authority. Subsequently, our Company paid a penalty of ₹13,111. The matter is currently pending.

15. Our Company has received a show cause notice bearing no. 22/2018-19/ST (Commissioner) dated March 31, 2019 ("**Notice**") from the Office of the Commissioner of Central GST and Central Excise, Thiruvananthapuram ("**Authority**"). The Notice was issued by the Authority notifying our Company of being in violation of Sections 68 and 70 of the Finance Act, 1994 read with Rules 6 and 7 of Service Tax Rules, 1994 ("**Act")** and called upon our Company to show cause as to why (i) a sum of ₹7743.22 lakhs collected in excess of 18% per annum from the gold loan customers accounted as interest on gold loan account, should not be included in the value of taxable services rendered by us during the period from April 01, 2016 to June 30, 2017 ("**Taxable Period**") and assessed to service tax at the appropriate rate; (ii) the differential service tax amounting to ₹1084.05 lakhs, swach bharat cess amounting to ₹38.72 lakhs and krishi kalyan cess amounting to ₹34.01 lakhs and total tax amounting to ₹1156.77 lakhs for the Taxable Period should not be demanded under Section 73(1) of the Finance Act, 1994; (iii) the interest as applicable should not be demanded for late payment of tax under Section 75 of the Finance Act, 1994; (iv) the penalty should not be imposed on us under Section 76 of the Finance Act, 1994 for the violation of Section 68 read with Rule 6 of the Service Tax Rules, 1994; (v) the penalty should not be imposed on us under Section 77(2) for violation of Section 70 of the Finance Act, 1994 by failing to assess the tax liability correctly and by failing to file the returns correctly with the jurisdictional Superintendent of the Central Excise for which no penalty is specially provided elsewhere in the Finance Act, 1994. The matter is currently pending.

Statutory and Regulatory Proceedings against our Company

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

Our Company has responded to the RBI *vide* a letter dated August 12, 2016, wherein our Company has categorically addressed the concerns raised by the RBI. Subsequently, the RBI, *vide* letters dated September 20, 2016 and November 30, 2016 directed our Company to rectify deficiencies detected during the RBI inspection. Our Company *vide* its letter dated December 15, 2016 confirmed compliance with the instructions regarding the application cum declaration form and submitted date wise data of forex purchased and sold by its authorised branches for period from November 8, 2016 to November 30, 2016. The matter is currently pending.

Criminal Cases

1. The Kanakapura Police had registered a FIR bearing no. 35 of 2022 against one Govindappa who was an employee of Co-Operative Marketing Society for stealing gold ornaments from the Co-Operative Marketing Society. Our Company claims that the said Govidappa had availed certain credit facilities from our Company towards which certain gold ornaments were pledged by him towards security with our Company. On March 31, 2022, the circle inspector of Kanakapura Police Station seized all the gold ornaments pledged with our Company by Govindappa amounting to ₹28.58 lakhs alleging that the gold ornaments pledged by Govindappa with our Company were stolen from Co-operative Marketing Society. Our Company has vide its letter dated April 8, 2022 reported the fraud bearing Fraud No. KFLK22020001 along with the FMR – 1 to the Reserve Bank of India. The matter is currently under investigation.

Civil Cases

1. K.V. Chakrvarthi, Enquiry Officer (“**Authority**”) issued summons dated December 16, 2014 (“**Summons**”) to our Company’s branch managers of the Madukkarai branch, Othakamandapam Branch and Kuruchi Branch directing our Company to hand over the possession of allegedly misappropriated jewels of the member/public who mortgaged the said jewels in K.746 Othakalmandapam Chittipalayam Primary Agriculture Cooperative Society Limited and which were allegedly misappropriated and re-mortgaged with our Company. The Authority issued another summon dated December 19, 2014 (“**Summons 1**”) to our Company stating that non-compliance of the Summons will attract legal action as per law. Subsequently, the Authority filed a suit in the Court of Judicial Magistrate No. IV, where the court directed the branch managers to deliver the possession of the said jewels (“**Order**”). The Authority on December 23, 2014 seized 1358.8 grams of gold worth ₹26.81 lakhs from the Madukkarai branch, 2996.7 grams of gold worth ₹59.89 lakhs from the Othakkalmandapam Branch and 727.8 grams of gold worth ₹14.26 lakhs form the Kuruchi Branch. Our Company has filed a complaint dated January 12, 2015 with the Deputy Registrar of Co-operative society, against the Authority and the seizure of the said jewels. Our Company preferred an appeal against the Order, *vide* a writ petition dated November 23, 2015 (“**Writ Petition**”) against the branch manager of Muthoot Finance, Sundapuram Branch, the branch manager of Muthoot Finance, Kinathukadavu Branch, the branch manager of Muthoot Finance, Malumichampatti Branch, and the Authority, stating that the Order was against the order of natural justice and that the appointment of the Authority was bad in law. The Writ Petition therefore prayed for a stay on all proceedings of the Order. The matter is presently pending.

2. Lakshminarayan (“**Plaintiff**”) filed a petition dated July 5, 2018 bearing number O.S. No. 78 of 2018 (“**Petition**”) against our Company before the Sub Judge’s Court, Kottayam (“**Court**”) under Section 26 read with Order VII Rule 1 of the Code of Civil Procedure, 1908 praying for the realisation of ₹10.16 lakhs with interest, realisation of costs from the suit and any other relief the Court deems fit. It was alleged that our Company along with the turn key contractor Shriram EPC Limited colluded to avoid payment of cost to the Plaintiff for the new private road constructed as well as cost by settlement of contractual obligations. Additionally it was alleged that our Company defaulted in payment commitments in connection with the civil works contract citing reasons of violation of the date of completion of the project and terminating the civil works contract extended to the Plaintiff. That, the Court *vide* its order dated July 15, 2019 rejected the plaint on the ground of the failure of the Plaintiff to deposit the balance court fee with the Court. Subsequebtly, the Plaitntiff appealed before the District Court, Kottayam praying to remand back the matter before the Court and the matter to be disposed afresh. The Court of the Principal District judge, Kottayam *vide* it’s order dated October 30, 2019, remanded the case to the Court below for adjudication on merits. The matter is pending.

3. Insight Project Management Consultants (“**Plaintiff**”) filed a plaint dated November 28, 2014 against Shriram EPC Limited and our Company (“**Defendants**”) before the Munsiff’s Court, Kattapana (“**Court**”) under Section 26, Order VII Rule 1 of the Civil Procedure Code, 1908 (“**CPC**”) praying *inter alia* for granting a permanent prohibitory injunction and restraining the Defendants from recovering possession of the disputed property by force. The Plaintiff subsequently filed an affidavit dated October 1, 2017 under Order VI Rule 17 of the CPC to amend the plaint incorporating relief of damages to the tune of ₹41.45 lakhs (“**Appliation for Amendment**”). Thereafter, the Court passed an order dated July 16, 2018 (“**Order**”) dismissing the Application for Amendment. Subsequently, the Plaintiff filed a petition dated August 14, 2018 against the Defendants (“**Petition**”) before the High Court of Kerala against the Order of the Court. Our Company has filed a counter affidavit dated October 29, 2018 against Petition. That, the High Court of Kerala *vide* an order dated February 05, 2019 allowed the Application for Ammendment and set aside the aforesaid Order and also, allowed the original petition for further proceedings. Subsequently the Plaintiff has filed an amended plaint *vide* OS 33/19 before the Sub Court, Kattappana for want of pecuniary jurisdiction. The matter is currently pending.

4. V. Achuthan (“**Plaintiff**”) has filed a plaint having O.S. No. 226/2019 on November 25, 2019 against our Company (“**Defendant 1**”) and Vatakara Branch Manager (“**Defendant 2**” together with Defendant 1 “**Defendents**”) before the Munsif Court, Vatakara (“**Court**”) under Section 26 Order 7 Rule 1 of code of Civil Procdure 1908. The Plantiff had on June 27, 2018, availed a loan of ₹0.21 lakhs by pledging two gold rings weighing together 9.90 grams from Defendant 2. In the present matter, the Plaintiff has alleged that the Defendents had illegal sold his ornaments without any intimation. The Defendents had received a summons to appear before Court on January 01, 2020. The matter is currently pending.

Labour Cases

1. The Assistant Labour Office, Nedumkadam (“**Authority**”) conducted an inspection at our branch at

Nedumkandam and issued an inspection report dated February 22, 2017 which recorded a failure on our Company's behalf to disburse the salary through the wages protection system ("**WPS**"). Subsequently, the Authority issued a show cause notice to our Company, bearing reference no.72/2017, dated April 20, 2017 ("**SCN**"), under the Kerala Shops and Commercial Establishment Act, 1960. Through the SCN the Authority directed our Company to submit certain documents and appear before the Authority. In response to the SCN, our Company filed a reply dated May 12, 2017 ("**Reply**") which contended that the Labour Department has recently implemented a new IT enabled system of wage disbursement through which wages are transferred to the respective employee's bank account. The Non-Banking Finance Companies Welfare Associations obtained a stay order dated April 12, 2017 from the High Court of Kerala ("**High Court**") against the implementation of the WPS in their member companies. Our Company in its submission has informed the same to the Authority along with submitting copies of the stay order. However, the Authority refused to accept our Company's contention proceeded with the matter. Subsequently, our Company filed an application dated August 29, 2017, before the High Court for a stay on the proceedings before the Court of the Judicial First-Class Magistrate Nedumkandam ("**Court**"). The High Court *vide* order dated August 29, 2017 granted a stay on further proceedings before the Court. The matter is currently pending.

2. Anil Kumar G.P ("**Applicant**") filed an application dated June 8, 2017 before the Controlling Authority under the Payment of Gratuity Act, 1972 (Deputy Labour Commissioner and Secretary State Advisory Contract Labour Board), Thiruvananthapuram ("**Authority**") alleging that he was entitled to gratuity from the Company under the Payment of Gratuity Act, 1972. The Authority *vide* notice dated July 4, 2017 demanding appearance of our Company to address the application. Our Company refuted the claim by filing a counter statement dated November 28, 2017 claiming the Applicant has not completed five years of uninterrupted service and therefore is not eligible for gratuity. The matter is currently pending.

3. The Assistant Labour Officer, Kozhikode II circle ("**Authority**") conducted an inspection on October 17, 2015 at our branch office and issued a demand notice dated December 01, 2015 ("**Notice**") under Section 20(2) of Minimum Wages Act, 1948 demanding arrears of minimum wages as stated in the Notice and for that purpose. Further, a case has been registered before Deputy Labour Commissioner, Kozhikode bearing case no. No. MCPNo.14/16 ("**Claim Petition**") in relation to arrears of minimum wages. Our Company *vide* letter dated February 14, 2019 has submitted their objection in the Claim Petition and prayed that the Authority be pleased to reject the Claim Petition as the same is not maintainable. The matter is currently pending.

Potential litigations against our Company

Nil

Litigations by our Company

Criminal cases

1. Our Company ("**Complainant**") has filed a first information report, bearing no 366/15 dated June 13, 2015 ("**FIR**") against Vinod. K. John (Branch manager) ("**Accused**") at Gudallur police station, for criminal misappropriation of funds amounting to ₹2.5 lakhs by facilitation of fake and forged pledging. The customer remitted ₹2.5 lakhs on June 18, 2015 against the above pledge which was honoured by our Company, on account of maintenance of customer relationship. Our Company has also reported details of the misappropriation to the RBI *vide* Fraud no. KFLK 15020003. The matter is pending for investigation by the Police.

2. Our Company, through its regional manager, Sankara Narayanan ("**Complainant**") has registered a first information report bearing no. 70/2015 dated March 10, 2015 ("**FIR**") against Rameshkannan (Manager) and Remalakshmi (together referred to as the "**Accused**") before the Thovalai Police Station under Section 390 of the Indian Penal Code. Our Company claims that the Accused had stolen one of the Gold packets (GL No: -7475) worth ₹4.16 lakhs, from our Company. All the gold packets were in order on the date of verification by the Appraiser on December 30, 2014 and the missing packet was found on January 02, 2015. Our Company has also reported details of the missing packets to the RBI *vide* Fraud no. KFLK15020002. The matter is pending for investigation by the Police.

3. Our Company has filed a first information report No. 548 dated October 9, 2013 ("**FIR**") at Khajuri Khas Police Station against unknown accused for offences under Sections 397/34 of the Indian Penal Code, 1860

and 25/27 of the Arms Act, 1959. Gold ornaments amounting to a total value of ₹6.40 lakhs were stolen from the Bhajanpura branch of our Company in New Delhi by two unknown persons. Our Company has also reported details of the robbery to the RBI. The matter is pending for investigation by the Police.

4. Our Company, through its branch manager has registered a FIR against Robin and Roni (together referred to as the "**Accused**") before the Chenkalpattu Police Station under Section 409, 420, 468, 471 of the Indian Penal Code. Our Company claims that the Accused has stolen ₹3.24 lakhs and cheated rent amount for ₹0.56 lakhs and further pledged spurious gold of about 12,176 grams and misappropriated ₹23.89 lakhs from our Company. The matter is under police investigation and an application for bail by the Accused was rejected by the Judicial Magistrate No. II, Chengalpattu *vide* order dated September 12, 2014. The matter has been reported to RBI for deficiency of funds at the branch *vide* Fraud no. KLF K 14030001 dated September 19, 2014. Further, our Company filed a petition 28442 of 2015 before the Madras High Court ("**Court**") against the Inspector of Police ("**Department**") under Section 482 of the Criminal Procedure Code, 1973 ("**Petition**"). *Vide* the Petition our Company requested the Court to direct Department to file a final report in this matter, within a stipulated time period. The Court *vide* an order dated November 25, 2015, directed the Department to file the final report as expeditiously as possible. Chargesheet has been issued and the accused is summoned for signature verification. The matter is currently pending.

5. Our Company through Sherly Joseph, Area Manager of our Company ("**Complainant**") filed a FIR bearing no 0211/2014 dated April 09, 2014 against its employees of the Bangalore, Ayyapa nagar branch of the Company, namely Binu K Sam and Ajitha P.P ("**Accused**") for criminal misappropriation of funds amounting to ₹12.50 lakhs by drawing the sum through a cheque under false pretence. The matter is under investigation and the cash shortage caused due to the misappropriation has been reported to RBI *vide* Fraud no. KLF K 14020001 dated May 09, 2014. Matter is currently pending.

6. Our Company through Sherly Joseph, Area Manager of our Company ("**Complainant**") has filed a FIR bearing no 0123/2014 dated April 15, 2014 against its employees at the Shivaji Nagar, Bangalore Branch namely, Anuradha Rajan and Shiny Samuel and a customer, Uma Bhaskar, ("**Accused**") for criminal misappropriation of funds amounting to ₹10.04 lakhs by facilitation of pledging spurious gold by the Accused customer. The matter is under investigation and the cash shortage caused due to the misappropriation has been reported to RBI *vide* Fraud no. KLF K 14020002 dated May 09, 2014. Matter is currently pending.

7. Our Company through Simon P.S, Manager of the Thripunithura Branch ("**Complainant**") has filed a FIR bearing no 0718/2014 dated April 15, 2014 against a customer Radhalakshmi ("**Accused**") for pledging spurious gold for a loan amounting to ₹2.82 lakhs. The matter is under investigation and the cash shortage caused due to the misappropriation has been reported to RBI *vide* Fraud no. KLF K 14020003 dated May 14, 2014. Subsequently, the case has been transferred to the court of the Additional Judicial Magistrate, first class, bearing CC Number 2151/15. The matter is currently pending.

8. Our Company through Sherly Joseph, Area Manager of the Company ("**Complainant**") has filed a FIR bearing no 220/2014 dated October 17, 2014 against Rajajinagar, Bangalore Branch Manager and Joint Custodian and customers Vimal Kumar and Ganesh Rao, ("**Accused**") on September 25, 2014 for criminal misappropriation of funds amounting to ₹99,45,000 by facilitation of fake and forged pledging. The Customer remitted ₹28.50 lakhs on October 13, 2014 against the above pledge. The matter is under investigation and the cash shortage of ₹66.95 lakhs caused due to the misappropriation has been reported to RBI *vide* Fraud no. KLF K 14040001 dated November 15, 2014. Our Company filed a writ petition bearing number W.P 9829/2015 dated March 10, 2015, before the High Court of Karnataka seeking the transfer of the matter to the Criminal Investigation Department (CID) and for issuance of a writ of mandamus to direct the Police department to conduct a fair, impartial and speedy investigation. Subsequently, on October 7, 2016, our Company filed a suit of recovery before the City Civil Judge, Bangalore seeking an amount of ₹125.38 lakhs from the Accused, being losses incurred due to the outstanding loan and expenses in their efforts to recover the loan. The matter is currently pending.

9. Our Company filed a complaint with the Periyakalpet Police station against our Periyakalpet branch's manager for misappropriation of cash to the tune of ₹6.18 lakhs for the Company. Our Company is in the process of settling the matter. Fraud has been reported to the RBI on April 21, 2016 *vide* Fraud no. KFLK16020002. The matter is currently pending.

10. Our Company filed a FIR bearing number 08/16 dated March 29, 2016, with the District Crime Branch, Dindigal, Tamil Nadu, against our branch manager M. Dharmendran at Guziliamparai ("**Accused**"). *Vide* the

FIR, our Company has alleged that the Accused pledged spurious ornaments to a tune of ₹18.84 lakhs, under the name of existing customers. The matter is currently under investigation and our Company has reported it to RBI *vide* Fraud no. KFLK16020001. The matter has been referred to the mediation centre attached to the Madurai Bench of the Madras High Court. The matter is currently pending.

11. Our Company filed a FIR bearing number 60/16 dated January 31, 2016 with the Vadasery Police Station, Kanniyakumari District, against Biju Chacko ("**Accused**"). *Vide* the FIR, our Company alleged that the Accused misappropriated jewellery from our Company's Kulasekaram branch to the tune of ₹80.30 lakhs. The matter is under investigation and has been reported to RBI *vide* Fraud no. KFLK16010001. That, 2,563.250 grams of gold has been recovered by the Police and produced before Vadsserry Sessions Court. Return of property has been filed for restoring the same. Investigation in process for balance recovery of gold (1,600.50 grams). The matter is currently pending.

12. Our Company filed an FIR bearing No. 800/30/08/2016 ("**Complaint**"), under Section 379 of the Indian Penal Code, against the staff of our Company's Poyampalayam branch, Annalaksmi ("**Accused**"). In the Complaint, our Company alleged that the Accused, after withdrawing ₹1.71 lakhs from a bank, for official purposes, returned with only ₹0.21 lakhs and the rest of the amount of ₹1.5 lakhs was unaccounted and was stolen by the Accused. The matter is currently under investigation and is pending.

13. Our Company, Branch Executive of our Company, filed an FIR bearing No. 0373/2017 dated October 28, 2017 with the Mansarovar Park Police Station, New Delhi against three unknown persons ("**Accused**") under Section 392, 397 and 34 of the Indian Penal Code and Section 27 of the Arms Act 1959. *Vide* the FIR, Our Company alleged that the Accused stole gold ornaments weighing 21.6 grams worth ₹0.42 lakhs and cash to the tune of ₹0.97 lakhs from the Durgapuri Branch. The matter is currently pending.

14. Our Company filed a complaint dated November 1, 2017 with the Sarjapura Road, Bellandur Police Station against Vinod Kumar, an employee of our Company ("**Accused**"). In the Complaint, our Company alleged that ₹2 lakhs had been misappropriated by the Accused from our Company's Kasavanahally branch, Bangalore. The matter is under investigation and has been reported to RBI on November 15, 2017 *vide* Fraud no. KFLK17040001. The matter is currently pending.

15. Our Company filed an FIR bearing No.0283/2017 dated December 13, 2017 ("**Complaint**") with the Changaramkulam Police Station, Malappuram against C.P Ajesh Branch Manager and staff members Manjusha Gopalakrishnan and Sobha K.B of our Company's Edappal branch (collectively the "**Accused**"). In the Complaint, our Company alleged that the Accused stole gold ornaments pledged by various customers weighing total of 3,349.2 grams worth ₹69.22 lakhs. The matter is under investigation and has been reported to the RBI on January 3, 2018 *vide* Fraud No. KFLK18010001. Police recovered part of the gold and produced before the court. Return of property has been filed for the same. The matter is currently pending.

16. Our Company filed an FIR bearing No.983/2017 dated June 8, 2018 ("**Complaint**") with the Avaniyapuram Police Station, Madurai against Arockiya Lenin, manager of our Company's Villapuram branch ("**Accused**"). In the Complaint, our Company alleged that the Accused had forged signatures, cheated and misappropriated ₹2 lakhs from our Company's Villapuram branch. The matter is under investigation and has been reported to the RBI on April 18, 2018 *vide* Fraud No. KFLK18020001. The matter is currently pending.

17. Kosamattam Mathew K. Cherian Financiers Private Limited (since then merged with our Company *vide* an order of the NCLT dated June 26, 2018) through its employee Arun TM has lodged a FIR 504 dated December 07, 2010 before the Vandiperiyar Police Station against Faizal TA and Shainy Saji Joseph (together referred to as the "**Accused**") alleging *inter-alia* pledging of spurious gold numbering to 21 for ₹30 lakhs and for cheating. The matter is currently pending.

18. Our Company filed a complaint before the Superintendent of Police, Virudhanagar District, Tamil Nadu on December 23, 2019 against the manager and other two staff members of our Company's Watrap branch of ("**Accused**"). In the Complaint, our Company alleged that the Accused had cheated, forged and misappropriated ₹8.61 lakhs from our Company's Watrap branch. The matter is currently pending.

19. Our Company filed a complaint before the Sub-Inspector of Police, Anekal Police Station, Banglore Rural District on January 22, 2021 against the branch manager and other 3 staff members of our Company's Anekal branch ("**Accuseds**"). In the Complaint, our Company has alleged that the appraisers Laxminarayanan and Sandeepkumar ("**Appraisers**") visited the Anekal branch on January 18, 2021 for periodical audit. Pursuant

to the periodical audit, the Appraiser found that spurious ornaments amounting to ₹ 52.61 lakhs were misappropriated by the Accused. On further verification it was found that gold loan are escalated to the extent of ₹ 42.35 lakhs by editing the original pledge amount and the difference amounts are misappropriated by the Accuseds. The Accused has misappropriated a total amount of ₹ 94.96 lakhs. The matter is currently pending.

20. Our Company has filed a complaint before the Senior Police Inspector, Raopura Police Station, Baroda on December 19, 2020 against branch manager and other 1 staff member of our Company's Maneja branch ("**Accuseds**"). In the Complaint, our Company has alleged that the Accused has pledged the gold loans in the name of various customers without the knowledge of the customers and from September 25, 2020 to September 26, 2020, the accused has pledged and released some accounts without the signature and presence of customers. It also alleged that the Accused were indulged personally and committed criminal conspiracy, criminal breach of trust and illegal misappropriation casuing financial loss to the tune of ₹25.75 lakhs to the Company. The matter is currently pending.

21. Our Company filed a complaint before the Raopura Police Station on December 28, 2020 against the branch manager and other 1 staff member of our Company's Dandiya Bazar branch ("**Accuseds**" together with our Company referred to as "**Parties**"). In the Complaint, our Company has alleged that during the time of internal audit in Dandiya Bazar Branch on December 26, 2020, our Company found that the Accuseds has misappropriated amount to the extent of ₹5.08 lakhs. Our Company through authorised representative and the Accused have entered into a agreement dated January 11, 2020 ("**Settlement Agreement**") wherein, the Accused has undertaken to restore/ pay ₹4.52 lakhs ("**Settlement Amount**") to our Company on or before March 30, 2021. Post the receipt of the Settlement Amount it has been decided that our Company shall withdraw the complaint. The Parties are presently acting as per the settlement terms as mentioned in the Settlement Agreement. The matter is currently pending.

22. Our Company filed a CRI Case No. 472/2021 before the Court of Additional Chief Metropolitan Magistrate Court No. 13 of Ahmedabad ("**Court**") against Amit Sanjivkumar Soni, Aarti Sanjivkumar Soni, Kajal Sanjivkumar Soni, Radhaben Sanjivkumar Soni, Sanjiv, Ramkishan Soni, Hariprakash Subhasbhai Rajput, Bhagwandin Rajaram Kushwah, Rohit Sureshchandra Soni, Vikas Rakeshkumar Soni, and Ashish Vakheda under section 156 of Criminal Procedure Code 1973. Under this matter Amit Sanjivkumar Soni along with Aarti Sanjivkumar Soni, Kajal Sanjivkumar Soni, Radhaben Sanjivkumar Soni, Sanjiv, Ramkishan Soni, Hariprakash Subhasbhai Rajput, Bhagwandin Rajaram Kushwah, Rohit Sureshchandra Soni and Vikas Rakeshkumar Soni ("**Accused**") had pledged the gold ornaments amounting to ₹ 333.20 lakhs on various dates in 2019 and 2020. On appraisal it was found that the said ornaments might not pure. When customers are informed, they are of the opinion that ornaments are of requisite purity and the ornaments were reappraised and found to be of low purity. Our Company had demanded several times legal amount form the Accused, however our Company did not got any result and therefore our Company gave an advertisement in newpaper and auctioned the ornaments with loss of ₹222 lakhs. Therefore being aggrieved by the conspiracy done by the Accused, our Company filed this present complaint before the Court. The matter is presently pending before the Court.

23. A First Information Report bearing no. 0214 of 2021 dated September 25, 2021 before Konakunde police station against Branch Manager Dayananda swamy.J, Usha R and Manjunath. S (**"Accused"**) for pleding spurious gold amounting of ₹132.58 lakhs /- in the name of different Customers by using their KYC without their knowledge. Company has recovered ₹ 47.37 Lakhs on February 7, 2022. The matter is currently pending.

24. A First Information bearing no. 0505 of 2022 was filed by the Mathilakam Police Station on complaint made by Seena on April 4, 2022 against unknown persons under section 392 and 34 of the Indian Penal Code, 1860 for snatching gold neck chain amounting to ₹ 1,92,000. On July 21, 2022, Sub Inspector of Mathilakam Police Station seized all the ornaments amounting to ₹ 1,35,300 pledged by Sidhique M.S. with our Company alleging that the said ornaments were snatched from a Seena based on the FIR No. 0505 of 2022 dated July 4, 2022. The matter is currently pending.

Civil cases

1. Kerala Non Banking Finance Companies Welfare Association ("**Petitioner**") an association and reperesentative of non banking financial institutions in the State of Kerala has filed a writ petition (civil) number 26803 of 2017 ("**Writ Petition**") before the High Court of Kerala ("**High Court**") against the State of Kerala ("**Respondent**"). The Respondent included "Employment in private financial instutions" in Part I

of Schedule to the Minimum Wages Act, 1948 ("**Act**") and consequently the Respondent constituted a committee under Section 5(1)(a) of the Act for fixing minimum wages of the employees in non banking financial institutions. The Respondent *vide* notification dated July 28, 2016 in Kerala Gazette Extra Ordinary dated August 9, 2016 under Section 5(1)(b) of the Act published its proposal to fix minimum wages of empliyees in private non banking financial institutions and afforded an oppotunity to submit objections therein. The Petitioner objected the same and submitted a detailed objection pointing out that there was a considerable disparity in the proposal relating to wages payable to cleaner/ sweeper, office superintendent, driver, security guard, bill collector, clerks etc. The Respondent did not consider the objection of the Petitioner and provided a hearing on March 24, 2017 to the Petitioner. However, the Petitioner sought time from the Respondent as it was in the process of procuring various documents and the Respondent refused the same. Therefore, the Respondent approached the High Court by filing writ petition (civil) number 123473/2017 seeking inter alia for a direction to conduct a proper hearing. The High Court *vide* its order dated July 7, 2017 ("**Order**") disposed off the writ petition and the respondent was directed to hear and consider the Petitioner's objection. Pursuant the the Order a hearing was granted by the Respondent to the Petitioner, wherein the Petition, inter alia submitted following objections (i) the sub committee was constituted in violation of Section 9 of the Act; (ii) there was no sufficient notice regarding the hearing conducted by the sub committee; (iii) the proposal to fix mimimum wages show that it is not based on the norms; (iv) the proposal grants increments and service weitage in violation of Section 3 of the Act; (v) the capacity of the industry to pay the proposed wages etc. The Respondent again did not considered the objection and rejected the Petitioners contentions in an arbitrary manner *vide* its order dated July 20, 2017 ("**Respondents Order**") and issued fresh notification under Section 5(1)(b) of the Act. Aggrieved by the Respondents Order, the Petitioner has filed this present writ petition. Further Company filed petition for impleding in the said case by filing petition dated October 17, 2019. The matter is currently pending.

2. Our Company has initiated recovery proceedings against the following borrowers (i) Mangomeadows Agricultural Pleasures Land Private Limited, (ii) N.K. Kurian, (iii) Lathika Kurian ("**Borrowers**") *vide* demand notice dated January 29, 2019 issued to the Applicants under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**") demanding the repayment of an aggregate sum of ₹1426.64 lakhs together with interest and penal interest on the outstanding amount. The matter arose due to the default made by the Borrower under a term loan of an amount of ₹800 lakhs granted on March 01, 2016 and ₹200 lakhs granted on February 16, 2017 from our Kallara Branch. Thereafter, our Company had taken Symbolic Possession of the secured assets on 17/04/2019 and has filed a Miscellaneous Criminal Petition bearing No.MC- 200/2019 with CJM Court, Kottayam for taking actual possession of the secured assets and takeover of the administration of the borrowers. Subsequently, the Borrower filed a securitization application bearing No. S.A. No. 174 of 2019 ("**Application**") before the Debts Recovery Tribunal- 2 at Ernakulam ("**Authority**") in which they, inter alia, challenged the right of action of our Company to issue the notices under section 13(2) and section 13(4) of the SARFAESI Act and seeking stay on all proceedings initiated under the SARFAESI Act against the secured properties of the Borrower. Consequently, the Authority *vide* notice dated May 27, 2019 required our Company to show cause as to why the reliefs prayed in the Application should not be granted and directed us to appear, before the Authority either in person or authorized one or more legal practitioners or any of the officers to present the case. Our Company on June 18, 2019 filed the Written Statement with the Authority, inter alia, denying the averments made by the Applicants in the Application and claiming that the Applicants are not entitled to any reliefs under the Application as the same is filed solely for the purpose of misleading the Authority and for obtaining unlawful gain and causing loss to public exchequer, which amounts to perjury for which purpose, appropriate criminal action is liable to be taken against the Borrower and also the Application is liable to be dismissed with compensatory costs. The matter is currently pending.

Since the DRT Ernakulam stayed all the proceedings under SARFAESI Act 2002 and since the case is pending at DRT for more than 2 years due to COVID and non sitting of cases in DRT due to absence of Presiding officers in both the DRTs indefinitely, we have initiated the insolvency proceedings under Section 7 of the Insolvency and Bankruptcy Code, 2016 before NCLT Kochi bench on January 3, 2022 bearing ref.no. Dy.10/22 claiming an aggregate amount of ₹ 2358.34 lakhs towards the debts owed by the Borrorwers. The matter is currently pending.

3. Our Company has filed a suit no. OS/3/2020 against M/s Archana Textiles, Tessy Mathew, K. J. Mathew, A. V. Ajimon and Annamma Kunjamma ("**Defendents**") before the Additional Subordinate Judge's Court, Kottayam. The Defendents had on May 06, 2016, availed a term loan for ₹50 lakhs at an interest of 20.00% p.a. with monthly rest from our Kaduthuruthy branch. Due to irregularity in the repayment of the term loan availed by the Defendents, our Company had classified the term loan as NPA on March 31, 2018 and has

initiated this present recovery proceedings against the Defendents to recover the outstanding dues amounting to ₹61.32 lakhs alongwith future interest at the rate of 22.00% (20% + 2% Penal Interest) from December 20, 2019. The suit filed by our Company against the Defendents was decreed and was stayed by High Court of Kerala. As an alternate recourse, we had initiated SARFAESI proceedings against the parties and took symbolic possession of properties which was also stayed by the High Court of Kerala. A Securitization Application challenging the symbolic possession of the properties was filed by A V Ajimon before Debt Recovery Tribunal, Ernakulam. The matter is currently pending.

4. Our Company has filed a suit no. O.S. 432 of 2020 against Joyamma Abraham ("**Defendant**") before the Munsiff Court, Kottayam under Section 26 and Order VII Rule 1 of the Code of Civil Procedure 1908. Our Company had taken on lease the 1st floor of building no. 20/1425 named Anithottam ("**Premises**") from the Defendant for a period of 5 years. At the time of entering into lease agreement, our Company had paid advance security money amount to ₹2 lakhs ("**Advance Security Money**") to the Defendant and which shall be refunded by the Defendant without interest on the date when our Company vacates the permises. Our Company had on December 31, 2019, vacated the Premises and handedover the keys of the building to the Defendant. Pursuant to the vacation of the Premises, our Company demanded the Defendant to return Advance Security Money after adjusting the rent for the months of November and December i.e. ₹1.65 lakhs ("**Claim Amount**"). However, the Defendant failed to return the Calim amount. Therefore, our Company had issued a notice to the Defendent demanding the repayment of Claim Amount. The Defendant replied to our said notice by raising untenable contentions and till date the Defendant has not paid the Claim Amount. Due to the non-repayment of the Claim Amount by the Defendant, our Company has initiated this present recovery proceedings against the Defendant to recover the Claim Amount alongwith a future interest at the rate of 18% per annum till realization. The matter is currently pending.

5. Our Company ("**Plaintiff**") has filed a suit no. O.S. 363 of 2020 against T.C. Chacko ("**Defendant**") before Munsiff Court, Kattapana, under section 26 order VII Rule 1 and 2 of Code of Civil Procedure for grant of permanent prohibitory injunction restraining the Defendant his men and agents from trespassing into the Property (defined below) and from committing any act of waste therein and from doing anything that will adversely affect the Plaintiff's peaceful possession and enjoyment of the Property. The Plaintiff is an absolute owner in possession and enjoyment of 35.91 acres of land comprised in Sy. No. 91/1, 91 and 92 falling in Chakkupallom village and Re.Sy. No. 501 (old Sy.No. 212, 196/1) falling in Kattappanna Village ("**Property**"). The Property is well planted with cardamom and coffee plants and there are hibiscus fencing on the boundaries. There are internal roads and pathways through the Property which are exclusively for the usage of the estate staff and workers. About one year back the Defendant had requested the Plaintiff to allow the Defendant to open road to his property through the Plaintiff's Property, to which plaintiff did not agree. On July 20, 2020 when the Plaintiff's workers were engaged in agricultural operations in the Property, the Defendant tried to trespass into the Property and destroyed the boundary fencing in a portion of the Property. This illegal attempt of the Defendant was thwarted by timely intervention of the Plaintiff's laborers and the Defendant then had threatened to come with more force to attain his illegal goals. The Defendant had destroyed the boundary fencing and he is now disputing the southern boundary of the Property. Therefore the Plaintiff has initiated this present proceeding against the Defendant and have prayed, *inter alia*, for granting permanent prohibitory injuction against the Defendant. The matter is currently pending.

6. Our Company has filed Memorandum of Writ Petition (Civil) bearing number W.P.(C) No. 25652 of 2020 ("**Writ Petition**") against Union of India and Others ("**Respondents**") before the High Court of Kerala, Ernakulam ("**High Court**") under Article 226 of the Constitution of India for grant of an interim direction to defer the implementation of circular issued by RBI dated August 6, 2020, bearing no. RBI/2020-21/20 DOR.No.BP.BC/7/21.4.048/2020-21 ("**RBI Ciruclar**"), wherein the banks are directed that no bank shall not open current accounts for customers who have availed credit facilities in the form of cash credit/ overdraft. The High Court *vide* its order dated November 23, 2020, issued an interim direction to defer the implementation of the RBI Circular till the disposal of the Writ Petition. Our Company had on February 18, 2021, filed an IA/4/2021 before the High Court wherein, our Company had prayed to implead additional respondents in the Writ Petition. The High Court *vide* its order dated February 22, 2021 ("**Order**") allowed to implead the additional respondents in the Writ Petition. Further the High Court *vide* its said Order directed that the Respondents and additional respondents shall not close the accounts of the Company and revive the accounts already closed, pending disposal of the Writ Petition. Subsequently, the High Court *vide* its order dated April 9, 2021, directed the State Bank of India to resolve the issue by mutual consultation within an upper limit of six months, failing which the shall approach Reserve Bank of India for resolution of the issue. Till then the status quo as regards to the accounts of the petitioners as on the date of filing the wirt petition shall be maintained.

Litigation against Promoter Directors

Mathew K. Cherian

Tax Litigations

1. Mathew K. Cherian (our "**Promoter**") has filed an appeal bearing number 40/CENT/KTYM/CIT A-1111/2011-12 dated February 02, 2012 ("**Appeal**") before the Commissioner of Income Tax Appeals ("**CIT(A)**") against the order dated December 29, 2011 passed by the Assessing Officer for the Assessment Year 2006-2007 assessing the total income at ₹6.85 lakhs. Our Promoter has filed the Appeal *inter-alia* praying that the Order be quashed, the opening cash balance be taken at ₹199.12 lakhs and delete the disallowance of repayment of loan to Kosamattam Estate Investment. The CIT(A), by an order dated September 28, 2016, partly allowed the appeal, directing the Assessing Officer to suitably modify the cash flow, and delete the disallowance of repayment of loan to Kosamattam Estate Investment. The CIT(A), by its order bearing number ACIT/CC/KTM/ABUPC1286H/2016-17 dated November 28, 2016 ("**Order**"), ordered our Promoter to pay an amount of ₹705. Our Promoter filed an application for rectification of mistake dated March 17, 2017 ("**Application**") before the Assistant Commissioner of Income Tax (Central), Kottayam against the Order, stating that the rate of calculation of education cess was incorrect. Further, our Promoter further received notices of demand under Section 156 of the Income Tax Act, 1961 for assessment years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 dated March 30, 2017 for an aggregate balance payment of ₹59.48 lakhs. In response to the application, the department had issued Form 3 demanding ₹32.63 lakhs for AY 2007-08 and the same was paid on April 23, 2021 and Form 4 was filed on April 27, 2021. On April 27, 2021 an order for withdrawal of the appeal was passed by the Commissioner of Income Tax (Appeals) 3, Kochi.The matter is currently pending.

2. The Assistant Commissioner of Income Tax, Central Circle, Kottayam ("**AO**") has passed an order dated December 29, 2019 under section 143(3) of the Income Tax Act, 1961 ("**Act**") read with section 153A of the Act, against Mathew K. Cherian, our Promoter, Chairman and Managing Director raising demand of ₹79.01 lakhs for the Assessment Year 2012-13 ("**Assessment Order**"). Mathew K. Cherian has filed an application for rectification on January 9, 2020 with the AO under section 154 of the Act in order to rectify the Assessment Order. The matter is currently pending.

3. The Assistant Commissioner of Income Tax, Kottayam ("**CIT**") passed an Order dated December 31, 2017 ("**Order**") for the Assessment Year 2015-2016 assessing the total income at ₹1,113.52 lakhs from other sources and raising a demand of ₹571.83 lakhs against Mathew K. Cherian ("**Promoter**"). Our Promoter filed an appeal bearing number 3592 of 2018 dated January 30, 2018 ("**Appeal**") before the High Court of Kerala ("**High Court**") *inter-alia* praying that the Order be quashed. The High Court *vide* order dated February 2, 2018 ("**HC Order**"), dismissed the Appeal, directing the promoter to file an appeal before the Commissioner of Income Tax (Appeals) Cochin ("**CIT-A**"). Thereafter, our Promoter filed an appeal along with an application for condonation of delay dated February 5, 2018 before the CIT-A. The AO has completed a fresh assessment for the Assessment Year 2015-16 and passed an order dated December 29, 2019 under section 143(3) of the Income Tax Act, 1961 ("**Act**") read with section 153A of the Act, raising a demand of ₹1,187.87 lakhs. Since, there is no fresh addition *vide* the order of CIT dated December 29, 2019, the appeal already filed against the order dated December 31, 2017 with the CIT - A on February 5, 2018 shall stand. The matter is currently pending before CIT – A.

4. The Assistant Commissioner of Income Tax, Central Circle, Kottayam ("**AO**") has passed an order dated December 29, 2019 under section 143(3) of the Income Tax Act, 1961 ("**Act**") read with section 153A of the Act, against Mathew K. Cherian, our Promoter, Chairman and Managing Director raising demand of ₹4,971 for the Assessment Year 2016-17 ("**Assessment Order**"). Mathew K. Cherian filed an application for rectification on January 09, 2020 with the AO under section 154 of the Act in order to rectify the Assessment Order. The matter is currently pending.

Laila Mathew

Tax Litigations

1. Laila Mathew (our "**Promoter**") has filed an appeal bearing number 49/CENT/KTYM/CIT A-1111/2011-12 dated February 02, 2012 ("**Appeal**") before the Commissioner of Income Tax Appeals ("**CIT(A)**") against

the order dated December 29, 2011 passed by the Assessing Officer for the Assessment Year 2008-2009 assessing the total income at ₹4.26 lakhs and raising a demand of ₹0.83 lakhs. Our Promoter has filed the Appeal *inter-alia* praying that the Order be quashed, the opening cash balance be taken at ₹44.31 lakhs and delete the addition of ₹2.55 lakhs as remuneration from Kosamattam Chits and Kuries Private Limited. The CIT(A), by an order dated October 13, 2016 ("**Order I**"), partly allowed the appeal, directing the Assessing Officer to modify the cash flow statement, thereby resulting in change in the opening balance, but dismissed the contention that ₹2.55 lakhs as business income be deleted. Subsequently, our Promoter filed an appeal dated December 23, 2016, before the Income Tax Appellate Tribunal against Order I. The CIT(A), by its order bearing number ACIT/CC/KTM/AEDPM1526Q/2016-17 dated November 24, 2016 ("**Order II**"), ordered our Promoter to pay an amount of ₹0.07 lakhs. The matter is currently pending. Our Promoter has filed an application for rectification of mistake dated March 17, 2017 before the Assistant Commissioner of Income Tax (Central), Kottayam against Order II, stating that the rate of tax used to calculate liability was the common rate and not the rate applicable to women assessee. Our Promoter received letters dated March 25, 2017 pertaining to set-off of refund for Assessment Year ("**AY**") 2004-05 against payables for AY 2010-11 and AY 2012-13 and 2009-10 against payables for AY 2012-13 and letters dated March 30, 2017 for appellate orders for the set-off of refund for AYs 2004-5, 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 of the Commissioner of Income Tax (Appeals)-IV Kochi pursuant to which the cash flow statement which modified the amount payable to nil. The Income Tax Department had filed an appeal against Order II. The Income Tax Appellate Tribunal by its order dated July 7, 2017 has allowed the appeal for statistical purpose. The matter is currently pending.

Litigations involving our Group Companies

Kosamattam Nidhi Limited ("**Petitioner**") has filed a writ petition WP(C).No. 6776 of 2021 agaisnt Union of India ("**Respondent 1**"), Joint Secretary, Ministry of Corporate Affairs ("**Respondent 2**"), Regional Director, Ministry of Corporate Affairs ("**Respondent 3**"), Registrar of Companies, Ernakulam ("**Respondent 4**" along with Respondent 1, Repondent 2, and Respondent 3 referred to as "**Respondents**") before the High Court of Kerala, at Ernakulam ("**Court**"). The present petition arises out of an order dated February 19, 2021 ("**Order**") passed by the Respondent rejecting the e-Form NDH 4 filed vide SRN R35005297 dated March 7, 2020 by the Petitioner. *Vide* said Order the Respondent declared that the Petitioner has not met the requirements to be declared as a Nidhi Company under Section 406 of the Companies Act, 2013 and instructed the Respondent 4 for taking appropriate action in accordance with the provisions of the Companies Act, 2013 and Nidhi Rules, 2014. Aggrevide by the said Order, the Petitioner had filed this present petition before the Court. The matter is currently pending.

Notices received by the Company:

Except as disclosed in "*Statutory and Regulatory Proceedings against our Company*" above on page 222, there are no other pending notices against our Company.

Litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoters during the last three years immediately preceding the year of the issue of this Draft Prospectus and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action

Except as disclosed in "*Litigation against Promoter Directors*" above on page 230, there are no outstanding Litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoters during the last three years immediately preceding the year of the issue of this Draft Prospectus and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action.

Inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies' law in the last three years immediately preceding the year of issue of this 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

The Deputy Registrar of Companies, Kerala ("**Registrar**") issued a letter dated January 21, 2014 to our Company calling for information under Section 234 of the Companies Act 1956 ("**Letter**"). The Registrar *vide* the Letter has, *inter alia*, sought for certain information/clarifications i.e. reasons for noncompliance of Section 219, 217(4), 383A. The Registrar has also sought for copies of the register maintained under 301 of the Companies Act 1956.

Our Company *vide* letter dated February 7, 2014 submitted the copies of the relevant documents sought by the Registrar. There has been no further correspondence with the Registrar in this regard.

Details of material frauds, if any in the last three years

Sr. No.	Financial Year	Details of Fraud	Action taken by the Company
1.	2021-2022	Certain fraud cases were reported during the internal audit, an instance of misappropriation of gold loan related misappropriations of ₹ 333.20 lakhs and ₹ 132.58 lakhs at Meghani Nagar branch and Konanakunte branch, respectively.	Complaint filed at respective police stations.
2.	2020-2021	No fraud of material nature, on or by our Company was noticed or reported during the course of audit except an instance of misappropriation of gold loan related misappropriations of ₹120.72 lakhs and misappropriation of ₹5.07 lakhs cash.	Complaint filed at respective police stations.
3.	2019-2020	No fraud of material nature, on or by our Company was noticed or reported during the course of audit except an instance of misappropriationof gold loan related misappropriations of ₹8.61 lakhs.	Complaint filed at Superintendent of police, Virudhanagar District, Tamil Nadu.

Details of disciplinary action taken by SEBI or Stock Exchanges against the Promoters/ Group companies in the last five financial years, including outstanding action.

Nil

Summary of reservations or qualifications or adverse remarks or emphasis of matter or other observations of auditors in the last three financial years:

Financial Year	Summary of Reservations/ Qualifications/ Adverse Remarks	Impact on the financial statements and financial position of the Issuer	Corrective steps taken and proposed to be taken
2021-22	**Nil**		
2020-21	**Nil**		
2019-20	**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 October 19, 2022 the Board approved the Issue of NCDs to the public up to an amount not exceeding ₹40,000 lakhs.

Prohibition by SEBI

Our Company, persons in control of our Company, our Directors and/or our Promoters have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Categorisation as a Wilful Defaulter

Our Company, our Directors and/or our Promoters have not been categorised as a Wilful Defaulter nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

Declaration as a Fugitive Economic Offender

None of our Promoters or Directors have been declared as a Fugitive Economic Offender.

Other confirmations

None of our Company or our Directors or our Promoters, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Prospectus, in accordance with the SEBI Delisting Regulations or Chapter V of the erstwhile SEBI (Delisting of Equity Shares) Regulations, 2009.

Secured NCDs shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

Consents/ permissions and no objection certificates required for creation of further pari passu charge in favour of the Debenture Trustee on the assets from the Existing Secured Creditors have been obtained.

Disclaimer statement from our Company, our Directors and the Lead Manager

Our Company, our Directors and the Lead Manager accepts no responsibility for statements made other than in this 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 accept no responsibility, save to the limited extent as provided in the Issue Agreement.

None among our Company or the Lead Manager or any Member of the Syndicate is liable for any failure in uploading the Application due to faults in any software/ hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who make an Application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs and will not issue, sell, pledge, or transfer the NCDs to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the NCDs being offered in the Issue.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF OFFER DOCUMENT 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 OFFER DOCUMENT. THE LEAD MANAGER, SMC CAPITALS LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF NON CONVERTIBLE SECURITIES) REGULATIONS, 2021. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER SMC CAPITALS LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●], WHICH READS AS FOLLOWS:

1. **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**

3. **WE CONFIRM THAT THE OFFER DOCUMENT CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON CONVERTIBLE SECURITIES) REGULATIONS, 2021.**

4. **WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 1956, COMPANIES ACT, 2013, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

5. **WE CONFIRM THAT NO COMMENTS/COMPLAINTS WERE RECEIVED ON THE DRAFT PROSPECTUS HOSTED ON THE WEBSITE OF BSE LIMITED (DESIGNATED STOCK EXCHANGE).**

Disclaimer Clause of BSE

As required, a copy of this Draft Prospectus has been submitted to the BSE. The Disclaimer Clause as will be intimated by the BSE to us, post scrutiny of this Draft Prospectus, shall be included in the Prospectus prior to filing with the RoC.

DISCLAIMER CLAUSE OF RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED DECEMBER 19, 2013 BEARING REGISTRATION NO. B-16.00117 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/DISCHARGE OF LIABILITY BY THE COMPANY.

Disclaimer Clause of India Ratings

All credit ratings assigned by India Ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers byfollowing this link:https://www.indiaratings.co.in/rating-definitions. In addition, rating definitions and the terms of use of such ratings areavailable on the agency's public website www.indiaratings.co.in. Published ratings, criteria, and methodologies are available from this site at alltimes. India ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.

Disclaimer Clause of CRISIL Research for industry report

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

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following website:

Name of Lead Manager	Website
SMC Capitals Limited	www.smccapitals.com

Listing

An application will be made to BSE for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within six (6) Working Days from the date of closure of the issue.

Consents

Consents in writing of (a) Directors of our Company; (b) Company Secretary and Compliance Officer; (c) Chief Financial Officer; (d) Statutory Auditors; (e) Legal Advisor to the Issue; (f) Lead Manager; (g) the Registrar to the Issue; (h) Public Issue Account Bank; (i) Refund Banks; (j) Credit Rating Agencies; (k) the Bankers to our Company; (l) the Debenture Trustee; and (m) the Syndicate Member* to act in their respective capacities, have been obtained and will be filed along with a copy of the Prospectus with the RoC and any other authority as may be required.

The consent of the Statutory Auditor of our Company, namely M/s. SGS & Company, Chartered Accountants for (a) inclusion of their name as the Statutory Auditor; (b) examination reports on Reformatted Financial Statements in the form and context in which they appear in this Draft Prospectus; and (c) report on the Statement of Tax Benefits Available to the Debenture Holders dated November 24, 2022 in the form and context in which it appears in this Draft Prospectus, have been obtained and the same will be filed along with a copy of the Prospectus with the RoC.

Expert Opinion

Except the (i) Statutory Auditor's report on our reformatted audited financials for the Financial Year ending March 31, 2022, March 31, 2021 and March 31, 2020 issued by M/s. SGS & Company, Chartered Accountants dated November 24, 2022; and (ii) Statement of Tax Benefits available to Debenture Holder issued M/s. SGS & Company, Chartered Accountants dated November 24, 2022, our Company has not obtained any expert opinions.

Common form of Transfer

We undertake that there shall be a common form of transfer for the NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant Depositary Participants of the transferor or transferee and any other applicable laws and rules notified in respect thereof.

Filing of this Draft Prospectus

This Draft Prospectus will be filed with the Designated Stock Exchange in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website(s).

Filing of the Prospectus

The Prospectus shall be filed with RoC in accordance with Section 26 of the Companies Act, 2013

Issue related expenses

For details of Issue related expenses, see "*Objects of the Issue*" on page 67.

Reservation

No portion of this Issue has been reserved

Terms and Conditions of Debenture Trustee Agreement

Fees charged by Debenture Trustee

The Debenture Trustee has agreed for one time acceptance fee amounting to ₹ 4,00,000 (plus the applicable taxes). Annual fees will start from the date of execution of trust deed and will be payable on quarterly basis at .015% of the outstanding balance of secured NCDs respectively at the end of each quarter as agreed in the offer letter dated October 21, 2022.

Terms of carrying out due diligence

As per the SEBI Circular "SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020 titled "Creation of Security in issuance of listed debt securities and due diligence by debenture trustee(s)", the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer company are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our company has consented to.

a. The Debenture Trustee, either through itself or its agents /advisors/ consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document /disclosure document / information memorandum / private placement memorandum, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.

b. The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed.

c. Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify Kosamattum Finance Limited such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

d. Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.

The Debenture Trustee shall have the power to either independently appoint, or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company. Process of Due Diligence to be carried out by the Debenture Trustee Due Diligence will be carried out as per SEBI NCS Regulations and circulars issued by SEBI from time to time. This would broadly include the following:

- A Chartered Accountant ("**CA**") appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.
- CA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.
- CA will conduct independent due diligence on the basis of data / information provided by the Issuer.
- CA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.
- On basis of the CA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchanges.
- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Issuer.

While the NCD is secured as per terms of the Offer Document and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other Confirmations

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circulars titled (i) “Creation of Security in issuance of listed debt securities and ‘due diligence’ by debenture trustee(s)” dated November 3, 2020; and (ii) “Monitoring and Disclosures by Debenture Trustee(s)” dated November 12, 2020.

VISTRA ITCL (INDIA) LIMITED HAVE FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED DECEMBER 02, 2022, AS PER THE FORMAT SPECIFIED IN ANNEXURE A TO THE DT CIRCULAR WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS AS PROVIDED TO US.**

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 AS PROVIDED TO US, WE CONFIRM THAT AS ON DATE:**

   A. **THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED.**

   B. **THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).**

   C. **THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES TO THE BEST OF OUR KNOWLEDGE BASIS THE INFORMATION PROVIDED TO US.**

   D. **ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS/ PERMISSIONS REQUIRED FOR CREATION OF CHARGE ON ASSETS IN OFFER DOCUMENT AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.**

   E. **ISSUER HAS DISCLOSED ALL COVENANTS WHICH ARE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT AND HAS GIVEN AN UNDERTAKING THAT DEBENTURE TRUST DEED SHALL BE EXECUTED BEFORE FILING OF LISTING APPLICATION.**

   F. **ISSUER HAS GIVEN AN UNDERTAKING THAT THE CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE THE ISSUANCE.**

   G. **ALL DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WLL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.**

WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES AS ON DATE, BASIS THE INFORMATION/ DOCUMENTS SHARED WITH US AS ON DATE.

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure A of the DT Circular.

Public issue of Equity Shares

Our Company has not made any public issue of Equity Shares in the last five years.

Previous Issues of NCDs

Other than the issues of (i) secured redeemable non-convertible debentures of face value of ₹1,000 each aggregating to ₹10,000 lakhs and (ii) secured redeemable non-convertible debentures of face value of ₹1,000 each aggregating to ₹15,000 lakhs, (iii) secured redeemable non-convertible debentures and unsecured redeemable non-convertible of face value of ₹1,000 each aggregating to ₹20,000 lakhs, (iv) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value of ₹1,000 each aggregating to ₹20,000 lakhs in the financial year 2014-2015; (v) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹23,000 lakhs and (vi) secured redeemable non-convertible debentures face value ₹1,000 each, aggregating to ₹20,000 lakhs in the financial year 2015-2016; (vii) secured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹25,000 lakhs, (viii) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹20,000 lakhs and (ix) secured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹30,000 lakhs, in the financial year 2016-2017; (x) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹25,000 lakhs, (xi) secured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹22,000 lakhs and (xii) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹23,000 lakhs, in the financial year 2017-2018; (xiii) secured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹30,000 lakhs ,(xiv) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹25,000 lakhs and (xv) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹30,000 lakhs, in the financial year 2018-2019; (xvi) secured redeemable non-convertible debentures and unsecured redeemables non-convertible of face value ₹1,000 each, aggregating to ₹30,000 lakhs, (xvii) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹30,000 lakhs, (xviii) secured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹35,000 lakhs and secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹30,000 lakhs, in the financial year 2019-2020; (xix) secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each, aggregating to ₹30,000 lakhs; (xx) secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹30,000 lakhs; (xxi) secured redeemable non-covertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹35,000 lakhs, (xxii) secured redeemable non-covertible debentures and unsecured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹35,000 lakhs, in the financial year 2020-2021, (xxiii) secured redeemable non-covertible debentures of face value ₹1,000 each aggregating to ₹30,000 lakhs, in the financial year 2021-2022, (xxiv) secured redeemable non-covertible debentures of face value ₹1,000 each aggregating to ₹40,000 lakhs, in the financial year 2022-2023, (xxv) secured redeemable non-convertible debentures of face vlue ₹1,000 each aggregating to ₹35,000 lakhs, in the financial year 2022-2023.

Other than as specifically disclosed in this Draft Prospectus, our Company has not issued any securities for consideration other than cash.

Dividend

Our Company has no stated dividend policy. The declaration and payment of dividends on our shares will be recommended by the Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Kottayam, India.

Details regarding lending out of issue proceeds of Previous Issues

A. Lending Policy

Please see "*Our Business - Gold Loan Business*" on page 102.

B. Loans given by the Company

Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoters out of the proceeds of Previous Issues.

C. Utilisation of Issue Proceeds of the previous Issues by our Company and Group Companies

Our Company

(*₹in lakhs)*

Sr. No.	Particulars of utilisation	1st Public Issue	2nd Public Issue	3rd Public Issue	4th Public Issue	5th Public Issue	6th Public Issue	7th Public Issue
	Total Issue Proceeds	**10,000.00**	**14,922.90**	**16,344.49**	**20,000.00**	**23,000.00**	**19,988.15**	**23,451.14**
a.	Issue Related Expense	56.62	57.51	32.97	7.67	70.60	14.26	25.86
	Issue Proceed Less Issue Expenses	**9,943.38**	**14,865.39**	**16,311.52**	**19,992.33**	**22,929.40**	**19,973.89**	**23,425.28**
1.	Onward lending	8,678.84	13,777.39	14.556.88	18,024.45	21,062.05	17,971.74	21,609.10
2.	Repayment of existing loans including interest	1,200.00	1,000.00	1,650.00	1,114.72	1,278.37	945.33	772.60
3.	General Corporate Purposes	64.54	88.00	104.64	853.16	588.98	1,056.82	1,043.58

Sr. No.	Particulars of utilisation	8th Public Issue	9th Public Issue	10th Public Issue	11th Public Issue	12th Public Issue	13th Public Issue	14th Public Issue	15th Public Issue
	Total Issue Proceeds	**19,978.59**	**21,416.65**	**21,951.14**	**21,462.10**	**22,878.51**	**21,426.54**	**23,470.51**	**21,198.81**
a.	Issue Related Expense	0.57	7.00	14.06	1.30	20.91	159.38	150.07	259.58
	Issue Proceed Less Issue Expenses	**19,978.02**	**21,409.65**	**21,937.08**	**21,460.08**	**22,857.60**	**21,267.16**	**23,320.44**	**20,939.23**
1.	Onward lending	19,254.09	18,079.55	19,067.43	20,785.94	22,455.22	20,820.92	18,608.54	19,515.44
2.	Repayment of existing loans including interest	621.76	3,196.54	2,773.06	629.34	320.95	164.12	4,307.36	1,403.87
3.	General Corporate Purposes	102.17	133.56	96.59	45.52	81.43	282.12	404.54	19.92

Sr. No.	Particulars of utilisation	16th Public Issue	17th Public Issue	18th Public Issue	19th Public Issue	20th Public Issue	21st Public Issue	22nd Public Issue
	Total Issue Proceeds	**20,600.86**	**29,635.96**	**29,002.19**	**29,725.73**	**30,000.00**	**32,559.33**	**26,320.88**
a.	Issue Related Expense	182.40	130.12	154.26	159.93	138.49	116.50	91.11
	Issue Proceed Less Issue Expenses	**20,418.46**	**29,505.84**	**28,847.93**	**29,565.80**	**29,861.52**	**32,442.83**	**26,229.77**
1.	Onward lending	20,084.95	23,286.97	28,639.11	27,568.84	29,829.11	23,996.45	21,359.76
2.	Repayment of existing loans including interest	230.51	4,597.99	188.82	1,941.11	-	6,557.62	3,026.54
3.	General Corporate Purposes	103.00	1,620.88	20.00	55.85	32.40	1,888.76	1,843.47

Sr. No.	Particulars of utilisation	23rd Public Issue	24th Public Issue	25th Public Issue
	Total Issue Proceeds	**30,000.00**	**38,377.56**	**27,898.33**
a.	Issue Related Expense	130.98	109.24	133.06
	Issue Proceed Less Issue Expenses	**29,869.02**	**38,268.32**	**27,765.27**
1.	Onward lending	29,711.83	38,243.67	27,743.39
2.	Repayment of existing loans including interest	35.53	-	-
3.	General Corporate Purposes	121.66	24.65	21.88

Group Companies

Nil

Description of our loan portfolio

Type of loans:

The detailed break-up of the type of loans given by the Company as on March 31, 2022 is as follows:

(₹in lakhs)

Sr. No.	Type of Loans	Amount	Percentage
1.	Secured	3,99,806.81	99.77%
2.	Unsecured	918.19	0.23%
	Total Loans	**4,00,725.00**	**100.00%**

A. Sectoral Exposure as on March 31, 2022:

Sr. No.	Segment wise break up of loans	Percentage
1.	**Retail**	
a.	Mortgages (home loans and loans against property)	1.57%
b.	Gold Loans	98.10%
c.	Vehicle Finance	0.00%
d.	MFI	0.03%
e.	M & SME	0.00%
f.	Capital market funding (loans against shares, margin funding)	0.00%
g.	Others	0.30%
2.	**Wholesale**	
a.	Infrastructure	0.00%
b.	Real Estate (including builder loans)	0.00%
c.	Promoter funding	0.00%
d.	Any other sector (as applicable)	0.00%
e.	Others	0.00%
	Total	**100.00%**

B. Residual Maturity Profile of Assets and Liabilities as on March 31, 2022:

(₹in lakhs)

	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Non sensitive to ALM	Total
Bank Balance other than Cash & Cash Equivalent	1,073.24	2,290.10	1,708.68	4,044.46	10,194.11	6,601.94	926.14	0.02		**26,838.69**
Advances	38,845.51	29,795.75	60,265.11	1,38,402.93	1,36,078.35	953.59	-	-	(3,616.24)	**4,00,725.00**
Investments	-	-	-	-	-	-	-	-	-	-
Debt Securities	-	16,280.16	10,383.17	26,205.40	21,773.36	1,26,754.61	17,280.94	5,249.98	(362.89)	**2,23,564.73**
Subordinated Liabilities	110.15	-	-	-	3,762.04	2,421.53	16,111.01	7,672.45	(62.20)	**30,014.98**
Borrowings (other than debt securities)	14,554.97	8,432.07	30,799.89	25,349.15	16,449.32	32,416.41	3,942.50	-	-	**1,31,944.31**
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-

C. Denomination of the loans outstanding by ticket size as on March 31, 2022*:

Sr. No.	Ticket size**	Percentage
1.	Up to ₹2 lakhs	94.93%
2.	₹2 lakhs to 5 lakhs	2.65%
3.	₹5 lakhs to 10 lakhs	1.01%
4.	₹10 lakhs to 25 lakhs	0.19%
5.	₹25 lakhs to 50 lakhs	0.06%
6.	₹50 lakhs to 1 crore	0.16%
7.	₹1 crore to 5 crores	0.50%
8.	₹5 crores to 25 crores	0.50%
9.	₹25 crores to 100 crores	0.00%
10.	Above ₹100 cores	0.00%
	Total	**100.00%**

** Loan to value, at the time of origination*
***The details provided are as per borrower and not as per loan account.*

D. Denomination of loans outstanding by LTV as on March 31, 2022*:

Sr. No.	LTV	Percentage
1.	Up to 40%	0.56%
2.	40%-50%	10.11%
3.	50%-60%	1.86%
4.	60%-70%	27.47%
5.	70%-80%	60.00%
6.	80%-90%	0.00%
7.	>90%	0.00%
	Total	**100.00%**

** LTV at the time of origination of secured loan outstanding*

E. Geographical classification of our borrowers as on March 31, 2022:

Sr. No.	Top States	Percentage
1.	Andhra Pradesh	6.62%
2.	Delhi	0.91%
3.	Gujarat	0.05%
4.	Karnataka	14.55%
5.	Kerala	20.40%
6.	Maharashtra	0.81%
7.	Puducherry	0.37%
8.	Tamil Nadu	55.02%
9.	Telangana	1.27%
	Total	**100.00%**

F. (a) Details of top 20 borrowers with respect to concentration of advances as on March 31, 2022:

(₹in lakhs)

Particulars	Amount
Total advances to twenty largest borrowers	6,739.49
Percentage of advances to twenty largest borrowers to total advances to our Company	1.67%

(a) Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2022:

(₹in lakhs)

Particulars	Amount
Total exposure to twenty largest borrowers	6,739.49
Percentage of exposure to twenty argest borrower to total exposure to our Company	1.67%

G. Details of loans overdue and classified as non-performing in accordance with RBI's guidelines as on March 31, 2022:

Movement of gross NPA	Amount (₹in lakhs)
Opening gross NPA	4,642.11
- Additions during the year	2,008.29
- Reductions during the year	908.11
Closing balance of gross NPA	5,742.29

Movement of net NPA	Amount (₹in lakhs)
Opening net NPA	2,757.91
- Additions during the year	1,465.10
- Reductions during the year	699.13
Closing balance of net NPA	3,523.88

Movement of provisions for NPA (excluding Provisions on Standard Assets)	Amount (₹in lakhs)
Opening balance	1,884.20
- Provisions made during the year	543.19
- Write-off/ write-back of excess provisions	208.98
Closing balance	2,218.41

H. Segment-wise gross NPA as on March 31, 2022:

Sr. No.	Segment-wise gross NPA	Gross NPA(%)
1.	**Retail**	
a.	Mortgages (home loans and loans against property)	52.91%
b.	Gold Loans	42.05%
c.	Vehicle Finance	0.00%
d.	MFI	2.03%
e.	M & SME	0.00%
f.	Capital market funding (loans against shares, margin funding)	0.00%
g.	Others	3.01%
2.	**Wholesale**	
a.	Infrastructure	0.00%
b.	Real Estate (including builder loans)	0.00%
c.	Promoter funding	0.00%
d.	Any other sector (as applicable)	0.00%
e.	Others	0.00%
	Total	**100.00%**

I. Classification of loans/advances given to associates, entities/persons relating to the Board, senior management, Promoters, others, etc.

Particulars	Amount (₹in lakhs)
Loans to Promoters	Nil
Loans to person related to the board	892.66
Total	**892.66**

J. Others

Lending policy: Should contain overview of origination, risk management, monitoring and collections

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

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

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

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

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

Our Gold Loans have tenure of 9 months. However, customers may redeem the loan at any time. As per the current policy of our Company, interest is to be paid in accordance with the scheme. In the event that a loan is not repaid on time and after providing due notice to the customer, the unredeemed pledged gold is disposed-off, on behalf of the customer in satisfaction of the principal and interest charges in accordance with the applicable RBI guidelines. Any surplus arising out of the disposal of the pledged gold is refunded to the customer or is appropriated towards any other liability by the borrower. In the event that the recoverable amount is more than the realizable value of the pledged gold, the customer remains liable for the shortfall.

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

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

Pre-disbursement process

Gold Loan appraisal of a customer involves the following steps

(a) Customer identification
(b) KYC Documentation
(c) Security appraisal
(d) Documentation

Post-disbursement process

The period/tenure for a Gold Loans is up to 12 months. Timely interest collection and closing of accounts within the specified period is vital for the successful and smooth functioning of gold loan companies like that of ours. To ensure this, the branches regularly follow up with their gold loan customers through notices served at 3 months (ordinary notice), 6 months (registered notice), 9 months (registered notice with acknowledgement due) as well as personal contacts directly and over the phone.

Branch security and safety measures: Electronic Security System

Branches are normally equipped with security devices (Alarms) which automatically alert the branch manager, regional manager as well as the nearest police station in the event of any theft attempts.

The gold pledged as security is insured with an insurance company. Our Company makes periodic analysis and revises the insurance policy as per the value/quantity of the gold.

Release of pledge

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

Revaluation of assets

Our Company has not revalued its assets in the last three financial years.

Mechanism for redressal of investor grievances

Agreement dated November 14, 2022, between the Registrar to the Issue and our Company provides for settling of investor grievances in a timely manner and for retention of records with the Registrar to the Issue for a period of seven years.

All grievances relating to the Issue may be addressed to the Registrar to the Issue and Compliance Officer giving full details such as name, address of the applicant, number of NCDs applied for, amount paid on application and the details of Member of Syndicate or Trading Member of the Stock Exchange where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Application Locations, giving full details such as name, address of Applicant, Application Form number, option applied for, number of NCDs applied for, amount blocked on Application.

Additionally, the Stock Exchange shall be responsible for addressing investor greivances arising from applications submitted online through the app based/ web interface platform of the Stock Exchange or through its Trading Members. Further, in accordance with the SEBI Operational Circular, the Designated Intermediaries shall be responsible for addressing any investor grievances arising from the Applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be three (3) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The contact details of Registrar to the Issue are as follows:

Kfin Technologies Limited
Selenium Tower B, Plot 31&32,
Gachibowli, Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi - 500 032,
Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
Toll Free No.: 18003454001
Email: kosamattam.ncdipo24@kfinech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221

Sreenath P. has been appointed as the Compliance Officer of our Company for this issue.

The contact details of Compliance officer of our Company are as follows:

Sreenath P.
Kosamattam Finance Limited
Kosamattam City Centre,
Floor Number 4th & 5th, T.B Road,
Kottayam - 686001,
Kerala, India
Tel.: +91 481 258 6506
Fax: +91 481 258 6500
E-mail: cs@kosamattam.com

Change in Auditors of our Company during the last three years

The erstwhile statutory auditors of our Company, M/s. Vishnu Rajendran & Co., Chartered Accountants, were succeeded by M/s. SGS & Company, Chartered Accountants, who were appointed for a period of three financial years starting from the Financial Year 2021-2022 and to hold office from the conclusion of the 35th annual general meeting till the conclusion of the 37th annual general meeting held for the adoption of the financial statements for the Financial Year 2023-2024, pursuant to a resolution of our shareholders at their annual general meeting held on September 30, 2021.

Other disclosures

On February 26, 2018, the Financial Intelligence Unit - India, Ministry of Finance categorised Kosamattam Mathew K. Cherian Financiers Private Limited (since then merged with our Company *vide* an order of the NCLT dated June 26, 2018) as a '*High Risk Financial Institution*' on account of non-compliance with the Prevention of Money Laundering Act, 2002 and the rules made thereunder in relation to not undertaking registration of principal officer as on January 31, 2018. Our Company made requisite filings on April 3, 2018 and submitted the same to the Financial Intelligence Unit.

Undertaking by our Company

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of '*Risk factors*' on page 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. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

Latest ALM statement

The following table describes the ALM of our Company as on September 30, 2022:

(₹in lakhs)

	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Non sensitive to ALM	Total
Bank Balance other than Cash & Cash	1,115.88	335.65	5,955.55	7,933.15	9,444.14	6,388.37	281.16	0.01	-	**31,453.91**

	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Non sensitive to ALM	Total
Equivalent										
Advances	51,545.26	33,047.62	48,886.09	1,57,294.64	1,35,883.82	736.87	2,245.24	7,528.67	(4,330.70)	**4,32,837.51**
Investments	-	-	-	-	-	-	-	-	-	-
Debt Securities	-	-	19,692.92	2,757.16	52,774.46	1,12,050.10	44,346.33	10,819.91	(461.29)	**2,41,979.59**
Subordinated Liabilities	34.39	30.09	36.35	3,952.01	135.00	9,904.29	13,130.63	5,878.15	(55.08)	**33,045.83**
Borrowings (other than debt securities)	5,913.99	12,571.84	31,592.61	31,192.64	36,886.07	34,615.97	3,187.00	-	-	**1,55,960.12**
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-

KEY REGULATIONS AND POLICIES

The regulations summarised below are not exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, GST laws (including CGST, SGST and IGST) and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The major regulations governing our Company are detailed below:

We are a non-deposit taking (which does not accept public deposits), systemically important, NBFC. As such, our business activities are regulated by RBI Regulations applicable to non-public deposit accepting NBFCs ("***NBFC-ND***").

As of September 29, 2022, the RBI has issued an updated *Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, dated September 1, 2016 as amended*, ("**Master Directions**") applicable to all NBFC-NDSI's.

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 businesses has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/1269) issued on April 08, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 percent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 percent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalisation of the balance sheet and in any case, not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the Master Direction – Non-Banking Financial Company – Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, Peer to Peer Lending Platform (Reserve Bank) Directions, 2017 ("Peer to Peer Regulations"), Reserve Bank Commercial Paper Directions, 2017 ("Commercial Papers Directions") and the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- An NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and

- NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard.

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities.

Further, an NBFC may be registered as a deposit accepting NBFC ("***NBFC-D***") or as a non-deposit accepting NBFC ("***NBFC-ND***"). The RBI has recently harmonised the categories of NBFCs into: (i) investment and credit companies (which erstwhile consisted of asset finance companies, investment companies, and loan companies); (ii) infrastructure finance companies; (iii) infrastructure debt funds; (iv) NBFC – micro finance institutions; and (v) NBFC – factors.

Our Company has been classified as an NBFC-ND-SI.

Systemically Important NBFC-NDs

The RBI in its notification (RBI/2014-15/520 DNBR (PD) CC.No.024/03.10.001/2014-15) dated March 27, 2015 revised the threshold for defining systemic significance for NBFCs-ND in the light of the overall increase in the growth of the NBFC sector. NBFCs-ND-SI will henceforth be those NBFCs-ND which have asset size of ₹50,000 lakhs and above as per the last audited balance sheet. Moreover, all NBFCs-ND with assets of ₹50,000 lakhs and above, irrespective of whether they have accessed public funds or not, shall comply with prudential requirements as applicable to NBFCs-ND-SI. NBFCs-ND-SI is required to comply with conduct of business regulations if customer interface exists.

All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio ("**CRAR**") of 15%.

Loan-to-value guidelines

The RBI *vide* the Master Directions, directed all NBFCs to: (i) maintain a loan-to-value ratio not exceeding 75% for loans granted against the collateral of gold jewellery and; (ii) disclose in their balance sheet the percentage of such loans to their total assets.

Further, NBFC's are also required to not grant any advance against bullion / primary gold, gold bullion, gold jewellery, gold coins, units of Exchange Traded Funds (ETF) and units of gold mutual fund. NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets) are required to maintain a minimum Tier I capital of 12.00%.

Rating of NBFCs

Pursuant to the RBI Master Directions, all NBFCs with an asset size of ₹5,000 million are required to, as per RBI instructions to, furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

Prudential Norms

The Master Directions amongst other requirements prescribe guidelines on NBFC-ND regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans. Further the concentration of credit/ investment norms shall not apply to a systemically important non-banking financial company not accessing public funds in India, either directly or indirectly, and not issuing guarantees.

Provisioning Requirements

An NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realisation of the security and erosion overtime in the value of the security charged, shall make provisions against sub-Standard Assets, Doubtful Assets and Loss Assets in the manner provided for in the Master

Directions.

In the interests of counter cyclicality and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI *vide* their circular no. DNBS.PD.CC. No.207/ 03.02.002 /2010-11 dated January 17, 2011, introduced provisioning for Standard Assets by all NBFCs. NBFCs are required to make a general provision at 0.25% of the outstanding standard assets. RBI *vide* their circular no. DNBR (PD) CC No. 037/03.01.001/2014-15 dated June 3, 2015 and the Master Directions has sought to raise the provision for standard assets to 0.40% by March 2018. The provisions on standard assets are not reckoned for arriving at net NPAs. The provisions towards Standard Assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. NBFCs are allowed to include the '*General Provisions on Standard Assets*' in Tier II capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II capital only up to a maximum of 1.25% of the total risk-weighted assets.

Capital Adequacy Norms

Every systemically important NBFC-ND is required to maintain a minimum capital ratio consisting of Tier I and Tier II capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the Tier II capital of a NBFC-MFI shall not exceed 100% of the Tier I capital.

Tier-I Capital, are defined as owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a systemically important NBFC-ND in each year to the extent it does not exceed 15% of the aggregate Tier I capital of such company as on March 31 of the previous accounting year. Further the RBI *vide* circular dated March 27, 2015 require the NBFCs primarily engaged in the business of lending against gold jewellery (such loans comprising 50% or more of their financial assets) to maintain a minimum Tier l capital of 12%.

Owned Funds, are defined as paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier - II Capital is defined to includes the following (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier - I capital; and (f) perpetual debt instrument issued by a systemically important NBFC-ND, which is in excess of what qualifies for Tier I Capital to the extent that the aggregate Tier-II capital does not exceed 15% of the Tier -I capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed.

Exposure Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Master Directions, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the systemically important NBFC-ND, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the systemically important NBFC-ND. Further, the systemically important NBFC-ND may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Any NBFC-ND-SI not accessing public funds, either directly or indirectly may make an application to the RBI for modifications in the prescribed ceilings Any systemically important NBFC-ND classified as asset finance company by RBI, may in exceptional circumstances, exceed the above ceilings by 5% of its owned fund, with the approval of its Board of Directors. The loans and investments of the systemically important NBFC-ND taken together may not exceed 25% of its owned funds to or in single party and 40% of its owned funds to or in single group of parties. A systemically important ND-NBFC may, make an application to the RBI for modification in the prescribed ceilings.

Asset Classification

The Master Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard Assets;
- Doubtful Assets; and
- Loss assets

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present, every NBFC is required to make a provision for standard assets at at 0.40 per cent by March 31, 2018 and onwards.

Net Owned Fund

Section 45-I A of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹2,00,00,000 (Rupees two crores only). For this purpose, the RBI Act has defined "net owned fund" to mean:

Net Owned Fund - The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, (iii) deferred tax asset (net); and (iv) other intangible assets; and further reduced by the amounts representing,

(i) investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and

(ii) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10% of (a) above.

Further in accordance with the RBI Master Directions, which provides that a non-banking financial company holding a certificate of registration issued by the RBI and having net owned fund of less than two hundred lakhs of rupees, may continue to carry on the business of non-banking financial institution, if such company achieves net owned fund of two hundred lakhs of rupees before April 1, 2017.

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such withdrawal.

Maintenance of liquid assets

The RBI through notification dated January 31, 1998, updated as on 31st May, 2018 has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

NBFCs such as our Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-D and are governed by the RBI's Master Directions.

An NBFC-ND is required to inform the RBI of any change in the address, telephone no's, etc. of its Registered Office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

All NBFCs (whether accepting public deposits or not) having an asset base of ₹10,000 lakhs or more or holding public deposits of ₹2,000 lakhs or more (irrespective of asset size) as per their last audited balance sheet are required to comply with the RBI Guidelines for an Asset-Liability Management System.

Similarly, all NBFCs are required to comply with "Know Your Customer Guidelines - Anti Money Laundering Standards" issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

RBI, *vide* circular bearing reference number RBI/2018-19/130 DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019, has harmonised different categories of NBFCs into fewer ones, based on the principle of regulation by activity rather than regulation by entity. Accordingly, RBI has merged the three categories of NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC - Investment and Credit Company (NBFC-ICC). Further differential regulations relating to bank's exposure to the three categories of NBFCs viz., AFCs, LCs and ICs were harmonised. Further, a deposit taking NBFC-ICC shall invest in unquoted shares of another company which is not a subsidiary company or a company in the same group of the NBFC, an amount not exceeding twenty per cent of its owned fund.

Master Circular - Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 - Corporate Governance Directions 2015

All NBFC-ND-SI are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee. RBI *vide* its recent Master Circular dated July 1, 2015, introduced the Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 which requires all systematically important ND NBFCs having an asset size above ₹50,000 lakhs are required to consider adopting best practices and transparency in their systems as specified below. RBI pursuant to its Master Circular No. DNBR (PD) CC.No.053/03.10.119/2015-16 dated July 1, 2015 mandated that all NBFC having assets of ₹50,000 lakhs and above as per its last audited balance sheet are required to constitute an audit committee, consisting of not less than three members of its Board of Directors. NBFCs are required to furnish to the RBI a quarterly statement on change of directors, and a certificate from the managing director of the NBFC that fit and proper criteria in selection of the directors has been followed. Further, all applicable NBFCs shall have to frame their internal guidelines on corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's web-site, if any, for the information of various stakeholders constitution of a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending has also been prescribed in the RBI Master Circular. Further, the Audit Committee is required to ensure that an Information Systems Audit of the internal systems and processes is conducted at least once in two years to assess operational risks.

Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016 dated February 25, 2016, as amended on May 29, 2019 ("RBI KYC Directions")

The RBI KYC Directions are applicable to every entity regulated by the RBI, specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated thereunder is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFC'S adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by

NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has prescribed detailed instructions in relation to, *inter alia*, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India. The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by Banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards. The RBI KYC Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies, and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The RBI KYC Directions were updated on April 20, 2018 to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002 and in accordance with the Prevention of Money-Laundering Rules *vide* Gazette Notification GSR 538 (E) dated June 1, 2017 and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The Directions were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement. The RBI KYC Directions were further updated on January 9, 2020 with a view to leveraging the digital channels for customer identification process by regulated entities, whereby the RBI has decided to permit video based customer identification process as a consent based alternate method of establishing the customer's identity, for customer onboarding.

Accounting Standards & Accounting policies

The Ministry of Corporate Affairs has amended the existing India Accounting Standards *vide* Companies (Indian Accounting Standards) (Amendment) Rules, 2017 on March 17, 2017 and the same is applicable to the Company from April 1, 2018. RBI *vide* notification number RBI/2019-20/170DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 31, 2020 framed regulation guidance on Ind AS which will be applicable on Ind AS implementing NBFCs and Asset Reconstruction Companies (ARCs) for preparation of their financial statements from financial year 2019-20 onwards. This guidelines focus on the need to ensure consistency in the application of the accounting standards in specific arieas, including asset classification and provisioning, and provide clarifications on regulatory capital in the light of Ind AS implementation. The guidelines cover aspects on governance framework, prudential floor and computation of regulatory capital and regulatory ratios.

Master Direction dated September 29, 2016 on Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016

All NBFC-ND-SIs shall put in place a reporting system for frauds and fix staff accountability in respect of delays in reporting of fraud cases to the RBI. An NBFC-ND-SI is required to report all cases of fraud of ₹1 lakh and above, and if the fraud is of ₹100 lakhs or above, the report should be sent in the prescribed format within three weeks from the date of detection thereof. The NBFC-ND-SI shall also report cases of fraud by unscrupulous borrowers and cases of attempted fraud.

Master Circular dated July 1, 2015 – Frauds – Future approach towards monitoring of frauds in NBFCs

In order to prevent the incidence of frauds in NBFCs, the RBI established a reporting requirement to be followed by NBFCs, both NBFCs-Deposit taking and NBFCs-ND-SI. In terms of the circular, all NBFCs-ND-SI shall disclose the amount related to fraud, reported in the company for the year in their balance sheets. NBFCs failing to report fraud cases to the RBI would be liable for penal action prescribed under the provisions of Chapter V of the RBI Act. Additionally, the circular provides for categorisation of frauds and the reporting formats in order to ensure uniformity in reporting.

Master Circular dated July 1, 2015 on returns to be submitted by NBFCs

The circular lists down detailed instructions in relation to submission of returns, including their periodicity, reporting time, due date, purpose and the requirement of filing such returns by various categories of NBFCs, including an NBFC-ND-SI. RBI *vide* notification dated November 26, 2015 titled "Online Returns to be submitted by NBFCs-Revised" changed the periodicity of NDSI returns from monthly to quarterly.

Reporting by Statutory Auditor

The statutory auditor of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC-ND-SI, the auditor shall made a separate report to the Board of Directors of the company on *inter alia* examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on March 31 of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and whether the non-banking financial company has been correctly classified as NBFC Micro Finance Institutions (MFI).

Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. An NBFC-ND-SI is required to file on a quarterly basis a return on important financial parameters, including components of assets and liabilities, profit and loss account, exposure to sensitive sectors etc., NBS-7 on prudential norms on a quarterly basis, multiple returns on asset-liability management to address concerns regarding *inter alia* asset liability mismatches and interest rate risk, quarterly report on branch information, and CRILC on a quarterly basis as well as all SMA-2 accounts to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

Financing of NBFCs by bank

The RBI has issued guidelines *vide* a circular dated bearing number DBOD No. FSD. BC.46/24.01.028/2006-07 dated December 12, 2006 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) further lending to individuals for the purpose of subscribing to an initial public offer.

In addition to the above the RBI has issued guidelines *vide* a circular dated bearing number DBR.BP.BC.No.5/21.04.172/2015-16 dated July 1, 2015 relating to bank financing of NBFCs predominantly engaged in lending against Gold has directed banks to (i) reduce their regulatory exposure ceiling on a single NBFC, having gold loans to the extent of 50% or more of its total financial assets 10% of banks' capital funds. However, the exposure ceiling may go up by 5%, i.e., up to 15% of banks' capital funds if the additional exposure is on account of funds on-lent by NBFCs to the infrastructure sector and (ii) to have an internal sub-limit on their aggregate exposures to all such NBFCs, having gold loans to the extent of 50% or more of their total financial assets, taken together. The sub-limits should be within the internal limit fixed by the banks for their aggregate exposure to all NBFCs put together.

Norms for excessive interest rates

In addition, the RBI has introduced *vide* a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 1, 2015 read with the Master Directions for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution with requirement to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalisation of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013 the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred relating to the above, is unfavourable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI, it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the registered office of the company is located.

Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management ("**ALM**") System in relation to NBFCs ("**ALM Guidelines**") that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2015. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹10,000 lakhs, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of ₹2,000 lakhs or more (irrespective of the asset size) as per their audited balance sheet as of March 31, 2001, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days' time-bucket should not exceed the prudential limit of 15% of cash outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "**DRT Act**") provides for establishment of the Debts Recovery Tribunals (the "**DRTs**") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

Anti-Money Laundering

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("**PMLA**") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹10 lakhs; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹10 lakhs where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹10 lakhs. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

RBI Notification dated December 3, 2015 titled "Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards" states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document 'Improving Global AML/CFT Compliance: on-going process' as on October 23, 2015.

Lending against security of Gold Jewellery

The RBI has issued a circular dated March 21, 2012 stipulating that all NBFCs shall maintain a loan to value ratio not exceeding 75% for loans granted against the collateral of gold jewellery. NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets) shall maintain a minimum Tier l capital of 12% by April 01, 2014. The RBI *vide* its circular RBI/2013-14/260 DNBS.CC.PD.No.356/03.10.01/2013-14 dated September 16, 2013 issued guidelines with regard to the following:

(i) Appropriate Infrastructure for storage of gold ornaments: A minimum level of physical infrastructure and facilities is available in each of the branches engaged in financing against gold jewellery including a safe deposit vault and appropriate security measures for operating the vault to ensure safety of the gold and borrower convenience. Existing NBFCs should review the arrangements in place at their branches and ensure that necessary infrastructure is put in place at the earliest. No new branches should be opened without suitable storage arrangements having been made thereat. No business of grant of loans against the security of gold can be transacted at places where there are no proper facilities for storage/security.

(ii) Prior approval of RBI for opening branches in excess of 1,000: It is henceforth mandatory for NBFC to obtain prior approval of the Reserve Bank to open branches exceeding 1,000. However NBFCs which already have more than 1,000 branches may approach the Bank for prior approval for any further branch expansion. Besides, no new branches will be allowed to be opened without the facilities for storage of gold jewellery and minimum security facilities for the pledged gold jewellery.

(iii) Standardization of value of gold in arriving at the loan to value ratio: For arriving at the value of gold jewellery accepted as collateral, it will have to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by The Bombay Bullion Association Limited.

(iv) *Verification of the Ownership of Gold*: NBFCs should have Board approved policies in place to satisfy ownership of the gold jewellery and adequate steps be taken to ensure that the KYC guidelines stipulated by the Reserve Bank are followed and due diligence of the customer undertaken. Where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams, NBFCs must keep record of the verification of the ownership of the jewellery. The method of establishing ownership should be laid down as a Board approved policy.

(v) *Auction Process and Procedures*: The following additional stipulations are made with respect to auctioning of pledged gold jewellery:

a. The auction should be conducted in the same town or taluka in which the branch that has extended the loan is located.

b. While auctioning the gold the NBFC should declare a reserve price for the pledged ornaments. The reserve price for the pledged ornaments should not be less than 85% of the previous 30 day average closing price of 22 carat gold as declared by The Bombay Bullion Association Limited and value of the jewellery of lower purity in terms of carats should be proportionately reduced.

c. It will be mandatory on the part of the NBFCs to provide full details of the value fetched in the auction and the outstanding dues adjusted and any amount over and above the loan outstanding should be payable to the borrower.

d. NBFCs must disclose in their annual reports the details of the auctions conducted during the financial year including the number of loan accounts, outstanding amounts, value fetched and whether any of its sister concerns participated in the auction.

(vi) *Other Instructions:*

a. NBFCs financing against the collateral of gold must insist on a copy of the PAN Card of the borrower for all transaction above ₹500,000.

b. High value loans of ₹100,000 and above must only be disbursed by cheque.

c. Documentation across all branches must be standardized.

d. NBFCs shall not issue misleading advertisements like claiming the availability of loans in a matter of 2-3 minutes.

Thereafter, the RBI has by circular bearing number RBI/2013-14/435 DNBS.CC.PD.No.365/03.10.01/2013-14 dated January 08, 2014 raised the loan to value ratio to 75% for loans against the collateral of gold jewellery. Further, the circular also provides for certain clarifications as regards standardisation of the value of gold and verification of the ownership of gold.

Power generation regulations

The Ministry of New and Renewable Energy ("MNRE") regulations

The MNRE is the Central Government ministry with the mandate for formulating schemes and policies for the research, development, commercialisation and deployment of renewable energy systems/devices for various applications in rural, urban, industrial and commercial sector. The MNRE has issued a number of guidelines and schemes on power generation through renewable sources, including a 'Special Programme on Small Wind Energy and Hybrid Systems'. In order to ensure quality of wind farm projects and equipments, the MNRE introduced the "Revised Guidelines for wind power projects" ("**MNRE Guidelines**") on June 13, 1996 for the benefit of state electricity boards, manufacturers, developers and end-users of energy to ensure proper and orderly growth of the wind power sector. The MNRE Guidelines are periodically updated and issued. The MNRE Guidelines among other things makes provision for proper planning, siting, selection of quality equipment, implementation and performance monitoring of wind power projects. The MNRE Guidelines lay down guidelines for the planned development and implementation of wind power projects.

The MNRE Guidelines set out the conditions that are required to be met for establishing wind farms and manufacturing and supplying equipment for wind power projects. These conditions include submission of detailed project reports, approval of sites for wind power installations, type certification by independent testing and certification agencies (either the Centre of Wind Energy Technology, Chennai or the International certification agency). Further, all installations are to be carried out only on sites that are approved for wind power projects by the MNRE. The MNRE Guidelines stipulate that a no objection certificate will be issued only after analysing the wind data to ensure adequate availability of wind at the specific site. Also, no approval will be granted for a wind power project which involves the installation of used wind turbines imported into India.

The Indian Renewable Energy Development Agency Limited ("IREDA")

The IREDA is a public limited government company under the administrative control of the MNRE and in engaged in encouraging the production of energy through renewable sources. In this respect, the IREDA offers financial support to specific projects and schemes for generating electricity, and promotes the energy conservation through by improving the efficiency of systems, processes and resources engaged in energy production and distribution. In particular, the IREDA offers scheme and incentives for the promotion of wind based energy production.

Electricity Act, 2003

Under the Electricity Act, 2003, which repealed all the earlier enactments pertaining to this sector, the activity of generation of wind power does not require any license or permission. Persons engaged in the generation of electricity from wind power are required to register the project being undertaken with State Nodal Agency and obtain permission for inter-grid connectivity from the utility. The government has also announced National Electricity Policy in 2005 to guide the development of the electricity sector in India.

The electricity generated from the wind power project can be used for captive consumption, sale to utility or for transaction under open access as per the prevailing state policy as well as regulatory orders, if any. Various states have announced administrative policies relating to wheeling, banking and buy-back of power.

Further, the Electricity Act, 2003 also mandates that all regulatory commissions should procure certain percentage of power generation from renewable energy sources by all distribution companies. As far as the tariff and wheeling charges are concerned, it is stipulated that they should be decided by respective regulatory commissions as provided under the Electricity Regulatory Commissions Act, 1998.

Electricity Regulatory Commissions

Electricity Act retains the two-level regulatory system for the power sector. At the central level, the Central Electricity Regulatory Commission ("**CERC**") is responsible for regulating tariff of generating stations owned by the central government, or those involved in generating or supplying in more than one states, and regulating inter-state transmission of electricity. The State Electricity Regulatory Commissions ("**SERCs**") on the other hand regulate intra-state transmission and supply of electricity within the jurisdiction of each state. CERC and the SERCs are guided by the National Electricity Policy, 2005, Tariff Policy, 2006 and the National Electricity Plan while discharging their functions under Electricity Act. The Electricity Regulatory Commissions are also guided by any direction given by the central government for CERC or the state government for the SERC pertaining to any policy involving public interest. The decision of the government is final and non-challengeable with respect to the question that whether directions pertain to policy involving public interest or not. The commissions have been entrusted with a variety of functions including determining tariff, granting licensees, settling disputes between the generating companies and the licensees. The Electricity Regulatory Commissions are a quasi-judicial authority with powers of a civil court and an appeal against the orders of the Commissions lie to the Appellate Tribunal.

The CERC has notified the CERC (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations on January 14, 2010 to the promotion of power generation through renewable sources of energy. In this respect, these regulations contemplate two categories of certificates, solar and non-solar certificate. The CERC has designated the National Load Dispatch Center to issue registration certificates and undertakes to provide for the floor price (minimum) and forbearance price (maximum) for non-solar certificates.

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI")

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default.

The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution or an NBFC may sell financial assets to an asset reconstruction company provided the asset is an NPA. A bank or financial institution or NBFC may sell a financial asset only if the borrower has a consortium or multiple banking arrangements and at least 75% by value of the total loans to the borrower are classified as an NPA and at least 75% by the value of the banks and financial institutions in the consortium or multiple banking arrangement agree to the sale. In addition to the above, a financial asset may be sold by any bank or financial institution where the asset is reported, by the bank financial institution to Central Repository for Information on Large Credit, as an NPA wherein the principal or interest payment is overdue between 61-90 days.

As per the SARFAESI Amendment Act of 2004, the constitutional validity of which was upheld in a recent Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issues by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a "without recourse" basis only.

The SARFAESI Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016 (which amended S.13 of SARFAESI). As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting *inter alia* any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act.

Foreign Investment Regulations

Master Circular – Foreign Investments in India, issued by RBI dated January 04, 2018 (updated as on April 06, 2018), read with the Consolidated FDI Policy Circular of 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, dated August 28, 2017 ("FDI Policy")

Foreign investment into NBFCs, carrying on activities approved for FDI, will be subject to the conditions specified in paragraph 5.2.26 of the FDI Policy and foreign investment of up to 100% is permitted under the automatic route.

Master Circular No.10/2015-16 on Memorandum of Instructions governing money changing activities, issued by RBI dated July 1, 2015 and updated on September 10, 2015.

Guidelines for Licencing and other Approvals for Authorised Money Changers (AMCs)

Full Fledged Money Changers (FFMCs) are authorised by the Reserve Bank to deal in foreign exchange for specified purposes, to widen the access of foreign exchange facilities to residents and tourists while ensuring efficient customer service through competition. FFMCs are authorised to purchase foreign exchange from residents and non-residents visiting India and to sell foreign exchange for certain approved purposes. AD Category –I Banks/ADs Category – II/FFMCs may appoint franchisees to undertake purchase of foreign currency*. No person shall carry on or advertise that he carries on money changing business unless he is in possession of a valid money changer's licence issued by the Reserve Bank.

**** Note: -Franchisees of AD Category –I Banks/ADs Category – II/FFMCs functioning within 10 kilometres***

from the borders of Pakistan and Bangladesh may also sell the currency of the bordering country, with the prior approval of the Regional offices concerned of the Reserve Bank. Other franchises of AD Category –I Banks/ADs Category – II/FFMCs cannot sell foreign currency.

Guidelines for appointment of Agents/Franchisees by Authorised Dealer Category –FFMCs.

Under the Scheme, the Reserve Bank permits FFMCs to enter into franchisee/agency agreements at their option for the purpose of carrying on Restricted Money Changing business i.e. conversion of foreign currency notes, coins or travellers' cheques into Indian Rupees.

A franchisee can be any entity which has a place of business and a minimum Net Owned Funds of ₹10 lakhs. Franchisees can undertake only restricted money changing business.

FFMCs as the franchisers are free to decide on the tenor of the arrangement as also the commission or fee through mutual agreement with the franchisee. The Agency/Franchisee agreement to be entered into should include the salient features as mentioned under the master circular. The master circular also prescribes the procedure for application, due diligence of franchisees, selection of centres, training, reporting, audit and inspection of franchisees and Anti Money Laundering (AML)/Know Your Customer (KYC)/Combating the Financing of Terrorism (CFT) Guidelines.

Note: No licence for appointment of franchisees will be issued to any FFMC, against whom any major DoE/DRI/CBI/Police case is pending. In case where any FFMC has received one-time approval for appointing franchisees and subsequent to the date of approval, any DoE/DRI/CBI/Police case is filed, the FFMC should not appoint any further franchisees and bring the matter to the notice of the Reserve Bank immediately. A decision will be taken by the Reserve Bank regarding allowing the FFMC to appoint franchisees.

Operational Instructions

Foreign exchange in any form can be brought into India freely without limit provided it is declared on the Currency Declaration Form (CDF) on arrival to the Custom Authorities. When foreign exchange brought in the form of currency notes or travellers' cheques does not exceed USD $10,000 or its equivalent and/or the value of foreign currency notes does not exceed USD $5,000 or its equivalent, declaration thereof on CDF is not insisted upon.

Taking out foreign exchange in any form, other than foreign exchange obtained from an authorised dealer or a money changer is prohibited unless it is covered by a general or special permission of the Reserve Bank. Non-residents, however, have general permission to take out an amount not exceeding the amount originally brought in by them, subject to compliance with the provisions of sub-para above.

Authorised Money Changers (AMCs)/franchisees may freely purchase foreign currency notes, coins and traveller's cheques from residents as well as non-residents. Where the foreign currency was brought in by declaring on form CDF, the tenderer should be asked to produce the same. The AMC should invariably insist on production of declaration in CDF.

AMCs may sell Indian Rupees to foreign tourists/visitors against International Credit Cards/International Debit Cards and take prompt steps to obtain reimbursement through normal banking channels.

AMCs may issue certificate of encashment when asked for in cases of purchases of foreign currency notes, coins and travellers cheques from residents as well as non-residents. These certificates bearing authorised signatures should be issued on the letter head of the money changer and proper record should be maintained.

In cases where encashment certificate is not issued, attention of the customers should be drawn to the fact that unspent local currency held by non-residents will be allowed to be converted into foreign currency only against production of a valid encashment certificate.

AMCs may purchase from other AMCs and ADs any foreign currency notes, coins and encashed travellers' cheques tendered in the normal course of business. Rupee equivalent of the amount of foreign exchange purchased should be paid only by way of crossed account payee cheque/demand draft/bankers' cheque/Pay order.

AMCs may sell foreign exchange up to the prescribed ceiling (currently US $ 10,000) specified in Schedule III to the Foreign Exchange Management (Current Account Transaction) Rules, 2000 during a financial year to persons resident in India for undertaking one or more private visits to any country abroad (except Nepal and Bhutan). Exchange for such private visits will be available on a self-declaration basis to the traveller regarding the amount of foreign exchange availed during a financial year. Foreign nationals permanently resident in India are also eligible to avail of this quota for private visits provided the applicant is not availing of facilities for remittance of his salary, savings, etc., abroad in terms of extant regulations.

AMCs may sell foreign exchange to persons' resident in India for undertaking business travel or for attending a conference or specialised training or for maintenance expenses of a patient going abroad for medical treatment or check-up abroad or for accompanying as attendant to a patient going abroad for medical treatment/check-up up to the limits as specified in Schedule III to FEMA (Current Account Transactions) Rules, 2000.

AMCs may convert into foreign currency, unspent Indian currency held by non-residents at the time of their departure from India, provided a valid Encashment Certificate is produced.

AMCs may convert at their discretion, unspent Indian currency up to ₹10,000 in the possession of non-residents if, for *bona fide* reasons, the person is unable to produce an Encashment Certificate after ensuring that the departure is scheduled to take place within the following seven days. FFMCs may provide facility for reconversion of Indian Rupees to the extent of ₹50,000/- to foreign tourists (not NRIs) against ATM Receipts based on the following documents- Valid passport and visa, ticket confirmed for departure within 7 days, Original ATM slip.

AMCs may issue a cash memo, if asked for, on official letterhead to travellers to whom foreign currency is sold by them. The cash memo may be required for production to emigration authorities while leaving the country.

AMCs may put through transactions relating to foreign currency notes and travellers' cheques at rates of exchange determined by market conditions and in alignment with the ongoing market rates.

AMCs should display at a prominent place in or near the public counter, a chart indicating the rates for purchase/sale of foreign currency notes and travellers' cheques for all the major currencies and the card rates for any day, should be updated, latest by 10:30 a.m.

AMCs should keep balances in foreign currencies at reasonable levels and avoid build-up of idle balances with a view to speculating on currency movements.

Franchisees should surrender foreign currency notes, coins and travellers' cheques purchased only to their franchisers within seven working days.

The transactions between authorised dealers and FFMCs should be settled by way of account payee crossed cheques/demand drafts. Under no circumstances should settlement be made in cash.

AMCs may obtain their normal business requirements of foreign currency notes from other AMCs/authorised dealers in foreign exchange in India, against payment in rupees made by way of account payee crossed cheque/demand draft.

Where AMCs are unable to replenish their stock in this manner, they may make an application to the Forex Markets Division, Foreign Exchange Department, Central Office, RBI, Mumbai through an AD Category-I for permission to import foreign currency into India. The import should take place through the designated AD Category-I through whom the application is made.

AMCs may export surplus foreign currency notes/encashed travellers' cheques to an overseas bank through designated Authorised Dealer Category - I in foreign exchange for realisation of their value through the latter. FFMCs may also export surplus foreign currency to private money changers abroad subject to the condition that either the realisable value is credited in advance to the AD Category – I bank's nostro account or a guarantee is issued by an international bank of repute covering the full value of the foreign currency notes/coins to be exported.

In the event of foreign currency notes purchased being found fake/forged subsequently, AMCs may write- off up to US $ 2000 per financial year after approval of their Top Management after exhausting all available options for recovery of the amount. Any write-off in excess of the above amount, would require the approval of the Regional Office concerned of the Foreign Exchange Department of the Reserve Bank.

Further, provisions regarding the following are also mentioned-

- **Registers and Books of Accounts of Money-changing Business**
- **Submission of Statements to the Reserve Bank**
- **Inspection of Transactions of AMCs**
- **Concurrent Audit**
- **Temporary Money Changing Facilities**

Opening of Foreign Currency Accounts by AMCs

AMCs, with the approval of the respective Regional Offices of the Foreign Exchange Department, may be allowed to open Foreign Currency Accounts in India, subject to the following conditions: -

(i) Only one account may be permitted at a particular centre.
(ii) Only the value of foreign currency notes/encashed TCs exported through the specific bank and realised can be credited to the account.
(iii) Balances in the accounts shall be utilised only for settlement of liabilities on account of:
    (a) TCs sold by the AMCs and
    (b) Foreign currency notes acquired by the AMCs from AD Category-I banks.
(iv) No idle balance shall be maintained in the said account

All AMCs are required to submit their annual audited balance sheet to the respective Regional office of the Reserve Bank for the purpose of verification of their Net Owned Funds along-with a certificate from the statutory auditors regarding the NOF as on the date of the balance sheet. As AMCs are expected to maintain the minimum NOF on an ongoing basis, if there is any erosion in their NOF below the minimum level, they are required to bring it to the notice of the Reserve Bank immediately along with a detailed time bound plan for restoring the Net Owned Funds to the minimum required level.

FFMCs, which are not Regional Rural Banks (RRBs), Local Area Banks (LABs), Urban Co-operative Banks (UCBs) and Non-Banking Financial Companies (NBFCs) having a minimum net worth of ₹500 lakhs, may participate in the designated currency futures and currency options on exchanges recognised by the Securities and Exchange Board of India (SEBI) as clients only for the purpose of hedging their underlying foreign exchange exposures. FFMCs and ADs Category–II which are RRBs, LABs, UCBs and NBFCs, may be guided by the instructions issued by the respective regulatory Departments of the Reserve Bank in this regard.

Insolvency and Bankruptcy Code

The Insolvency and Bankruptcy Code, 2016 ("**Code**") consolidates laws relating to insolvency, reorganisation and liquidation/ bankruptcy of all persons, including companies, individuals, partnership firms and Limited Liability Partnerships ("**LLPs**"). The Code has established an Insolvency and Bankruptcy Board of India to function as the regulator for all matters pertaining to insolvency and bankruptcy. The Code prescribes a timeline of 330 days for the insolvency resolution process, which begins from the date the application is admitted by the NCLT. During this period, the creditors and the debtor shall negotiate and finalise a resolution plan (accepted by 66% of the financial creditors) and in the event, they fail, the debtor is placed in liquidation and the moratorium lifted. The Code stipulates an interim-moratorium period which would commence after filing of the application for a fresh start process and shall cease to exist after elapse of a period of 180 days from the date of application. During such period, all legal proceedings against such debtor should be stayed and no fresh suits, proceedings, recovery or enforcement action may be initiated against such debtor. However, the Code has also imposed certain restrictions on the debtor during the moratorium period such as the debtor shall not be permitted to act as a director of any company or be involved in the promotion or management of a company during the moratorium period. In light of the COVID-19 pandemic, the Government of India, introduced economic reforms to contribute to the ease of doing business. One of the reforms introduced is the suspension of the Code for a period of one year. An ordinance detailing the changes pursuant to this reform is expected to be introduced by the government. Further, the GoI *vide* notification dated March 24, 2020 ("**Notification**") has amended section 4 of the Code due the lingering impact of the COVID-19 pandemic. Pursuant to the said Notification, Government of India has increased the minimum amount of default under the insolvency matters from ₹1,00,000 to ₹1,00,00,000.

The Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules 2019 ("IBC Rules, 2019")

The Code, which regulates the insolvency resolution process for "corporate persons" previously excluded financial service providers from its purview. With the notification of the IBC Rules, 2019, the provisions of the Code will apply to financial service providers as well, which are subject to modifications and additional conditions as set out in the IBC Rules, 2019. Financial service providers are defined to mean persons engaged in the business of providing financial services in terms of authorisation issued or registration granted by a financial sector regulator under the Code. "Financial services" is broadly defined in the Code, and includes, inter alia, services in the nature of acceptance of deposits, administration of assets, underwriting services, advisory services with respect to dealings in financial products, operation of an investment scheme, and maintenance of records of ownership of a financial product. The IBC Rules, 2019, lays down the provisions for setting up an advisory committee, resolution plan and the liquidation process of Financial service providers.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter-alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Labour Laws

India has stringent labour related legislations. We are required to comply with certain labour laws, which include the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Code of Wages, 2019, Workmen Compensation Act, 1923 and the Payment of Gratuity Act, 1972 amongst others.

Intellectual Property

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

Regulatory Measures on account of COVID-19 pandemic

The Government of India on October 23, 2020 has announced the 'Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020)' ("the **Scheme**"), which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by the respective lending institutions.

RBI vide its notifications dated April 17, 2020 bearing DOR No. BP.BC.63/21.04.048/2019-20 and notifications dated May 23, 2020 bearing DOR.No.BP.BC.71/21.04.048/2019-20 ("RBI Notification") provided certain additional regulatory measures due to the lingering impact of COVID-19 pandemic on the business and financial institutions. In this regard, the detailed instructions with regard to asset classification and provisioning which are, inter alia, as follows:

1. In terms of the RBI Notifications, the lending institutions were permitted to grant a moratorium of three months and later on extended for another three months on payment of all term loan instalments falling due between March 1, 2020 and August 31, 2020 ('Moratorium Period'). As such, in line with the clarification provided by the Basel Committee on Banking Supervision, in respect of all accounts classified as standard as on February 29, 2020, even if overdue, the moratorium period, wherever granted, shall be excluded by the lending institutions from the number of days past-due for the purpose of asset classification under the IRAC norms;

2. Similarly in respect of working capital facilities sanctioned in the form of cash credit/overdraft ("CC/OD"), the Regulatory Package permitted the recovery of interest applied during the period from March 1, 2020 upto August 31, 2020 to be deferred ('deferment period'). Such deferment period, wherever granted in respect of all facilities classified as standard, including SMA, as on February 29, 2020, shall be excluded for the determination of out of order status;

3. In respect of accounts in default but standard where provisions of paragraphs (1) and (2) above are applicable, and asset classification benefit is extended, lending institutions shall make general provisions of not less than 10 per cent of the total outstanding of such accounts, to be phased over two quarters as under:
   (i) Quarter ended March 31, 2020 – not less than 5 per cent
   (ii) Quarter ending June 30, 2020 – not less than 5 per cent

4. The exclusions permitted in terms of para 1 and 2 above shall be duly reckoned by the lending institutions in their supervisory reporting as well as reporting to credit information companies (CICs); i.e., the days past due and SMA status, where applicable, as on March 1, 2020 will remain unchanged till August 31,

2020; and

5. The lending institutions shall suitably disclose the following in the ‘Notes to Accounts’ while preparing their financial statements for the half year ending September 30, 2020 as well as the financial years 2019-20 and 2020-2021.

SECTION VIII - SUMMARY OF MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. In case of any inconsistency between the Articles of Association of our Company and the Companies Act, 1956 and Companies Act, 2013, the provisions of the Companies Act, 1956 and the Companies Act 2013 shall prevail over the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act, 1956 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Table "A" not to apply

1. (a) The regulations contained in Table marked "A" in Schedule I of the Companies Act, 1956, (hereinafter called the Act or the said Act) shall apply to the Company, except in so far as excluded, modified, varied or altered expressly or impliedly by the regulations of the Company hereinafter following or made from time to time.

Company to be governed by these Articles

(b) The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed or permitted by Section 31 of the Act, be such as are contained in these Articles.

SHARE CAPITAL AND VARIATION OF RIGHTS

5. (a) The Authorised Share Capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The Company may increase the Authorised Capital which may consist of Equity and/or Preference Shares as the Company in General Meeting may determine in accordance with the law for the time being in force relating to Companies with power to increase or reduce such capital from time to time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the Capital for the time being into Equity Share Capital or Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents.

(b) Subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the equity shares in the event of winding up of the Company, the holders of the equity shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or credited as paid up on such equity shares respectively at the commencement of the winding up.

INCREASE REDUCTION AND ALTERATION OF CAPITAL

6. The Company may from time to time in General Meeting increase its Share Capital by the issue of new shares of such amounts as it thinks expedient.

On what conditions the new shares may be issued

(a) Subject to the provisions of Sections 80, 81 and 85 to 90 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the General Meeting creating the same as shall be directed and if no direction be given as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said Sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of the said Sections with special or without any right of voting and subject to the provisions of Section 80 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.

Further issue of Shares

(b) Where at any time after the expiry of two years from the formation of a Company or at any time after the expiry of one year from the allotment of shares in that Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the unissued capital or out of the increased share capital, then

(i) such further shares shall be offered to the persons who at the date of offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the Capital paid up on those shares at that date.

(ii) the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

(iii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (b) shall contain a statement of this right. PROVIDED THAT the directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

(iv) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of directors may dispose of them in such manner as they think most beneficial to the Company.

(c) Notwithstanding anything contained in the preceding sub-clause (1), the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-section (1)) in any manner whatsoever:

(i) if a special resolution to that effect is passed by the company in general meeting, or

(ii) where no such special resolution is passed if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(d) Nothing in clause (c) of sub-section (1) shall be deemed –

(i) to extend the time within which the offer should be accepted, or

(ii) to authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(e) Nothing in this article shall apply -

to the increase of the subscribed capital of the company caused by the exercise of an option attached to debentures issued or loans raised by the company –

(i) to convert such debentures or loans into shares in the company, or
(ii) to subscribe for shares in the company; (Whether such option is conferred in these Articles or otherwise.

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) either has been approved by the Central Government before the issue of debentures or the raising of the loans, or is in conformity with the rules 197, if any, made by that Government in this behalf;

and

(b) in the case of debentures or loans other than debentures issued to, or loans obtained from, the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in general meeting before the issue of the debentures or the raising of the loans.

Shares at the disposal of the Directors

(e) Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being 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 or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

Same as Original Capital

(f) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new shares shall be considered as part of the original Capital and shall be subject to the provisions herein contained with reference to the payment of calls, instalments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.

Power to issue Redeemable Preference Shares

7. (a) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares which are or at the option of the Company are liable to be redeemed;

Provided that:

(i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of redemption;

(ii) no such shares shall be redeemed unless they are fully paid;

(iii) the premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Share Premium Account before the shares are redeemed.

(iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a Reserve Fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up Share Capital of the Company.

(b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.

(c) The redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its Authorised Share Capital.

(d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly, the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause.

Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far as relate to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.

(e) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid up bonus shares.

Provision in case of Redemption of preference shares

8. The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, be giving not less than six-month's previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated up to the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect :

(a) The shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its Registered Office in the presence of one Director at least; and

(b) Forthwith after every such drawing, the Company shall notify the shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at the Registered Office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The Shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid, where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate, therefore.

Reduction of Capital

9. The Company may from time to time by special resolution, subject to confirmation by the Court and subject to the provisions of Sections 78, 80 and 100 to 104 of the Act, reduce its Share Capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorised by law and in particular without prejudice to the generality of the foregoing power may be:

(a) extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid up;

(b) either with or without extinguishing or reducing liability on any of its shares, cancel paid up Share Capital which is lost or is unrepresented by available assets; or

(c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up Share Capital which is in excess of the wants of the Company;

and may, if and so far, as is necessary, alter its Memorandum, by reducing the amount of its Share Capital and of its shares accordingly.

Division, Sub-Division, Consolidation, Conversion and Cancellation of Shares

10. Subject to the provisions of Section 94 of the Act, the Company in General Meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say it may;

(a) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

(b) sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares;

(c) convert, all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination;

(d) cancel, shares which at the date of such General Meeting have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled.

Notice to Register of Consolidation of Share Capital, Conversion of shares into stocks etc.

11. (a) If the Company has:

(i) consolidated and divided its Share Capital into shares of larger amount than its existing shares;

(ii) converted any shares into stock;

(iii) reconverted any stock into shares;

(iv) sub-divided its share or any of them;

(v) redeemed any redeemable preference shares; or

(vi) cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 100 to 104 of the Act,

the Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks reconverted.

(b) The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.

Modifications of rights

12 If at any time the Share Capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being would up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article were omitted. The provisions of these Articles relating to General Meetings shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Article 102 is not present, those persons who are present shall be quorum.

SHARES AND CERTIFICATES

Issue of further Shares not to affect right of existing share holders

13. The rights or privileges conferred upon the holders of the shares of any class issued with preference or other rights, shall not unless otherwise be deemed to be varied or modified or affected by the creation or issue of

further shares ranking *pari passu* therewith.

Provisions of Sections 85 to 88 of the Act to apply

14. The provisions of Sections 85 to 88 of the Act in so far as the same may be applicable shall be observed by the Company.

Register of Members and Debenture holders

15. (a) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 150 and 151 of the Act and Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company may also keep a foreign Register of Members and Debenture holders in accordance with Section 157 of the Act.

(b) The Company shall also comply with the provisions of Sections 159 and 161 of the Act as to filling of Annual Returns.

(c) The Company shall duly comply with the provisions of Section 163 of the Act in regard to keeping of the Registers, Indexes, Copies of Annual Returns and giving inspection thereof and furnishing copies thereof.

Commencement of business

16. The Company shall comply with the provisions of Section 149 of the Act.

Restriction on allotment

17. The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.

Shares to be numbered progressively and no shares to be subdivided

18. The shares in the Capital shall be numbered progressively according to the several denominations and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Shares at the disposal of the Directors

19. Subject to the provisions of Section 81 of the Act and these Articles the shares in the Capital of the Company for the time being 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 or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person the option to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the Capital of the Company on payment in full or part for any property sold and transferred or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in General Meeting

Every share transferable etc.

20. (i) The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.

(ii) Each share in the Company shall be distinguished by its appropriate number.

(iii) A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.

Application of premium received on issue of shares

21. (a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called "the Share Premium Account" and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this Article, apply as if the Share Premium Account were paid-up Share Capital of the Company.

(b) The Share Premium Account may, notwithstanding, anything in clause (a) above, be applied by the Company.

(i) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;

(ii) in writing off the preliminary expenses of the Company;

(iii) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or

(iv) in providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the Company.

Sale of fractional shares

22. If and whenever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any shares are held by members in fractions, the Directors shall, subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he 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.

Buy back of Shares'

22A. Notwithstanding anything contained in any other Article of the Articles of Association, but subject to the provisions of Section 77 A and 77 B of the Act and Securities & Exchange Board of India (Buy back of Securities) Regulations 1998 as may be in force at any time and from time to time, the Company may acquire, purchase, own, resell any of its own fully/partly paid or redeemable Preference Shares or Equity Shares and any other security as may be specified under the Act, Rules and Regulations from time to time and may make payment thereof out of funds at its disposal or in any manner as may be permissible or in respect of such acquisition/purchase on such terms and conditions and at such time or times in one or more instalments as the Board may in its discretion decide and deem fit. Such Shares which are so bought back by the Company may either be extinguished and destroyed or reissued as may be permitted under the Act or the Regulations as may be in force at the relevant time subject to such terms and conditions as may be decided by the Board and subject further to the rules and regulations governing such issue.

Acceptance of Shares

23. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles be a member. The Director shall comply with the provisions of Sections 69, 70, 71, 72 and 73 of the Act in so far as they are applicable.

Deposits and calls etc. to be a debt payable immediately

24. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, immediately,

on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt, due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Trusts not recognised

25. Save as herein provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holders of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a Court of Competent jurisdiction or as by law required) be bound to recognise any benami, trust of equity or equitable, contingent, future, or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof and the provisions of Section 153 of the Act shall apply.

Issue of Certificates of Shares to be governed by Section 84 of the Act etc.

26. (a) The issue of certificates of shares or of duplicate or renewal of certificates of Shares shall be governed by the provisions of Section 84 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any Stock Exchange where the shares of the Company may be listed for the time being.

Certificate of Shares

(b) The Certificate of title to shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers or other authorised persons as may be prescribed by the Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.

(c) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under Section 84 of the Act.

Limitation of time for issue of certificate

27. (a) Every member shall be entitled, without payment, to one or more Certificate in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such Certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide. or within one month of the receipt of application of registration of transfer transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Directors may prescribe or approve provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.

(b) The Company shall not entertain any application for split of share/debenture certificate for less than 10 (Ten) Equity Shares/10 (Ten) debentures (all relating to the same series) in market lots as the case may be.

Provided however this restriction shall not apply to an application made by the existing members or debenture holders for split of share/debenture certificates with a view to make an odd lot holding into a marketable lot subject to verification by the Company.

(c) Notwithstanding anything contained in Clause (a) above the Directors shall, however, comply with such requirements of the Stock Exchange where Shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the Securities Contracts (Regulations) Act, 1956 as may be applicable.

Issue of new Certificate in place of one defaced, lost or destroyed

28. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof 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 be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under these Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Re. 2/- for each Certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the Rules made under Securities Contracts (Regulations) Act, 1956 or any other Act, or Rules applicable in this behalf.

29. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

UNDERWRITING COMMISSION AND BROKERAGE

Power to pay certain commission and prohibition of payment of all other commission, discounts etc.

30. (A) The Company may pay a commission to any person in consideration of:

(i) his subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company, subject to the restrictions specified in sub-section (4A) of Section 76 of the Act, or

(ii) his procuring or agreeing to procure subscriptions, whether absolute or conditional for any shares in or debentures of the Company, if the following conditions are fulfilled, namely:

(a) the commission paid or agreed to be paid does not exceed in the case of shares, five percent of the price at which the shares are issued and in the case of debentures, two and half percent of the price at which the debentures are issued;

(b) the amount or rate percent of the commission paid or agreed to be paid on shares or debentures offered to the public for subscription, is disclosed in the prospectus, and in the case of shares or debentures not offered to the public for subscription, is disclosed in the Statement in lieu of prospectus and filed before the payment of the commission with the registrar, and where a circular or notice, not being a prospectus inviting subscription for the shares or debentures is issued is also disclosed in that circular or notice;

(c) the number of shares or debentures which such persons have agreed for a commission to subscribe, absolutely or conditionally is disclosed in the manner aforesaid and

(d) a copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus.

(B) Save as aforesaid and save as provided in Section 79 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of:

(i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company or;

(ii) his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the Company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company or the money be paid out of the nominal purchase money or contract price, or otherwise.

(C) Nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.

(D) A vendor to, promoter of, or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received for payment of any commission, the payment of which, if made directly by the Company would have been legal under Section 76 of the Act.

(E) The commission may be paid or satisfied (subject to the provisions of the Act and these Articles) in cash, or in shares, debentures or debenture-stocks of the Company.

CALLS

Directors may make Calls

31. The Directors may from time to time and subject to Section 91 of the Act and subject to the terms on which any shares/debentures may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as they think fit upon the members/debenture holders in respect of all moneys unpaid on the shares/debentures held by them respectively and such members/debenture holders shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Directors. A Call may be made payable by instalments. A call may be postponed or revoked as the Board may determine. The option or right to call of shares shall not be given to any of the person except with the sanction of our Company in general meeting.

Calls to date from resolution

32. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such Call was passed and may be made payable by members/debenture holders on a subsequent day to be specified by the Directors.

Notice of Call

33. Thirty days' notice in writing shall be given by the Company of every calls made payable otherwise than on allotment specifying the time and place of payment provided that before the time of payment of such call, the Directors may by notice in writing to the members/debenture holders revoke the same.

Directors may extend time

34. The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members/debenture holders who from residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member/debenture holder shall be entitled to such extension, save as a matter of grace and favour.

Sums deemed to be Calls

35. Any sum, which by the terms of issue of a share/debenture becomes payable on allotment or at any fixed date whether on account of the nominal value of the share/debenture or by way of premium, shall for the purposes of these Articles be deemed to be a Call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a Call duly made and notified.

Instalments on shares to be duly paid

36. If by the condition of allotment of any shares the whole or part of the amount of issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

Calls on shares of the same class to be made on uniform basis

37. Where any calls for further Share Capital are made on shares, such calls shall be made on a uniform basis

on all shares falling under the same class.

Explanation: For the purpose of this provision, shares of the same nominal value on which different amount have been paid up shall not be deemed to fall under the same class.

Liability of joint holders of shares

38. The joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares.

When interest on call or instalment payable

39. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof or any such extension thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the instalment shall be due, shall pay interest as shall be fixed by the Board from the day appointed for the payment thereof or any such extension thereof to time of actual payment but the Directors may waive payment of such interest wholly or in part.

Partial payment not to preclude forfeiture

40. Neither a judgment nor a degree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

Proof on trial of suits for money due on shares

41. On the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears in the Register of Members as the holder or one of the holders, at or subsequent to the date at which the money sought to be recovered is alleged to have become due of the shares in respect of which such money is sought to be recovered, and that the resolution making the call is duly recorded in the Minutes Book; and that the notice of such call was duly given to the member or his representatives, sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such calls nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment in anticipation of calls may carry Interest

42. (a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the money due upon the shares held by him beyond the sum actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced.

(b) The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

43. The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

LIEN

Company's lien on Shares/Debentures

44. The Company shall have first and paramount lien upon all the shares/debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any shares/debentures shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonus from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Clause. That fully paid shares shall be free from all lien and that in the case of partly paid shares our Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

As to enforcing lien by sale

45. For the purpose of enforcing such lien, the Board may sell the shares/debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and/or debentures and may authorise one of their member or appoint any officer or agent to execute a transfer thereof on behalf of and in the name of such member/debenture holder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and/or debenture holder or his legal representatives and default shall have been made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of proceeds of sale

46. (a) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and 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 persons entitled to the shares and/or debentures at the date of the sale.

Outsider’s lien not to affect Company's lien

(b) The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a Court of Competent jurisdiction or by statute required) be bound to recognise equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.

COMMISSION ON SHARES

The Director may at any time pay a commission to any person for subscribing or agreeing to subscribe whether absolutely or conditionally or agreeing to subscribe whether absolutely or conditionally for any shares, debentures in the Company, but so that if the commission in respect of shares shall be paid out of capital, the statutory conditions and requirement shall be observed and complied with. The rate of commission shall not exceed 5 percent on the shares or 2.5 percent on debentures subscribed. The commission may be paid or satisfied in cash or shares or debenture of the Company.

FORFEITURE

If call or instalment not paid notice must be given

47. (a) If any member or debenture holder fails to pay the whole or any part of any call or instalment or any money due in respect of any shares or debentures either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any instalment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debenture holder or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Form of Notice

(b) The notice shall name a day not being less than One Month from the date of the notice and a place or places, on and at which such call, or instalment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment of call amount with interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or instalment or such part or other moneys is or are payable will be liable to be forfeited.

In default of payment shares or debentures to be forfeited

48. If the requirements of any such notice as aforesaid are not complied with any share/debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company, in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actual paid before the forfeiture.

Entry of forfeiture in Register of members/debenture holders

49. When any shares/debentures shall have been so forfeited, notice of the forfeiture shall be given to the member or debenture holder in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members or Debenture Holders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

Forfeited share to be property of Company and may be sold

50. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of either to the original holder or to any other person upon such terms and in such manner as the Directors shall think fit.

Power to annul forfeiture

51. The Directors may, at any time, before any share forfeited shall have been sold, re-allotted or otherwise disposed of, annul forfeiture thereof upon such conditions as they think fit.

Shareholders still liable to pay money owing at time of forfeiture and interest

52. Any member whose shares or have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, instalments, interest, expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.

Effect of forfeiture

53. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

Certificate of forfeiture

54. A certificate in writing under the hand of one Director and counter signed by the Secretary or any other officer authorised by the Directors for the purpose, that the call-in respect of a share was made and notice

thereof given and that default in payment of the call was made and that forfeiture of the share was made by the resolution of Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share

Validity of sales under Articles 45 and 50

55. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinabove given, the Directors may, if necessary, appoint some person to execute an instrument of transfer of the shares or debentures sold and cause the purchaser's name to be entered in the Register of Members or Register of Debenture Holders in respect of the shares or debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register of Members or Debenture Holders in respect of such shares or debentures the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be for damages only and against the Company exclusively.

Cancellation of share Certificate in respect of forfeited shares

56. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate/s originally issued in respect of the relative shares or shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Directors shall be entitled to issue a duplicate certificate/s in respect of the said shares to the person/s entitled thereto.

Title of purchaser and allottee of forfeited shares

57. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof, and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.

Surrender of Shares or Debentures

58. The Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debenture holder desirous of surrendering those on such terms as they think fit.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

Register of Transfers

59. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

Form of Transfer

60. The instrument of transfer shall be common, in writing and all the provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly compiled with in respect of all transfer of shares and registration thereof.

'Dematerialisation of Securities'

60A. (1) The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.

(2) (i) The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.

(ii) Option for Investors:

Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.

If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security.

(iii) Securities in Depository to be in fungible form:

All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.

Nothing contained in Sections 153, 153A, 153B, 187B, 187C & 372A of the Act shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

(iv) Rights of Depositories & Beneficial Owners:

(a) Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(c) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

(v) Service of Documents:

Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

(vi) Transfer of Securities:

Nothing contained in Section 108 of the Act, shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(vii) Allotment of Securities dealt with in a depository:
Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

(viii) Register and Index of Members:

The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

Instrument of transfer to be executed by transferor and transferee

61. Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.

Directors may refuse to register transfer

62. (a) Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion any by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either; alone or jointly with any other person or persons indebted to the company or any account whatsoever except when the company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

(b) Nothing in Sections 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of, or the transmission on legal documents by operation of law of the rights to, any shares or interest of a member in, any shares or debentures of the Company.

Transfer of Shares

63. (a) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article, the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register of Members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

(b) For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.

(c) It shall not be lawful for the Company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has been delivered to the Company along with the certificate relating to the shares and if no such certificate is in existence, along with the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.

(d) Nothing in clause (c) above shall prejudice any power of the Company to register as shareholder any person to whom the right to any share has been transmitted by operation of law.

(e) The Company shall accept all applications for transfer of shares/debentures, however, this condition shall not apply to requests received by the Company.

(A) for splitting of a share or debenture certificate into several scripts of very small denominations;

(B) proposals for transfer of shares/debentures comprised in a share/debenture certificate to several parties involving, splitting of a share/debenture certificate into small denominations and that such split/transfer appears to be unreasonable or without any genuine need.

(i) transfer of equity shares/debentures made in pursuance of any statutory provisions or an order of a Competent Court of law;

(ii) the transfer of the entire equity shares/debentures by an existing shareholder/debenture holder of the Company holding under one folio less than 10 (ten) Equity Shares or 10 (ten) Debentures (all relating to the same series) less than in market lots by a single transfer to a single or joint transferee.

(iii) the transfer of not less than 10 (ten) Equity shares or 10 (ten) Debentures (all relating to the same series) in favour of the same transferee(s) under two or more transfer deeds, out of which one or more relate(s) to the transfer of less than 10 (ten) Equity Shares/10 (ten) debentures.

(iv) the transfer of less than 10 (ten) Equity Shares or 10 (ten) Debentures (all relating to the same series) to the existing share holder/debenture holder subject to verification by the Company.

Provided that the Board may in its absolute discretion waive the aforesaid conditions in a fit and proper case(s) and the decision of the Board shall be final in such case(s).

(f) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share. However, the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever;

Custody of Instrument of transfer

64. The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

Transfer books and Register of members when closed

65. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

Transfer to Minors etc.

66. Only fully paid shares or debentures shall be transferred to a minor acting through his/her legal or natural guardian. Under no circumstances, shares or debentures be transferred to any insolvent or a person of unsound mind.

Title to shares of deceased holder

67. The executors or administrators of a deceased member (not being one or two or more joint holders) or the holder of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognise as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or the legal representatives unless they shall have first obtained probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent Court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary under Article 70 register the name of any

person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

Registration of persons entitled to share otherwise than by transfer

68. (a) Subject to the provisions of Articles 67 and 77(d), any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

(b) A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.

'**Nomination**'

(c) (1) Every Shareholder or Debenture holder or Deposit holder of the Company, may at any time, nominate a person to whom his Shares or Debentures or Deposit shall vest in the event of his death in such manner as may be prescribed under the Act.

(2) Where the Shares or Debentures or Deposits of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the Shares or Debentures or Deposits as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under Section 58A(11) and 109A of the Act.

(3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the Shares or Debentures or Deposits, the nominee shall, on the death of the Shareholder or Debenture holder or Deposit holder, as the case may be on the death of the joint holders become entitled to all the rights in such Shares or Debentures or Deposits as the case may be, all the joint holders, in relation to such Shares or Debentures or Deposits, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.

(4) Where the nominee is a minor, it shall be lawful for the holder of the Shares or Debentures or Deposits, to make the nomination to appoint any person to become entitled to Share in, or Debentures or Deposits of, the Company, in the manner prescribed under the Act, in the event of his death, during the minority.

'**Transmission of Shares or Debentures**'

(d) (1) A nominee, upon production of such evidence as may be required by the Board and subject to provisions of Section 109B of the Act and as hereinafter provided, elect, either –

(a) to register himself as holder of the Share or Debenture, as the case may be; or

(b) to make such transfer of the Share or Debenture, as the deceased Shareholder or Debenture holder, as the case may be, could have made.

(2) if the nominee elects to be registered as holder of the Share or Debenture himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Shareholder or Debenture holder, as the case may be.

(3) a nominee shall be entitled to the share dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture. Provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.

provided further that Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share or Debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonus or other monies payable in respect of the Share or Debenture, until the requirements of the notice have been complied with.

Claimant to be entitled to same advantage

69. The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares 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 the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board may thereafter withhold payment of all dividends, interest, bonuses or other moneys payable in respect of the share unit the requirements of the notice have been complied with.

Persons entitled may receive dividend without being registered as member

70. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share/debenture.

71. Article 70 shall not prejudice the provisions of Articles 44 and 55.

Refusal to register nominee

72. The Directors shall have the same right to refuse on legal ground to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

Directors may require evidence of transmission

73. Every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

No Fees on transfer or transmission

74. No fees shall be charged for registration of transfer transmission, Probate, Succession Certificate and Letters of administration, Certificate of Death of Marriage, Power of Attorney or similar other document.

The Company not liable for disregard of a notice prohibiting registration of transfer

75. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred

to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give affect thereto if the Directors shall so think fit.

76. The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law, of debentures of the Company.

JOINT HOLDERS

Joint-holders

77. Where two or more persons are registered as the holders of any shares/debentures, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.

No transfer to more than four persons as joint holders

(a) The joint holders of any share/debenture shall be liable severally four persons as the holders of any share/debentures.

Transfer by joint holders

(b) In the case of a transfer of shares/debentures held by joint holders, the transfer will be effective only if it is made by all the joint holders.

Liability of joint holders

(c) The joint holders of any share/debenture shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share/debenture.

Death of one or more joint holders

(d) On the death of any one or more of such joint holders the survivor/survivors shall be the only person or persons recognised by the Company as having any title to the share/debenture, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares/debentures held by him jointly with any other person.

Receipt of one sufficient

(e) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share/debenture.

Delivery of certificate and giving of notices to first named holder

(f) Only the person whose name stands first in the Register of Members/debenture holders as one of the joint holders of any shares/debentures shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice which expression shall be deemed to include all documents as defined in Article (2)(a) hereof and any document served on or sent to such person shall be deemed service on all the joint holders.

Vote of joint holders

(g) (i) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by Attorney or by proxy although the name of such joint holder present by an Attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares.

(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this clause be deemed joint holders.

BORROWING POWERS

Restriction on powers of the Board

78. The Board of Directors shall not, except with the consent of the Company in General Meeting and subject to Article 172 of the Articles of Association of the Company:

(a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking.

(b) remit, or give time for the repayment of any debt due by a Director.

(c) invest, otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition alter the commencement of this Act, of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.

(d) borrow monies where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

(e) contribute, to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent, of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three-financial year immediately preceding, whichever is greater.

Explanation: Every resolution passed by the Company in General Meeting in relation to the exercise of the power referred to in clause (d) or in clause (e) shall specify the total amount up to which money may be borrowed by the Board of Directors under clause (d) or as the case may be, the total amount which may be contributed to charitable and other funds in any financial year under clause (e).

Conditions on which money may be borrowed

79. The Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of bonds, perpetual or redeemable or such other types of debenture or debenture stocks or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled Capital for the time being.

Terms of Issue of Debentures

80. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution

Bonds, debentures etc. to be subject to the control of Directors

Any bonds, debentures, debenture stocks or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture stocks or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution.

Securities may be assignable free from equities

81. Debentures, debenture stocks, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Issue at discount etc. or with special privileges

82. Any bonds, debenture stocks, or other securities may be issued, subject to the provisions of the Act, at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, appointment of Directors and otherwise and subject to the following:

Debentures with voting rights not to be issued

(a) The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.

(b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.

(c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.

(d) Certain charges mentioned in Section 125 of the Act shall be void against the liquidators or creditors unless registered as provided in Section 125 of the Act.

(e) The term 'charge' shall include mortgage in these Articles.

(f) A contract with the Company to take up and pay for any debentures of the Company may be enforced by a decree for specific performance.

Limitation of time for issue of Certificate

(g) The Company shall, within three months after the allotment of any of its debentures or debenture stock, and within one month after the application for the registration of the transfer of any such debentures or debenture stocks have complete and have ready for delivery the Certificate of all the debentures and the Certificates of all debenture stocks allotted or transferred unless the conditions of issue of the debentures or debenture stocks otherwise provide.

The expression 'transfer' for the purpose of this clause means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

Right to obtain copies of the inspect Trust Deed

(h) (i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment.

(1) In the case of a printed Trust Deed of the sum of Rupee One and

(2) In the case of a Trust Deed which has not been printed of thirty-seven paise for every one hundred words or fractional part thereof required to be copied.

(ii) The Trust Deed referred to in item (i) above shall also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of the same fees, as if it were the Register of Members of the Company.

Mortgage of uncalled Capital

83. If any uncalled Capital of the Company is included in or charged by any mortgage or other security the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled Capital in trust for the person in whose favour such mortgage or security is executed.

Indemnity may be given

84. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

Registration of charges

85. (a) The provisions of the Act relating to registration of charges shall be complied with.

(b) In the case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 125 of the Act shall also be complied with.

(c) Where a charge is created in India but comprises property outside India, the instrument creating or purporting to create the charge under Section 125 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 125 of the Act.

(d) Where any charge on any property of the Company required to be registered under Section 125 of the Act has been so registered any persons acquiring such property or any part thereof or any share as interest therein shall be deemed to have notice of the charge as from the date of such registration.

(e) In respect of registration of charges on properties acquired subject to charge, the provisions of Section 127 of the Act shall be complied with.

(f) The Company shall comply with the provisions of Section 128 of the Act relating to particulars in case of series of debentures entitling holders *pari passu*.

(g) The Company shall comply with the provisions of Section 129 of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debentures.

(h) The Provisions of Section 133 of the Act as to endorsement of Certificate of registration on debenture or Certificate of debenture stock shall be complied with by the Company.

(i) The Company shall comply with the provisions of Section 134 of the Act as regards registration of particulars of every charge and of every series of debentures.

(j) As to modification of charges, the Company shall comply with the provisions of Section 135 of the Act.

(k) The Company shall comply with the provisions of Section 136 of the Act regarding keeping a copy of instrument creating charge at the registered office of the Company and comply with the provisions of Section 137 of the Act in regard to entering in the register of charges any appointment of Receiver or Managers as therein provided.

(l) The Company shall also comply with the provisions of Section 138 of the Act as to reporting satisfaction of any charge and procedure thereafter.

(m) The Company shall keep at its registered office a Register of charges and enter therein all charges specifically affecting any property of the Company and all floating charges on the undertaking or on any property of the company giving in each case:

(i) a short description of the property charged;

(ii) the amount of the charge; and

(iii) except in the case of securities to bearer, the names of persons entitled to the charge.

(n) Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of charges in accordance with and subject to the provisions of Section 144 of the Act.

Trust not recognised

86. No notice of any trust, express or implied or constructive, shall be entered on the Register of Debenture holders.

SHARE WARRANTS

Power to issue share warrants

87. The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115 and accordingly, the Board may, in its discretion, with respect to any share which is fully paid upon application in writing signed by the persons registered as holder of the share and authenticated by such evidence (if any) as the Board may from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the share and the amount of the stamp duty on the warrant and such fee as the board may from time to time require issue a share warrant.

Deposit of share warrant

88. (a) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of the member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of Members as the holder of the share included in the deposited warrant.

(b) Not more than one person shall be recognised as depositor of the share warrant.

(c) The Company shall, on two day’s written notice, return the deposited share warrant to the depositor.

Privileges and disabilities of the holders of share warrant

89. (a) Subject as herein otherwise expressly provided, no person shall as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any of privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant, and he shall be a member of the Company.

Issue of new share warrant or coupon

90. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Shares may be converted into stock

91. The Company in general meeting may convert any paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interests, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid up shares of any denomination.

Rights of stock holders

92. The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantage (except participation in the dividends and profit 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 privileges or advantages.

GENERAL MEETINGS

93. **Annual General Meeting**

Subject to the provisions contained in Sections 166 and 210 of the Act, as far as applicable, the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting, and shall specify, the meeting as such in the Notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

Provided that if the Registrar for any special reason, extends the time within which any annual general meeting shall be held, then such annual general meeting may be held within such extended period.

Summary of Annual General Meeting

The Company may in any one general meeting fix the place for its any annual general meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor. At every annual general meeting of the Company, there shall be laid on the table, the Director's Report the audited statements of accounts and auditor's report (if any, not already incorporated in the audited statement of accounts). The proxy registered with the Company and Register of Director's Share holdings of which latter register shall remain open and accessible during the continuance of the meeting. The Board shall cause to prepare the Annual list of members, summary of Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

Time and place of Annual General Meeting

94. Every annual general meeting shall be called at any time during business hours, on a day that is not a public holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate, and the notice calling the meeting shall specify it as the annual general meeting.

Sections 171 to 186 of the Act shall apply to meetings.

95. Sections 171 to 186 of the Act with such adaptations and modifications, if any, as may be prescribed shall apply with respect to meetings of any class of members or debenture holders of the Company in like manner as they apply with respect to general meetings of the Company.

Powers of Director's to call Extraordinary General Meeting

96. The Directors may call an extraordinary general meeting of the Company whenever they think fit.

Calling of Extra Ordinary General Meeting on requisition

97. (a) The Board of Directors of the Company shall on the requisition of such number of members of the

Company as is specified in clause (d) of this Article, forthwith proceed duly to call an Extraordinary general meeting of the Company.

(b) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the registered office of the Company.

(c) The requisition may consist of several documents in like form, each signed by one or more requisitionists.

(d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one tenth of such of the paid-up share capital of the Company as at that date carried the right of voting in regard to that matter.

(e) Where two or more distinct matters are specified in the requisition the provisions of clause (d) above, shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.

(f) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters then on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called:

(i) by the requisitionists themselves;

(ii) by such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or note less than one tenth of such of the paid-up share capital of the Company as is referred to in clause (d) above, whichever is less.

Explanation: For the purpose of this clause, the Board shall in the case of a meeting at which resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section 189 of the Act.

(g) A meeting, called under clause (f) above, by the requisitionists or any of them:

(i) shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board; but

(ii) shall not be held after the expiration of three months from the date of the deposit of the requisition.

Explanation: Nothing in clause (g) (ii) above, shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.

(h) Where two or more persons hold any shares or interest in the Company jointly, a requisition, or a notice calling a meeting, signed by one or some of them shall, for the purpose of this Article, have the same force and effect as if it had been signed by all of them.

(i) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

Length of notice for calling meeting

98. (a) A general meeting of the Company may be called by giving not less than twenty-one days' notice in writing.

(b) A general meeting of the Company may be called after giving shorter notice than that specified in clause (a) above, if consent is accorded thereto;

(i) in the case of an annual general meeting by all the members entitled to vote thereat; and

(ii) in the case of any other meeting, by members of the Company holding not less than 95 (ninety-five) percent of such part of the paid-up capital of the Company as gives a right to vote at the meeting;

Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.

Contents and manner of service of notice and persons on whom it is to be served

99. (a) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(b) Notice of every meeting of the Company shall be given:

(i) to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act;

(ii) to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title or representatives of the deceased or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred;

(iii) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of any member of members of the Company and

(iv) to all the Directors of the Company

Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(c) The accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

Explanatory statement to be annexed to notice

100. (A) For the purpose of this Article:

(i) in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to

(a) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors.

(b) the declaration of a dividend;

(c) the appointment of Directors in the place of those retiring, and

(d) the appoint of and the fixing of the remuneration of the auditors, and

(ii) in the case of any other meetings, all business shall be deemed special.

(B) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including in particular the nature of the concern or interest, if any, therein of every Director, and the manager, if any.

Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates, to or affects, any other Company, the extent of shareholding interest in that other Company of any such person shall be set out in the circumstances specified in the proviso to sub-section (2) of Section 173 of the Act.

(C) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.

Quorum for meeting

101. (a) Five members personally present shall be the quorum for a general meeting of the company.

If quorum not present meeting to be dissolved or adjourned

(b) (i) If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon by requisition of members, shall stand dissolved.

(ii) In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place, as the Board may determine.

Adjourned meeting to transact business

(c) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.

Presence of quorum

102. (a) No business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.

Business confined to election of chairman whilst chair vacant

(b) No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.

Chairman of general meeting

(c) (i) The chairman of the Board of Directors shall be entitled to take the chair at every general meeting. If there be no Chairman or if at any meeting he shall not be present within 15 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of themselves to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Directors present be willing to take the chair, the members present shall choose one of the themselves to be the Chairman.

(ii) If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman or Vice Chairman of the Board or by a Director at the expiration of 15 (fifteen) minutes from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the Chair, the members present shall choose one of their members to be the Chairman of the meeting.

Chairman with consent may adjourn the meeting

(d) The Chairman with the consent of the meeting may adjourn any meeting from time to time and place to place in the city, town or village where the registered office of the Company is situated.

Business at adjourned meeting

(e) No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

Notice of adjourned meeting

(f) When a meeting is adjourned only for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting.

In what cases poll taken with or without adjournment

(g) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith, save as aforesaid, any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

103. Proxies

(a) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself. A member (and in the case of joint holders all holders) shall not appoint more than one person as proxy. A proxy so appointed shall not have any right to speak at the meeting.

Provided that unless where the proxy is appointed by a body corporate a proxy shall not be entitled to vote except on a poll.

(b) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member.

(c) The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (forty-eight) hours before the meeting in order that the appointment may be effective thereat.

(d) The instrument appointing a proxy shall:

(i) be in writing, and

(ii) be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.

Form of proxy

(e) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in usual common form.

(f) An instrument appointing a proxy, if in any of the forms set out in Schedule IX to the Act shall not be questioned on the ground that it fails to comply with any special requirements specified for such instrument by these Articles.

(g) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.

VOTES OF MEMBERS

Restrictions on exercise of voting rights of members who have not paid calls

104. (a) No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.

(b) Where the shares of the Company are held in trust, the voting power in respect of such shares shall be regulated by the provisions of Section 187 B of the Act.

Restriction on exercise of voting right in other cases to be void

105. A member is not prohibited for exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 104.

Equal rights of share holders

106. Any shareholder whose name is entered in the Register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

Voting to be by show of hands in first instance

107. At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded under Section 179 of the Act be decided on a show of hands.

108. (a) Subject to the provisions of the Act, upon show of hands every member entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

No voting by proxy on show of hands

(b) No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under Sections 187 or 187A of the Act, in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.

How member's non-compos minutes and minor may vote

(c) 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 poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.

(d) **Votes in respect of shares of deceased or insolvent members etc.**

Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

(e) **Custody of Instrument**

If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects, a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.

(f) **Validity of votes given by proxy notwithstanding death of members etc.**

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting.

(g) **Time for objections for vote**

No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose of such meeting or poll whatsoever.

(h) **Chairman of any meeting to be the judge of any vote**

The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Chairman's declaration of result of voting by show of hands to be conclusive

109. A declaration by the Chairman in pursuance of Section 177 of the Act that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

110. (a) Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up.

(b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking poll

111. (a) A poll demanded on a question of adjournment shall be taken forthwith.

(b) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 175 of the Act) shall be taken at such time not being later than 48 (forty-eight) hours from the time when the demand was made, as the Chairman may direct.

Right of a member to use his votes differently

112. On a poll taken at a meeting of the Company a member or other person entitled to vote for him as the case may be, need not, if he votes, use, all his votes or cast in the same way all the votes he uses.

Scrutinizers at poll

113. (a) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and to report thereon to him.

(b) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

(c) Of the two scrutinizers appointed under this article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.

Manner of taking poll and result thereof

114. (a) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Casting Vote

115. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls are demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Representation of Body Corporate

116. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 187 of the Act authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

Circulation of member's resolution

117. The Company shall comply with provisions of Section 188 of the Act, relating to circulation of member's resolution.

Resolution requiring special notice

118. The Company shall comply with provisions of Section 190 of the Act relating to resolution requiring special notice.

Resolutions passed at adjourned meeting

119. The provisions of Section 191 of the Act shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

Registration of resolutions and agreements

120. The Company shall comply with the provisions of Section 192 of the Act relating to registration of certain resolutions and agreements.

Minutes of proceedings of general meeting and of Board and other meetings

121. (a) The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.

(b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:

(i) in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(ii) in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.

(c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(e) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(f) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:

(i) the names of the Directors present at the meetings, and

(ii) in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.

(g) Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:

(i) is or could reasonably be regarded, as defamatory of any person

(ii) is irrelevant or immaterial to the proceedings; or

(iii) in detrimental to the interests of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

Minutes to be considered to be evidence

(h) The minutes of meetings kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.

Presumptions to be drawn where minutes duly drawn and signed

122. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 193 of the Act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken placed and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

Inspection of Minutes Books of General Meetings

123. (a) The books containing the minutes of the proceedings of any general meeting of the Company shall;

(i) be kept at the registered office of the Company, and

(ii) be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.

(b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of thirty-seven paise for every one hundred words or fractional part thereof required to be copied.

Publication of reports of proceeding of general meetings

124. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.

MANAGERIAL PERSONNEL

Managerial Personnel

125. The Company shall duly observe the provisions of Section 197A of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

INTEREST OUT OF CAPITAL

Interest may be paid out of Capital

175. Where any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period and at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, or the provisions of plant.

DIVIDENDS

Division of Profits

176. The profits of the Company subject to any special rights relating thereto created or authorised to be created by these presents shall be divisible among the members in proportion to the amount of Capital paid up or credited as paid up on the shares held by them respectively.

Dividend payable to registered holder

177. No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker.

Time of payment of dividend

178. Where a dividend has been declared by the Company it shall be paid within the period provided in Section 207 of the Act.

Capital paid up in advance and interest not to earn dividend

179. Where the Capital is paid up in advance of calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest confer a right to dividend or to participate in profits.

Dividends in proportion to amount paid up

180. (a) The Company shall pay dividends in proportion to the amounts paid up or credited as paid up on each share, when a larger amount is paid up or credited as paid up on some shares than on others. Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.

(b) Provided always that any Capital paid up on a share during the period in respect of which a dividend is declared, shall unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid during such period on such share.

Company in General Meeting may declare dividends

181. The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment.

Power of Directors to limit dividend

182. No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend.

Dividends only to be paid out of profits

183. No dividend shall be declared or paid by the Company otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or a State Government for the payment of dividend in pursuance of the guarantee given by that Government provided that :

(a) If the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years;

(b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

Provided further that, no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that Section.

Nothing contained in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.

Directors' declaration as to net profits conclusive

184. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

Interim Dividends

185. The Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.

Retention of Dividend until completion of transfer under Article

186. The Directors may retain the Dividends payable upon shares in respect of which any person is under the Transmission clause of these Articles entitled to become a member or which any person under the clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

No member to receive Dividend whilst indebted to the Company and Company's right to reimbursement there from

187. Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share(s) whilst any money may be due or owing from him to the Company in respect of such share(s) or debenture(s) or otherwise however either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of moneys so due from him to the Company.

Transferred shares must be registered

188. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Dividend how remitted

189. Unless otherwise directed any dividend may be paid by cheque or warrant or a pay-slip or receipt having the force of a cheque or warrant sent through ordinary post to the registered address of the member or person entitled or in the case of joint holders to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the registered holder of shares or to his order or to his bankers. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost, to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

Unpaid or Unclaimed Dividend

190. (a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of KOSAMATTAM FINANCE LIMITED" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund account of the Central Government.

No claim for such transferred amount will lie against the Company or Central Government.

(c) No unpaid or unclaimed dividend shall be forfeited by the Board before the claim becomes barred by law

Dividend and call together

191. Any general meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.

Dividend to be payable in cash

192. No dividend shall be payable except in cash. Provided that nothing in this Article shall be deemed to prohibit the capitalisation of profit or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.

CAPITALISATION

Capitalisation

193. (a) Any general meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any money's investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalised. Any such amount (excepting the amount standing to the credit of the Share Premium Account and/or the Capital Redemption Reserve Account) may be capitalised;

(i) by the issue and distribution as fully paid shares, debentures, debenture stock, bonds or obligations of the Company or

(ii) by crediting the shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.
Provided that any amounts standing to the credit of the Share Premium Account may be applied in;

(1) paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;

(2) in writing off the preliminary expenses of the Company;

(3) in writing of the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or

(4) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. Provided further that any amount standing to the credit of the Capital Redemption Reserve Account shall be applied only in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares.

(b) Such issue and distribution under sub-clause (a)(i) above and such payment to the credit of unpaid share capital under sub-clause (a)(ii) above shall be made to, among and in favour of the members of any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (a)(i) or payment under sub-clause (a)(ii) above shall be made on the footing that such members become entitled thereto as capital.

(c) The Directors shall give effect to any such resolution and apply portion of the profits, General Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture stock, bonds or other obligations of the Company so distributed under sub-clause (a)(i) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under sub-clause (a) (ii) above provided that no such distribution or payment shall be made unless recommended by Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.

(d) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates or coupons and fix the value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, fractional certificates or coupons, debentures, debenture stock, bonds, or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture stock, bonds or other obligations and fractional certificates or coupons or otherwise as they may think fit.

(e) Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of fully paid shares, and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.

194. When deemed requisite, a proper contract shall be filed with the Registrar of Companies in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

DOCUMENTS AND NOTICES

Service of Notice by member

212. A notice may be served on the Company or an Officer thereof by sending it to the Company or Officer at the Registered Office of the Company by post under a Certificate or posting or by registered post or by leaving it at its Registered Office.

The term “Notice” in this and the following clauses shall include summons, notice, requisition, order, judgement or other legal papers and any document.

Service of Notice on Register

213. A notice may be served on the Registrar by sending it to him at his office by post under a certificate of posting or by registered post, or by delivering it to, or leaving it for him at his office.

Service of Notice on member by the Company

214. (a) A Notice may be served by the Company on any member either personally or by sending it by post to him to his registered address or if he has no registered address in India to the address, if any, within India supplied by him to the Company for giving Notice to him.

(b) Where a Notice is sent by post:

(i) Service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the document, provided that, where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgment due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

(ii) Such service shall be deemed to have been effected:

(1) in the case of a Notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted, and

(2) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

By Advertisement

(c) A Notice advertised in a newspaper circulating in neighbourhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of Notice to him.

On joint holder

(d) Any notice may be served by the Company on the Joint-holders of a Share/debenture by serving it on the joint holder named first in the Register of member/debenture holders in respect of the share/debenture.

On Personal Representative

(e) A Notice may be served by the Company on the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title representatives of the deceased or assignees of the insolvent or by any like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by serving the document in any manner in which it might have been served if the death or insolvency had not occurred.

Notice by Company and signatures thereto

215. Any Notice given by the Company shall be signed by a Director, or by such Officer as the Directors may appoint and the signatures thereto may be written printed or lithographed.

Authentication of documents and proceedings

216. Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by the director, the Managing Director, the Manager, the Secretary or other authorised Officer of the Company and need not be under its Common Seal

WINDING UP

Distribution of Assets

217. (a) Subject to the provisions of the Act, if the Company shall be would up and the assets available for distribution among the members as such shall be less than sufficient to repay the whole of the paid up capital such assets shall be distributed so that, as nearly, as may be, the losses shall be borne by the members in proportion to the Capital paid up, or which ought to have been paid up, at the commencement of winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the Capital paid-up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively.

(b) But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.

218. Subject to the provisions of the Act.

Distribution in specie or kind

(a) If the Company shall be would up whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution and any other sanction required by the Act, divide amongst the contributors, in specie or kind the whole or any part of the assets of the Company, and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit.

(b) If thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined or any contributory who would be prejudiced thereby shall have the right, if any to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.

(c) In case any shares to be divided as aforesaid involved a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the Liquidators shall, if practicable act accordingly.

Rights of shareholders in case of sale

219. Subject to the provisions of the Act, a special resolution sanctioning a sale to any other Company duly passed may, in like manner as aforesaid, determine that any shares or other consideration receivable by the Liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent, if any, if such right be given by the Act.

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 or/are to be 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 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 Stock Exchange until the Issue Closing Date.

Material Contracts

1. Issue Agreement dated November 14, 2022, between the Company and the Lead Manager;

2. Registrar Agreement dated November 14, 2022, between the Company and the Registrar to the Issue;

3. Debenture Trusteeship Agreement dated November 30, 2022, between the Company and Vistra ITCL (India) Limited, the Debenture Trustee;

4. Public Issue Account and Sponsor Bank Agreement dated November 14, 2022, amongst our Company, the Lead Manager, the Registrar, the Public Issue Account Bank, Sponsor Bank and the Refund Bank;

5. Syndicate Agreement dated November 14, 2022, between the Company, Lead Manager and the Syndicate Member;

6. Tripartite Agreement dated March 21, 2014 between CDSL, the Company and the Registrar to the Issue; and

7. Tripartite Agreement dated March 27, 2014 between NSDL, the Company and the Registrar to the Issue.

Material Documents

1. Original certificate of incorporation of Company dated March 25, 1987, issued by Registrar of Companies, Kerala and Lakshadweep;

2. Revised certificate of incorporation of the Company dated June 08, 2004, issued by Registrar of Companies, Kerala and Lakshadweep pursuant to change of name;

3. Fresh certificate of incorporation of the Company dated November 22, 2013, issued by Registrar of Companies, Kerala and Lakshadweep pursuant to the conversion of our Company from private limited company to a public limited company;

4. Memorandum of Association and Articles of Association of the Company, as amended to date;

5. The certificate of registration No. B-16.00117 dated December 19, 2013 issued by RBI under Section 45IA of the RBI Act;

6. Full-fledged money changers license bearing license number FE.CHN.FFMC.40/2006 dated February 7, 2006 by the RBI;

7. Credit rating letter dated November 23, 2022 issued by India Ratings;

8. Copy of the Board Resolution dated October 19, 2022, approving the Issue;

9. Resolution passed by the shareholders of the Company at the Extraordinary General Meeting held on September 29, 2018, approving the overall borrowing limit of Company;

10. Copy of the Debenture Committee resolution dated December 02, 2022, approving this Draft Prospectus;

11. Copy of the Debenture Committee resolution dated [●], approving the Prospectus;

12. Memorandum of Understanding dated May 07, 2004, between Mathew K. Cherian (representative of the "**Buyers**") and Thomas Porathur (representative of the "**Sellers**");

13. Consents of the Directors, Chief Financial Officer, Lead Manager, Debenture Trustee, Syndicate Member, Credit Rating Agency for the Issue, Company Secretary and Compliance Officer, Legal Counsel to the Issue, Public Issue Account Bank, Sponsor Bank, Refund bank, Bankers to the Company and the Registrar to the Issue, to include their names in this Draft Prospectus;

14. Industry report titled "CRISIL Research – Industry report on gold loans", dated November 2022, prepared and issued by CRISIL Limited;

15. The consent of our Statutory Auditors, namely M/s. SGS & Company, Chartered Accountants dated November 24, 2022, for inclusion of their names as the Statutory Auditors and experts as defined under Section 2(38) of the Companies Act, 2013;

16. Annual Reports of the Company for the last three Financial Years;

17. The report on review of interim financial information of the Statuory Auditor, M/s. SGS & Company, Chartered Accountants dated November 12, 2022 on Limited Review Financial Statements for the six month period ended September 30, 2022;

18. The examination report of the Statutory Auditor, M/s. SGS & Company, Chartered Accountants dated November 24, 2022, in relation to the Reformatted Financial Statements included herein;

19. A statement of tax benefits dated November 24, 2022 received from M/s. SGS & Company, Chartered Accountants regarding tax benefits available to our debenture holders;

20. In-principle listing approval letter dated [●], issued by BSE, for the Issue;

21. Due Diligence certificate dated December 02, 2022, from the Debenture Trustee to the Issue;

22. Due Diligence certificate dated [●], filed with SEBI by the Lead Manager; and

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 applicable provisions of Companies Act, 1956, provisions of the Companies Act, 2013 and other relevant statutes.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act, 2013, 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, 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 confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements in this Draft Prospectus are true, accurate and correct in all material respects 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 the offer shall be used only for the purposes and objects indicated in this Draft Prospectus.

Signed by the Directors of our Company

Sd/-
Mathew K. Cherian
(Chariman and Managing Director)

Sd/-
Laila Mathew
(Whole-Time Director)

Sd/-
Jilu Saju Varghese
(Non-Executive Director)

Sd/-
Paul Jose Maliakal
(Independent Director)

Sd/-
C. Thomas John
(Independent Director)

Sd/-
Sebastian Kurian
(Independent Director)

Date: December 02, 2022

Place: Kottayam

ANNEXURE I - DAY COUNT CONVENTION

Interest on the NCDs shall be computed on an actual/actual basis for the broken period, if any. Consequently, interest shall be computed on a 365 day a year basis on the principal outstanding on the NCDs for Options I, III, V, VII and VIII which have tenors on cumulative basis.

For Options II, IV and VI the interest shall be calculated from the first day till the last date of every month on an actual/actual basis during the tenor of such NCDs. Consequently, interest shall be computed on a 365 day a year basis on the principal outstanding on the NCDs. However, if period from the Deemed Date of Allotment/anniversary date of Allotment till one day prior to the next anniversary/redemption date includes February 29, interest shall be computed on 366 days a-year basis, on the principal outstanding on the NCDs.

Illustration of cash-flows: To demonstrate the day count convention, please see the following table below, which describes the cash-flow in terms of interest payment and payment of Redemption Amount per NCD for all Categories of NCD Holders.

INVESTORS SHOULD NOTE THAT THIS EXAMPLE IS SOLELY FOR ILLUSTRATIVE PURPOSES AND IS NOT SPECIFIC TO THE ISSUE

Company	Kosamattam Finance Limited	
Face Value	₹1,000	
Day and date of Allotment (tentative)	[●]	
Day and date of Redemption (tentative)	[●]	[●]
Tenure	[●]	[●]
Coupon (%) for NCD Holders in Category I, II and III	[●]	[●]
Frequency of the Interest Payment with specified dates starting from date of allotment	[●]	[●]
Day Count Convention	[●]	

Option I

Company	Kosamattam Finance Limited
Face Value	₹1,000
Day and date of Allotment (tentative)	[●]
Day and date of Redemption (tentative)	[●]
Tenure	[●]
Redemption Amount (₹/NCD) for NCD Holders	[●]
Frequency of the Interest Payment with specified dates starting from date of allotment	[●]
Day Count Convention	[●]

Cash flow	**Day and Date of interest/redemption payment**	**No. of days in coupon/maturity period**	**Amount (in ₹)**
Principal/Maturity Value	[●]	[●]	[●]

Option II

Company	Kosamattam Finance Limited
Face Value	₹1,000
Day and date of Allotment (tentative)	[●]
Day and date of Redemption (tentative)	[●]
Tenure	[●]
Coupon (%) for NCD Holders	[●]
Frequency of the Interest Payment with specified dates	[●]

starting from date of allotment	
Day Count Convention	[●]

Cash flow	**Day and Date of interest/redemption payment**	**No. of days in coupon/maturity period**	**Amount (in ₹)**
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
Principal/Maturity Value	**[●]**	**[●]**	**[●]**

NOTES:

1. *Effect of public holidays has been ignored as these are difficult to ascertain for future period.*
2. *As per SEBI Operational Circular, in order to ensure uniformity for payment of interest/redemption on debt securities, the interest/redemption payment shall be made only on a Working Day. Therefore, if the interest payment date falls on a non-Working Day, the coupon payment shall be on the next Working Day. However, the future coupon payment dates would be as per the schedule originally stipulated. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday. However, if the redemption date of the debt securities falls on non- Working Day, the redemption proceeds shall be paid on the previous Working Day.*
3. *Deemed Date of Allotment has been assumed to be [●].*
4. *The last coupon payment will be paid along with maturity amount at the redemption date.*

ANNEXURE II – RATING LETTER, RATING RATIONALE AND PRESS RELEASE

APPENDED OVERLEAF

Mr. Mathew Cherian
Managing Director
Kosamattam Finance Limited
Kosamattam Building, Market Jn,
ML Road, Kottayam,
Kerala 686001

November 23, 2022

Dear Sir/Madam,

Re: Rating Letter of Kosamattam Finance Limited

India Ratings and Research (Ind-Ra) has upgraded Kosamattam Finance Limited's (KFL) debt facilities as follows:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Non-convertible debentures (NCDs)*	-	-	-	INR18614 (reduced from INR22,830.1)	IND A-/Stable	Upgraded
NCDs^*	-	-	-	INR4,000	IND A-/Stable	Assigned
Bank loans	-	-	-	INR22,000 (increased from INR10,000)	IND A-/Stable	Upgraded

* Details in annexure
^Yet to be issued

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

Prakash Agarwal
Director

K Gupta
Karan Gupta
Director

India Ratings & Research
A Fitch Group Company

FitchGroup

Annexure: Facilities Breakup

Instrument Description	Banks Name	Ratings	Outstanding/Rated Amount(INR million)
Cash Credit	Bank of Baroda	IND A-/Stable	738.2
Term Loan	Canara Bank	IND A-/Stable	779.1
Working Capital Demand Loan	CSB Bank Limited	IND A-/Stable	500
Working Capital Demand Loan	DCB Bank	IND A-/Stable	397.2
Cash Credit	Dhanlaxmi Bank	IND A-/Stable	144.3
Working Capital Demand Loan	Federal Bank	IND A-/Stable	12.1
Cash Credit	Karur Vysya Bank	IND A-/Stable	43.4
Cash Credit	Punjab National Bank	IND A-/Stable	96.2
Cash Credit	South Indian Bank	IND A-/Stable	492.4
Cash Credit	State Bank of India	IND A-/Stable	581.9
Cash Credit	Union Bank of India	IND A-/Stable	293.1
Bank Loan	NA	IND A-/Stable	6404
Term Loan	Bank of Baroda	IND A-/Stable	437.5
Term Loan	Bank of Maharashtra	IND A-/Stable	742.9
Term Loan	Bandhan Bank	IND A-/Stable	1000
Working Capital Demand Loan	Bandhan Bank	IND A-/Stable	200
Term Loan	CSB Bank Limited	IND A-/Stable	207.8
Working Capital Demand Loan	Dhanlaxmi Bank	IND A-/Stable	350
Term Loan	ESAF Small Finance Bank	IND A-/Stable	225
Term Loan	Equitas Small Finance Bank	IND A-/Stable	150
Cash Credit	Federal Bank	IND A-/Stable	4.1
Term Loan	Federal Bank	IND A-/Stable	486.7
Term Loan	HDFC Bank Limited	IND A-/Stable	500
Term Loan	IDFC First Bank	IND A-/Stable	1315.3
Cash Credit	Indian Bank	IND A-/Stable	94.5
Term Loan	Indian Bank	IND A-/Stable	219.7
Working Capital Demand Loan	Karur Vysya Bank	IND A-/Stable	450
Term Loan	Karur Vysya Bank	IND A-/Stable	187.5
Term Loan	Northern ARC Capital Limited	IND A-/Stable	716.2
Working Capital Demand Loan	Punjab National Bank	IND A-/Stable	150
Working Capital Demand Loan	South Indian Bank	IND A-/Stable	750
Term Loan	South Indian Bank	IND A-/Stable	468.8
Working Capital Demand Loan	State Bank of India	IND A-/Stable	906.6
Term Loan	State Bank of India	IND A-/Stable	751.2
Term Loan	Tata Capital Financial Services Ltd	IND A-/Stable	299.8

India Ratings & Research
A Fitch Group Company

FitchGroup

Working Capital Demand Loan	Union Bank of India	IND A-/Stable	450
Term Loan	Union Bank of India	IND A-/Stable	454.5

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)
NCD (Secured)	INE403Q07AU9	10/12/2019	10.67	09/12/2023	IND A-/Stable	298
NCD (Secured)	INE403Q07AV7	10/12/2019	10.71	09/06/2025	IND A-/Stable	51
NCD (Secured)	INE403Q07AW5	10/12/2019	10.25	09/12/2026	IND A-/Stable	103
NCD (Secured)	INE403Q07AX3	10/12/2019	10.41	09/12/2026	IND A-/Stable	234
NCD (Secured)	INE403Q07AZ8	29/05/2020	9.75	25/02/2022	WD	447
NCD (Secured)	INE403Q07BA9	29/05/2020	10	28/08/2023	IND A-/Stable	1037
NCD (Secured)	INE403Q07BB7	29/05/2020	10.54	28/08/2023	IND A-/Stable	365
NCD (Secured)	INE403Q07BC5	29/05/2020	10.67	28/05/2024	IND A-/Stable	315
NCD (Secured)	INE403Q07BD3	29/05/2020	10.71		IND A-/Stable	84
NCD (Unsecured)	INE403Q08191	29/05/2020	10.25	28/05/2027	IND A-/Stable	93
NCD (Unsecured)	INE403Q08209	29/05/2020	10.41	28/05/2027	IND A-/Stable	180
NCD (Secured)	INE403Q07BF8	14/10/2020	9.5	13/04/2023	IND A-/Stable	296
NCD (Secured)	INE403Q07BG6	14/10/2020	9.34	13/04/2023	IND A-/Stable	369.7
NCD (Secured)	INE403Q07BH4	14/10/2020	10		IND A-/Stable	971
NCD (Secured)	INE403Q07BI2	14/10/2020	9.87	12/04/2024	IND A-/Stable	93
NCD (Secured)	INE403Q07BJ0	14/10/2020	10.22		IND A-/Stable	204
NCD (Secured)	INE403Q07BK8	14/10/2020	10.25	13/10/2027	IND A-/Stable	133
NCD (Secured)	INE403Q07BL6	14/10/2020	10.41	13/10/2027	IND A-/Stable	181
NCD (Secured)	INE403Q07CI0	18/04/2022	8.04	17/10/2023	IND A-/Stable	928.7
NCD (Secured)	INE403Q07CJ8	18/04/2022	8.75	17/04/2025	IND A-/Stable	285.1
NCD (Secured)	INE403Q07CK6	18/04/2022	9	17/04/2025	IND A-/Stable	413.9
NCD (Secured)	INE403Q07CL4	18/04/2022	9.25	17/10/2025	IND A-/Stable	261.1
NCD (Secured)	INE403Q07CM2	18/04/2022	9.5	17/04/2026	IND A-/Stable	225.5
NCD (Secured)	INE403Q07CN0	18/04/2022	9.43	17/10/2026	IND A-/Stable	257.5
NCD (Secured)	INE403Q07CO8	18/04/2022	10	17/04/2027	IND A-/Stable	1183.2
NCD (Secured)	INE403Q07CP5	18/04/2022	9.91	17/08/2029	IND A-/Stable	282.584
Unutilised limit						9295.7
NCD (Secured)	INE403Q07623	01/02/2017	10.41	31/01/2024	IND A-/Stable	184
NCD (Secured)	INE403Q07698	09/05/2017	10	07/05/2022	WD	222
NCD (Unsecured)	INE403Q08084	09/05/2017	10.16	08/07/2024	IND A-/Stable	125
NCD (Secured)	INE403Q07763	29/08/2017	10	26/08/2022	WD	361
NCD (Secured)	INE403Q07771	29/08/2017	9.91	27/12/2024	IND A-/Stable	134
NCD (secured)	INE403Q07839	08/01/2018	9.81	07/05/2022	WD	180
NCD (Unsecured)	INE403Q08092	08/01/2018	10	07/05/2025	IND A-/Stable	186
NCD (Unsecured)	INE403Q08100	08/01/2018	9.91	07/05/2025	IND A-/Stable	114

NCD (secured)	INE403Q07896	23/04/2018	9.81	22/08/2022	WD	159.1
NCD (secured)	INE403Q07904	23/04/2018	10	21/04/2023	IND A-/Stable	490
NCD (secured)	INE403Q07912	23/04/2018	9.91	22/08/2025	IND A-/Stable	166
NCD (secured)	INE403Q07961	24/09/2018	10.67	23/09/2022	WD	353
NCD (secured)	INE403Q07979	24/09/2018	10.25	22/09/2023	IND A-/Stable	19
NCD (Unsecured)	INE403Q08118	24/09/2018	10.25	23/09/2025	IND A-/Stable	73
NCD (Unsecured)	INE403Q08126	24/09/2018	10.41	23/09/2025	IND A-/Stable	212
NCD (secured)	INE403Q07AC7	31/01/2019	10.67	30/01/2023	IND A-/Stable	190
NCD (secured)	INE403Q07AD5	31/01/2019	10	30/01/2024	IND A-/Stable	44
NCD (Unsecured)	INE403Q08134	31/01/2019	10.25	30/01/2026	IND A-/Stable	50
NCD (Unsecured)	INE403Q08142	31/01/2019	10.41	30/01/2026	IND A-/Stable	148
NCD (Secured)	INE403Q07AG8	06/05/2019	10	05/05/2022	WD	590
NCD (Secured)	INE403Q07AH6	06/05/2019	10.52	05/05/2022	WD	410
NCD (Secured)	INE403Q07AI4	06/05/2019	10.67	05/05/2023	IND A-/Stable	214
NCD (Secured)	INE403Q07AJ2	06/05/2019	10	04/05/2024	IND A-/Stable	38
NCD (Unsecured)	INE403Q08159	06/05/2019	10.25	05/05/2026	IND A-/Stable	41
NCD (Unsecured)	INE403Q08167	06/05/2019	10.41	05/05/2026	IND A-/Stable	130
NCD (Secured)	INE403Q07AM6	21/08/2019	10	20/08/2022	WD	922
NCD (Secured)	INE403Q07AN4	21/08/2019	10.52	20/08/2022	WD	464
NCD (Secured)	INE403Q07AO2	21/08/2019	10.67	19/08/2023	IND A-/Stable	341
NCD (Secured)	INE403Q07AP9	21/08/2019	10	20/08/2024	IND A-/Stable	64
NCD (Unsecured)	INE403Q08175	21/08/2019	10.25	20/08/2026	IND A-/Stable	53
NCD (Unsecured)	INE403Q08183	21/08/2019	10.41	20/08/2026	IND A-/Stable	192
NCD (Secured)	INE403Q07AS3	10/12/2019	10	09/12/2022	IND A-/Stable	768
NCD (Secured)	INE403Q07AT1	10/12/2019	10.52	09/12/2022	IND A-/Stable	497

India Ratings Upgrades Kosamattam Finance’s Bank Loans and NCDs to ‘IND A-’/Stable; Rates Additional NCDs

Nov 23, 2022 | Financial Services

India Ratings and Research (Ind-Ra) has upgraded Kosamattam Finance Limited’s (KFL) debt facilities as follows:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Non-convertible debentures (NCDs)*	-	-	-	INR18614 (reduced from INR22,830.1)	IND A-/Stable	Upgraded
NCDs^*	-	-	-	INR4,000	IND A-/Stable	Assigned
Bank loans	-	-	-	INR22,000 (increased from INR10,000)	IND A-/Stable	Upgraded

* Details in annexure
^Yet to be issued

The Upgrade reflects consistent profitable growth in the franchisee, improved operational efficiency as reflected in the increase in assets under management (AUM) per branch, tight control over its asset quality and credit costs, and improving funding diversification with growing share of bank financing. The ratings, however, remain constrained by KFL’s high regional concentration for assets and liabilities.

Key Rating Drivers

Continued Franchisee Expansion in Southern States: KFL has over three decades of experience in the gold finance business in the highly competitive markets of Kerala and Tamil Nadu. The company has managed multiple cycles in this business, which has seen fluctuations in gold prices. KFL has been expanding its franchisee in the core gold finance business. Its AUM expanded at a 14.3% CAGR over FY18-1HFY23 to INR43.2 billion at 1HFYE23 (FYE22: 15.2% yoy; FYE21: 17% yoy), leading to improved operational efficiencies with the AUM per branch for gold loan increasing to INR43.5 million (INR40.6 million; INR34 million). KFL's network improved to 995 branches as of September 2022 (FY22: 988; FY21: 945; FY20: 936). The company is looking to penetrate deeper into the southern states and not looking for aggressively increasing the branch network. KFL has also been focusing on increasing its branch productivity and derive more business from the existing network.

Improved Profitability; but More Room for Improvement in Operational Efficiency: KFL's return on assets improved to 1.96% in 1HFY23 (FY22: 1.87%; FY21: 1.8%), supported by the growth in AUM, improving operational efficiency and control over its credit costs. Although the company's operating efficiency improved, with its cost-to-income ratio improving to 53.2% in 1HFY23 (FY22: 55.8%; FY21: 54.3%), there is a significant room for a further improvement in the productivity. KFL reported a healthy net interest margin of 7.7% (as per Ind-Ra's calculations) in 1HFY23 (FY22: 7.36%; FY21: 6.9%), driven by lending to the high-yield segment and stable cost of funds of 9.95% (10%; 9.98%). There was a systemic rise in interest rates in FY22. KFL has increased its proportion of bank funding, shielding it from the rise in the cost of funds to some extent. The agency believes KFL's net interest margin for FY23 would contingent upon the company's ability to pass on the rise in its costs to the customers. The agency also believes that the future trajectory of its profitability would depend on the company's improved productivity, and its ability to maintain margins and manage credit costs.

Stable Asset Quality despite Pandemic-led Challenges: The gold loan segment displayed a considerable resilience during COVID-19-related disruptions and reported a stable asset quality. KFL's gross non-performing assets in gold loans remained low at 0.7% in 1HFY23 (FY22: 0.66%; FY21: 0.47%; FY20: 0.47%). Although the borrower class is vulnerable, the ultimate credit loss is capped due to loan-to-value capping at 75% at the time of disbursement and the liquid nature of the collateral. Being in the gold loan business, KFL's credit cost has always been modest and less volatile through the cycle, leading to better operating profit buffers.

Given the softening in the gold prices post-December 2020, KFL has shifted its focus to shorter tenor loans of three-to-six months in FY22. Although this has affected the yields as KFL could not earn incremental yield for a longer period in the cases where interest was not serviced on a monthly basis, it shielded the company from volatility in the gold prices. KFL maintains a risk filter, wherein a resolution is initiated if the principal-plus-interest reaches 90% of the collateral value, leading to the closing of the loan by the borrower, or in case of a delay in repayment, it conducts auctions after intimating the borrower about the same. With the gold prices correcting in FY22, it led to an increase in auctions to INR2410 million (FY21: INR49.5 million). The company did not witness any significant losses in the auctions during the year.

Funding Mix on Path of Diversification: KFL witnessed an improvement in its banking relationships since FY21, as the total number of banks providing funding to KFL increased to 20 in 1HFY23 (FY21: 12). The company has been able to raise funds from a mix of both public and private sector banks. However, funds mobilised through the NCD route still form a major portion of the funding mix and accounted for 64% in 1HFY23 (FY22: 66%; FY21: 75%), while the bank funding through working capital (1HFY23:17%; FY22: 19%) and term loans (20%, 17%) constituted the remainder. A sustained and substantial increase in the exposure taken by the banks over the medium term will be a key rating monitorable.

Liquidity Indicator - Adequate: As per KFL's September asset-liability statement, the company had a matched asset-liability profile with a cumulative surplus in all time buckets up to one-year. The average asset tenure is around six-to-nine months and the average liability tenure was around 36 months as of September 2022. This, along with the highly liquid nature of gold, helps KFL maintain a matched liquidity profile. The company had cash and liquid investments of INR2.07 billion and unutilised lines of INR0.67 billion at end-September 2022, sufficient to meet its two months of debt repayment.

Geographically Concentrated Portfolio: KFL portfolio is concentrated in southern India with Tamil Nadu constituting around 55% of the gold loan portfolio in 1HFY23 (FY22: 56%; FY21: 53%; FY20: 52%). Tamil Nadu, Kerala, Karnataka, Andhra Pradesh and Telangana accounted for around 99% of the gold loan portfolio as on 30 September 2022. The portfolio is likely to remain concentrated in south India over the medium term as the company is not looking to ramp up in newer geographies. Also, on the funding side, funds mobilised through the NCD route remains concentrated as majority of it is raised from Kerala.

Rating Sensitivities

Positive: Continued profitable growth in the franchisee while maintaining adequate capital buffers, diversification of funding avenues with higher share of bank funding, geographical diversification, and a further improvement in operational efficiencies could lead to a positive rating action.

Negative: Any sharp rise in delinquency, which could restrict capital and funding, adverse regulatory development that could impair the ability of the company to conduct its business and the tier 1 ratio reducing below 13%, on a sustained basis, could lead to a negative rating action.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on KFL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

Company Profile

Kerala-based KFL is a non-deposit taking non-banking financial company, lends money against high-yielding gold jewellery. It had around 995 branches as of September 2022, majorly located in the southern region of India.

FINANCIAL SUMMARY

Particulars	**FY22**	**FY21**
Total assets (INR million)	45,574	40,145
Total equity (INR million)	6,455.2	5,215
Net profit (INR million)	800	653
Return on average assets (%)	1.87	1.79
Equity/assets (%)	14.2	13.1
Tier 1 capital (%)	14.5	13.6
Source: KFL; Ind-Ra		

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

Rating History

Instrument Type	Current Rating/Outlook				Historical Rating/Outlook			
	Rating Type	Rated Limits (million)	Rating	24 February 2022	27 August 2021	28 August 2020	21 January 2020	30 September 2019
Bank loans	Long-term	INR22,000	IND A-/Stable	IND BBB+/Stable	IND BBB+/Stable	IND BBB/Stable	IND BBB/Stable	IND BBB/Stable
NCDs	Long-term	INR22,614	IND A-/Stable	IND BBB+/Stable	IND BBB+/Stable	IND BBB/Stable	IND BBB/Stable	IND BBB/Stable

Annexure

Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/ Outlook
NCD (Secured)	INE403Q07623	1-February-2017	10.41	31-January-2024	INR 184	IND A-/Sta
NCD (Secured)	INE403Q07698	9 May 20 2017	10	7 May 2022	INR222	WD (Paid in
NCD (Unsecured)	INE403Q08084	9 May 20 2017	10.16	08 July 2024	INR125	IND A-/Sta
NCD (Secured)	INE403Q07763	29 August 2017	10	26 August 2022	INR361	WD (Paid in
NCD (Secured)	INE403Q07771	29 August 2017	9.91	27 December 2024	INR134	IND A-/Sta
NCD (secured)	INE403Q07839	08 January 2018	9.81	07 May 2022	INR180	WD (Paid in
NCD (Unsecured)	INE403Q08092	08 January 2018	10	07 May 2025	INR186	IND A-/Sta
NCD (Unsecured)	INE403Q08100	08 January 2018	9.91	07 May 2025	INR114	IND A-/Sta
NCD (secured)	INE403Q07896	23 April 2018	9.81	22 August 2022	INR159.1	WD (Paid in
NCD (secured)	INE403Q07904	23 April 2018	10	21 April 2023	INR490	IND A-/Sta
NCD (secured)	INE403Q07912	23 April 2018	9.91	22 August 2025	INR166	IND A-/Sta
NCD (secured)	INE403Q07961	24 September 2018	10.67	23 September 2022	INR353	WD (Paid in
NCD (secured)	INE403Q07979	24 September 2018	10.25	22 September 2023	INR19	IND A-/Sta
NCD (Unsecured)	INE403Q08118	24 September 2018	10.25	23 September 2025	INR73	IND A-/Sta
NCD (Unsecured)	INE403Q08126	24 September 2018	10.41	23 September 2025	INR212	IND A-/Sta
NCD (secured)	INE403Q07AC7	31 January 2019	10.67	30 January 2023	INR190	IND A-/Sta

NCD (secured)	INE403Q07AD5	31 January 2019	10	30 January 2024	INR44	IND A-/Sta
NCD (Unsecured)	INE403Q08134	31 January 2019	10.25	30 January 2026	INR50	IND A-/Sta
NCD (Unsecured)	INE403Q08142	31 January 2019	10.41	30 January 2026	INR148	IND A-/Sta
NCD (Secured)	INE403Q07AG8	06 May 2019	10	05 May 2022	INR590	WD (Paid in
NCD (Secured)	INE403Q07AH6	06 May 2019	10.52	05 May 2022	INR410	WD (Paid in
NCD (Secured)	INE403Q07AI4	06 May 2019	10.67	05 May 2023	INR214	IND A-/Sta
NCD (Secured)	INE403Q07AJ2	06 May 2019	10	04 May 2024	INR38	IND A-/Sta
NCD (Unsecured)	INE403Q08159	06 May 2019	10.25	05 May 2026	INR41	IND A-/Sta
NCD (Unsecured)	INE403Q08167	06 May 2019	10.41	05 May 2026	INR130	IND A-/Sta
NCD (Secured)	INE403Q07AM6	21 August 2019	10	20 August 2022	INR922	WD (Paid in
NCD (Secured)	INE403Q07AN4	21 August 2019	10.52	20 August 2022	INR464	WD (Paid in
NCD (Secured)	INE403Q07AO2	21 August 2019	10.67	19 August 2023	INR341	IND A-/Sta
NCD (Secured)	INE403Q07AP9	21 August 2019	10	20 August 2024	INR64	IND A-/Sta
NCD (Unsecured)	INE403Q08175	21 August 2019	10.25	20 August 2026	INR53	IND A-/Sta
NCD (Unsecured)	INE403Q08183	21 August 2019	10.41	20 August 2026	INR192	IND A-/Sta
NCD (Secured)	INE403Q07AS3	10 December 2019	10	09 December 2022	INR768	IND A-/Sta
NCD (Secured)	INE403Q07AT1	10 December 2019	10.52	09 December 2022	INR497	IND A-/Sta
NCD (Secured)	INE403Q07AU9	10 December 2019	10.67	09 December 2023	INR298	IND A-/Sta
NCD (Secured)	INE403Q07AV7	10 December 2019	10.71	9 June 2025	INR51	IND A-/Sta
NCD (Secured)	INE403Q07AW5	10 December 2019	10.25	09 December 2026	INR103	IND A-/Sta
NCD (Secured)	INE403Q07AX3	10 December 2019	10.41	09 December 2026	INR234	IND A-/Sta
NCD (Secured)	INE403Q07AZ8	29 May 2020	9.75	25 February 2022	INR447	WD (Paid in
NCD (Secured)	INE403Q07BA9	29 May 2020	10	28 August 2023	INR1037	IND A-/Sta
NCD (Secured)	INE403Q07BB7	29 May 2020	10.54	28 August 2023	INR365	IND A-/Sta
NCD (Secured)	INE403Q07BC5	29 May 2020	10.67	28 May 2024	INR315	IND A-/Sta
NCD (Secured)	INE403Q07BD3	29 May 2020	10.71	28 November 20 November 2025	INR84	IND A-/Sta

NCD (Unsecured)	INE403Q08191	29 May 2020	10.25	28 May 2027	INR93	IND A-/Sta
NCD (Unsecured)	INE403Q08209	29 May 2020	10.41	28 May 2027	INR180	IND A-/Sta
NCD (Secured)	INE403Q07BF8	14 October 2020	9.5	13 April 2023	INR296	IND A-/Sta
NCD (Secured)	INE403Q07BG6	14 October 2020	9.34	13 April 2023	INR369.7	IND A-/Sta
NCD (Secured)	INE403Q07BH4	14 October 2020	10	12 January 20 January 2024	INR971	IND A-/Sta
NCD (Secured)	INE403Q07BI2	14 October 2020	9.87	12 April 2024	INR93	IND A-/Sta
NCD (Secured)	INE403Q07BJ0	14 October 2020	10.22	13 December 20 December 2024	INR204	IND A-/Sta
NCD (Secured)	INE403Q07BK8	14 October 2020	10.25	13 October 2027	INR133	IND A-/Sta
NCD (Secured)	INE403Q07BL6	14 October 2020	10.41	13 October 2027	INR181	IND A-/Sta
NCD (Secured)	INE403Q07CI0	18 April 2022	8.04	17 October 2023	INR928.7	IND A-/Sta
NCD (Secured)	INE403Q07CJ8	18 April 2022	8.75	17 April 2025	INR285.1	IND A-/Sta
NCD (Secured)	INE403Q07CK6	18 April 2022	9	17 April 2025	INR413.9	IND A-/Sta
NCD (Secured)	INE403Q07CL4	18 April 2022	9.25	17 October 2025	INR261.1	IND A-/Sta
NCD (Secured)	INE403Q07CM2	18 April 2022	9.5	17 April 2026	INR225.5	IND A-/Sta
NCD (Secured)	INE403Q07CN0	18 April 2022	9.43	17 October 2026	INR257.5	IND A-/Sta
NCD (Secured)	INE403Q07CO8	18 April 2022	10	17 April 2027	INR1,183.2	IND A-/Sta
NCD (Secured)	INE403Q07CP5	18 April 2022	9.91	17 August 2029	INR282.584	IND A-/Sta
Utilised limit					INR13,318.3	
Unutilised limit					INR9,295.7	
Total limit rated					INR22,614	

Bank wise Facilities Details

Click here to see the details

Complexity Level of Instruments

Instrument Type	Complexity Indicator
NCDs	Low
Bank loans	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

Contact

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APPLICABLE CRITERIA

Evaluating Corporate Governance

Financial Institutions Rating Criteria

Non-Bank Finance Companies Criteria

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ANNEXURE III – CONSENT LETTER FROM DEBENTURE TRUSTEE

APPENDED OVERLEAF

Ref. No.DT/2022-23/1897
Date : November 30, 2022

To,
The Board of Directors,
KOSAMATTAM FINANCE LIMITED (Company)
Kosamattam Mathew K Cherian Building,
M. L. Road, Market Junction,
Kottayam- 686001, Kerala, India

Ref. - Public Issue of Secured, Redeemable, Non - Convertible Debentures of Face Value of `1,000 each, aggregating upto ₹ 20,000 Lakhs to the Public, ("Base Issue"), with an option to retain oversubscription of up to ₹ 20,000 Lakhs, aggregating up to ₹ 40,000 Lakhs, hereinafter referred to as the "Issue" by Kosamattam Finance Limited ("Company" or "Issuer") Series XXVI.

We, the undersigned, do hereby consent to act as a Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the Draft Prospectus to be filed by the Company with the Securities and Exchange Board of India ("**SEBI**"), BSE Limited where the NCDs are proposed to be listed (the "**BSE**") and the Prospectus to be filed with SEBI, Stock Exchanges and the Registrar of Companies, Kerala and Lakshadweep, Cochin ("**ROC**") in respect of the Issue. The following details with respect to us may be disclosed:

Name:	Vistra ITCL (India) Limited
Address:	The IL&FS Financial Centre, Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051
Tel:	022 – 2659 3333
Fax:	022 – 2653 3297
E-mail:	itclcomplianceofficer@vistra.com
Investor Grievance e-mail:	itclcomplianceofficer@vistra.com
Website:	www.vistraitcl.com
Contact Person:	Mr. Jatin Chonani- Compliance Officer
SEBI Registration Number:	IND000000578

We confirm that we are registered with SEBI and that such registration is valid as on the date of this letter. We are enclosing herewith a copy of our registration certificate. We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues.

We further confirm that we have not received any communication from SEBI prohibiting us from acting as an intermediary.

We confirm that we will immediately inform the Company of any change, additions or deletions in respect of the matters covered in this certificate till the date when the NCDs offered, issued and allotted pursuant to the Issue, are admitted for trading on BSE. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of NCDs on BSE.

We hereby authorise you to deliver this letter of consent to BSE, SEBI, the ROC and any other regulatory or statutory authority as required.

Sincerely,
For Vistra ITCL (India) Limited

Authorised Signatory
Mr. Sandesh Vaidya
Senior Manager

Encl.: As stated above

Without Prejudice:

This No Objection Certificate (NOC) is issued by Vistra ITCL (India) Ltd ("Vistra") in its capacity as a Debenture Trustee to Kosamattam Finance Limited and this shall be valid for thirty (30) calendar days from the date of its issue. In the event the purpose of issuing this NOC is not initiated within 30 calendar days then this NOC shall automatically stand cancelled/invalid and would not have any legal force and effect. Please note that this NOC is issued based on the information/records available with Vistra and this shall not be construed as making any recommendation in any manner.

Registered office:
The IL&FS Financial Centre,
Plot No. C- 22, G Block, 6th Floo
Bandra Kurla Complex, Bandra
(East), Mumbai 400051, India

Corporate office :
The Qube, 6th floor, 602
A wing Hasan pada road ,
Mittal industrial estate Marol ,
Andheri (East) Mumbai 400059

Tel : +91 22 2850 0028
Fax : +9122 2850 0029
Email: mumbai@vistra.com
www.vistraitcl.com

Vistra ITCL (India) Limited
Corporate Identity Number (CIN):U66020MH1995PLC095507

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange Board of India

बाजार मध्यवर्ती विनियमन एवं पर्यवेक्षण विभाग- रजिस्ट्रीकरण प्रभाग
Market Intermediaries Regulation & Supervision Department
Division of Registration

SEBI/HO/MIRSD/DOR/AV/RP/OW/2021/34449/1
November 26, 2021

The Managing Director,
Vistra ITCL India Limited
Il&Fs Financial Centre, Plot No 22
G Block, Bandra Kurla Complex, Bandra East,
Mumbai- 400051, Maharashtra

Dear Sir,

Sub: Issue of Certificate of Registration

Please refer to payment of renewal fees for continuation of registration of **VISTRA ITCL INDIA LIMITED** as Debenture Trustee having registration no. **IND000000578**. In this regard, please find enclosed the certificate of registration in original.

Yours faithfully,

Rahul Pawar
Assistant General Manager

Encl.: Registration Certificate in original

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर.एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
Tel.: 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange Board of India

प्राप्ति-सूचना

ACKNOWLEDGEMENT

हम (नाम नीचे सारणी में दिए गए हैं) एतद्द्वारायहसूचितकरतेहैंकिहमेंभारतीयप्रतिभूति और विनिमय बोर्ड (सेबी), मुंबईकातारीख/ We the following hereby acknowledge the receipt of letter dated **November 26, 2021** कापत्रऔरउसकेसाथसंलग्नरजिस्ट्रीकरणप्रमाणपत्रप्राप्तहोगयाहै/ of Securities & Exchange Board of India, Mumbai, along with the Certificate of Registration.

सं No.	ट्रेडनाम Trade Name	रजिस्ट्रीकरणसं.Registration No.	प्राप्तकर्ताकेहस्ताक्षर Ack. Signature
1.	VISTRA ITCL INDIA LIMITED	IND000000578	

डिबेंचर न्यासी

प्रारूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000279

(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 उक्त 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

VISTRA ITCL INDIA LIMITED
IL&FS FINANCIAL CENTRE, PLOT NO. 22
G BLOCK, BANDRA KURLA COMPLEX, BANDRA EAST
MUMBAI- 400051, 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 **IND000000578**

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

This Certificate of Registration shall be valid from 27/09/2016, unless suspended or cancelled by the Board

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

स्थान Place : **Mumbai**

तारीख Date : **October 27, 2021**

ARADHANA VERMA
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory