



Kosamattam Finance Ltd.



**Annual Report
2021-2022**

Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments in the country and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes. Some of the images used in this report are purely for illustrative purposes only and hence they are not the photos/images of our facilities, products or of any such nature/kind.

HIGHLIGHTS OF THE YEAR

988

Branches

₹ **625** Crores

Total Income in FY22 increased 15% YoY

₹ **107** Crores

Profit Before Tax

3,470 Employees

Increased from 3,126 in FY21

₹ **4,007** Crores

Gross Loan Assets Under Management in FY22 - an YoY Growth of 15.21%

₹ **80** Crores

Profit After Tax in FY22 vis-a-vis ₹ 65 crores in FY21

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ABOUT US

The Company is primarily engaged in the Gold Loan business i.e lending money against the pledge of household jewellery in the state of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Delhi, Maharashtra, Gujarat and Telangana along with the Union Territory of Puducherry.

The Kosamattam group was originally founded by Nasrani Varkey. His great grandson, Mathew K. Cherian, the present Chairman and Managing Director of Kosamattam Finance Limited is a fourth-generation entrepreneur in the family. 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.

The Company is primarily engaged in the Gold Loan business i.e lending money against the pledge of household jewellery in the state of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Delhi, Maharashtra, Gujarat and Telangana along with the Union Territory of Puducherry. The Company is also in the business of loans against property, micro finance, money transfer services, demat services, pan services, foreign currency exchange, insurance agency services, power generation, agriculture and air ticketing services.





“Let us strive to differentiate ourselves through customer-centricity, innovation, entrepreneurship, trustworthiness and values-driven operation, while balancing not only one’s interest but taking into account the interests of our customers, employees and civil society”.

Chacko Varkey

Founder of Kosamattam Group

Our Vision

Be the most admired, conglomerate, touching the lives of every global citizen while enriching all stake holders.

Our Mission



Trust

We believe that the best outcomes are achieved when people work together across the entire Company. We believe great teams are built on mutual trust, shared ownership and accountability. We act as one company and believe when we work together, we best meet the full needs of our customers.



Customer is King

We believe in the importance of treating each customer, client and teammate as an individual and treating every moment as one that matters. We strive to go the distance to deliver, with discipline and passion. We believe in connecting with people person to person, with empathy and understanding. We believe that every time we serve our customer, we are building a strong business foundation of trust.



Responsibility

We believe integrity and the disciplined management of risk form the foundation of our business. We are aware that our decisions and actions affect people's lives every day. We believe in making decisions that are clear, fair and grounded in the principles of shared success, responsible citizenship and community building.



Power of our people

We strive to help our employees reach their full potential. We believe that diverse backgrounds and experiences make us stronger. We respect every individual and value our differences – in thought, style, culture, ethnicity and experience.

MESSAGE FROM CHAIRMAN & MANAGING DIRECTOR



Based on our 150 years of unflinching trust-based legacy we continue to expand our relationship capabilities with key stakeholders like our staff, customers and investors

Dear Shareholders

When I addressed you all through my letter in the previous year's annual report, we were satisfactorily battling the pandemic and one more year we can say the humanity has won the battle as the Covid 19 is largely under control across the world. Yet how the new variants will emerge and its outcome are unpredictable. We must

continue to be cautious and adhere to all social distancing and hygiene norms and continue to build and maintain our immunity.

We had our own challenges during the year under review yet as a socially responsible business we played our role in helping our customers bridge over the situation through our gold loans. It's a known fact that the incredible

role played by gold loan companies like ours helped people to tide over the financial impact of the covid as we extended gold loans to small business men/women, individuals seeking cash for household, education and other expenses.

Stepping into FY23 we are amidst a global geo political and economic challenge caused by the Russia-Ukraine

conflict. The inflation has been spiraling up since the war began and it has disturbed the global supply chain. India is also impacted, and RBI had to respond with a twin repo rate revision which in the short term will increase the interest rates for borrowers yet as a long term measure it will help the economy to withstand the inflationary pressures. Moreover the last couple of years Indian banking and NBFC ecosystems have built in enough resilience and today the financial sector in India is at an advantageous position to absorb many external volatilities.

How we performed

As depicted on the cover page of the report we continue to set goals and reach many a milestones during the year. We progressed on raising the required capital and increased our number of branches, expanded our human capital which resulted in increased gold loan disbursements.

Gross loan assets under management increased 15.21 % year on year. Our total gold loan outstanding is ₹ 3,658 Crores in FY 22 up by 16.27 % from the FY 21. Profit before tax is ₹107 Crores in FY 22, against ₹ 96 Crores in FY 21. At ₹ 80 Crores Profit after tax increased by 22.48% year on year.

The company has during the year raised through the public issue ₹ 537 Crores of Secured Redeemable Non-Convertible Debentures. As on March 31, 2022, the company has utilized the entire proceeds of the public issue, as intended.

Our Relationship Responsibilities

“Trust is the glue of life. It's the most essential ingredient in effective communication. It's the foundational principle that holds all relationships” said Stephen Covey.

Based on our 150 years of unflinching trust-based legacy we continue to expand our relationship capabilities with key stakeholders like our staff, customers and investors. Kosamattam Group, has been striving to differentiate itself through customer-centricity, innovation, entrepreneurship, trustworthiness and value-driven operations, while balancing not only our own interest but taking in to account the interests of our customers, employees and civil society. An important member of the group, Kosamattam Finance Limited is an NBFC focused on the gold loan segment, serving small vendors, businessmen, farmers, traders, salaried employees and individuals as its customers. We also provide ancillary services such as money transfers, insurance, microfinance, foreign currency exchange, agriculture and air ticketing services and power generation.

Let me conclude thanking all our customers, banks, associates, and regulatory bodies. Many of our customers have travelled with us for many years and with many we have strong relations spanning for three decades. We are indebted to them for reposing faith in us by staying with

us. Last but not the least I thank our employees and leadership team for successfully navigating the company to the future.

Stay Safe, Stay Healthy

Warm regards,

Mathew K Cherian

Chairman & Managing Director



As depicted on the cover page of the report we continue to set goals and reach many a milestones during the year. We progressed on raising the required capital and increased our number of branches, expanded our human capital which resulted in increase gold loan disbursements.

FINANCIAL HIGHLIGHTS

Profit After Tax

(₹ Crore)

| | | |
|------|---|-------|
| FY18 |  | 26.71 |
| FY19 |  | 43.15 |
| FY20 |  | 47.63 |
| FY21 |  | 65.32 |
| FY22 |  | 79.99 |

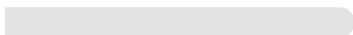
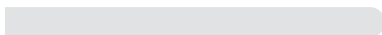

Gross Loan Portfolio

(₹ Crore)

| | | |
|------|--|---------|
| FY18 |  | 2247.51 |
| FY19 |  | 2330.13 |
| FY20 |  | 2718.72 |
| FY21 |  | 3199.16 |
| FY22 |  | 3713.02 |

Capital Adequacy Ratio

(%)

| | | |
|------|---|-------|
| FY18 |  | 17.00 |
| FY19 |  | 18.20 |
| FY20 |  | 17.87 |
| FY21 |  | 18.60 |
| FY22 |  | 18.65 |

Growth in Disbursement

(₹ Crore)

| | | |
|------|--|---------|
| FY18 |  | 4828.30 |
| FY19 |  | 5514.16 |
| FY20 |  | 6756.63 |
| FY21 |  | 8463.77 |
| FY22 |  | 8975.98 |

Total Income

(₹ Crore)

| | | |
|------|---|--------|
| FY18 |  | 434.23 |
| FY19 |  | 475.54 |
| FY20 |  | 498.49 |
| FY21 |  | 542.26 |
| FY22 |  | 624.79 |

Asset Under Management

(%)

| | | |
|------|--|---------|
| FY18 |  | 2465.16 |
| FY19 |  | 2536.52 |
| FY20 |  | 2972.87 |
| FY21 |  | 3478.00 |
| FY22 |  | 4007.25 |

OUR STRENGTHS

Able and experienced team

Our Board, Promoters and Senior Management is composed of experienced professionals with in depth understanding of gold loan business. Majority of the senior management team is having more than 5 years' experience in the Company. Our Promoter Director, Mathew K. Cherian has over 41 years of experience in finance business.

A long operating history and a large customer base

The Company attributes its growth over the years to customer loyalty which in turn leads to repeat business. A majority of the Company's loan customers are borrowers who have been referred to us by existing or former customers.

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

In the recent years the Company has commenced operations in rural areas and small towns and have followed an approach of targeting geographies with low credit penetration.

3,470

Employees

4,75,000+

Customers in FY22

9

8 States and 1 UT

988

Branches

Effective risk management system including appraisal, internal audit and inspections

The Company has 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 every four months. The Company's 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. The Company has 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.



OUR BUSINESS MODEL

Capitals

Financial Capital:

Financial capital is broadly understood as the pool of funds available to an organization. This includes both debt and equity finance

₹ 4,569 Crores

Balance Sheet as at March 31, 2022

Manufactured Capital

Manufactured capital of the company is its branches and IT infrastructure and systems to interaction the stakeholders / customers

988 Branches

Human Capital

Human capital of the company is its management and employees working across the company's locations in various operational functions

3,470 Employees

Relationship Capital

Relationship capital of the company is its customer assets (Number of customers) vendors, regulatory bodies and society

4,75,000+ Customers

India is the world's second-biggest gold consumer after China. The imports were largely driven by the jewellery industry. The gems and jewellery exports during FY22 grew around 50 per cent to nearly \$39 billion.



Key Drivers of the Business

Due to the emotional attachment with gold jewellery, all people in India rarely sell it to meet their financial needs. Therefore, people pledge their gold ornaments as collateral and obtain a short term loan for themselves.

Kosamattam finance is one of the leading gold loan companies in India providing an ultimate solution for meeting all your financial needs. Gold loans are the quickest way to get funds for personal or business requirements. Avail instant gold loan with minimum documentation from the most trusted name in India's gold loan market 'Kosamattam Finance'. We guarantee the best value for your Gold with lowest gold loan interest rate to fulfill your dreams.



What We Do

Gold Loan customers are typically businessmen, vendors, traders, farmers, salaried individuals and families, who for reasons of convenience, accessibility or necessity, avail of credit facilities by pledging their gold jewellery with us under our various gold loan schemes

Outcomes

₹ 4,007 Crores
AUM as at March 31, 2022

₹ 625 Crores
Total Income as at March 31, 2022

₹ 80 Crores
Profit After Tax as at March 31, 2022

₹ 1.73 Crores
Total CSR Spent in FY22

REVIEW OF GOLD LOANS

Gold Loan is the most significant in the product portfolio of the Company. The Company's Gold Loan customers are typically businessmen, vendors, traders, farmers, salaried individuals and families, who for reasons of convenience, accessibility or necessity avail the gold loan credit facilities by pledging their gold jewellery with us under our various gold loan schemes. In FY22 the gold loan portfolio comprises of 98.52% of the loan portfolio.



How We Performed in FY22

Gold Loan Accounts

| | | |
|------|---|--------|
| FY20 |  | 707856 |
| FY21 |  | 717233 |
| FY22 |  | 810711 |

Gold Loan (₹ Crores)

| | | |
|------|--|------|
| FY20 |  | 2645 |
| FY21 |  | 3146 |
| FY22 |  | 3658 |



INFORMATION TECHNOLOGY

FinKo APP

Kosamattam Finance, India's largest gold loan company, offers a brand new mobile app Kosamattam FinKo through which our customers can get an awesome experience of accessing Kosamattam services being provided at their fingertips.

With the support of a highly secured payment gateway, FinKo provides a gateway to apply and manage gold loans in a convenient and hassle-free manner. Through FinKo's inbuilt design with the power of multi-language support, we ensure a majestic user experience.

Gold Loan at Home

We provide the service of gold loans conveniently at your fingertips through FinKo App.

Access to our new schemes and offers

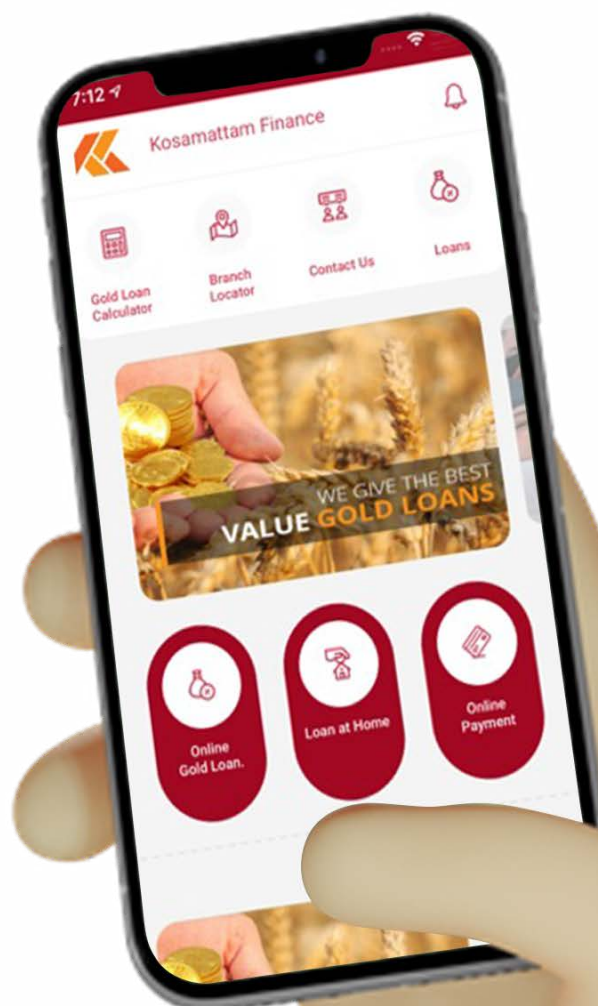
Kosamattam FinKo updates you with our new schemes and offers and It gives an immense opportunity for the customer

Branch Locator

FinKo App enables you to locate the nearest branches from the place where you search in.

Safeguard with biometrics

As FinKo can never compromise the security and privacy of our customer's account, It ensures the safeguard through biometric system.



NOTICE

Notice is hereby given that the **35th Annual General Meeting** of the members of **Kosamattam Finance Limited, CIN- U65929KL1987PLC004729** will be held on **Friday, July 15, 2022 at 3.00 P.M. at the Registered Office: Kosamattam City Centre, Floor Number 4th & 5th, T.B Road, Kottayam, Kerala-686001** to transact the following Businesses: -

Ordinary Business:

- 1. Approval and Adoption of Audited Financial Statements of the Company for the year ended March 31, 2022 along with Auditor's Report and Board's Report:**

To receive, consider and adopt the Balance Sheet as on March 31, 2022, Statement of Profit and Loss, Cash Flow Statement, Statement of changes in equity and Notes on accounts for the year ended March 31, 2022 along with report of Board of directors and auditors thereon and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED THAT the Company do hereby adopt the Audited Balance Sheet as on March 31, 2022, Statement of Profit and Loss, Cash Flow Statement, Statement of changes in equity and notes on accounts for the year ended March 31, 2022 along with report of Board of directors and auditors thereon for the year ending on that date."

- 2. To appoint a director in place of Mrs. Jilu Saju Varghese (Holding DIN: 03621643) who is retiring by rotation and being eligible offers herself for re-appointment.**

To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

"RESOLVED THAT Mrs. Jilu Saju Varghese be and is hereby appointed as Non-Executive Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

Special Business:

- 3. To approve the appointment of Mr. Sebastian Kurian (DIN: 09416863) as an Independent Director**

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 161(4) of the Companies Act, 2013 and rules made thereunder, and in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from

time to time or any other law for the time being in force, (including any statutory modification(s) or amendment thereto or re-enactment thereof), the appointment of Mr. Sebastian Kurian (DIN: 09416863) as an independent director by the board w.e.f. December 14, 2021, be and is hereby approved."

- 4. To pay remuneration to Mr. Mathew K. Cherian (Holding DIN: 01286073), Chairman cum Managing Director in excess of 5% of net profit of the Company**

To consider and if thought fit to pass with or without modification the following resolution as a Special resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, approval of members be and is hereby accorded to the Board to pay remuneration to Mr. Mathew K. Cherian, Chairman cum Managing Director, in excess of 5% of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013 during the financial year 2022-2023".

- 5. To pay remuneration to Mrs. Laila Mathew (Holding DIN: 01286176), Whole-Time Director in excess of 5% of net profit of the Company**

To consider and if thought fit to pass with or without modification the following resolution as a Special resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, approval of members be and is hereby accorded to the Board to pay remuneration to Mrs. Laila Mathew, Whole-Time Director, in excess of 5% of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013 during the financial year 2022-2023".

By order of the Board of Directors

Sd/-
Sreenath Palakkattillam
Company Secretary
Place : Kottayam
Date : June 14, 2022

Sd/-
Sreenath Palakkattillam
Company Secretary
Membership No. F10553

Notes :

1. The Register of Members and Share Transfer Books of the Company will remain closed from July 08, 2022 to July 15, 2022 (both days inclusive) for the purpose of 35th Annual General Meeting ('AGM').
2. All documents referred in the accompanying Notice and the Explanatory Statement are available on website of the Company for inspection by the Members up to the date of AGM and during the meeting.
3. In compliance with the aforesaid MCA Circulars and SEBI Circulars issued from time to time, the Notice of AGM and Annual Report are being sent only through electronic mode to those Members whose e-mail address are registered with the Company or DP or RTA, unless the Members have registered their request for physical copy of the same. Members may note that this Notice of AGM and Annual Report will also be available on Company's website (<https://www.kosamattam.com/>), Stock Exchange's website (www.bseindia.com) and National Securities Depository Limited ('NSDL') website (www.evoting.nsdl.com).
4. The Notice of AGM and Annual Report will be sent to those Members / beneficial owners whose name will appear in the Register of Members / list of beneficiaries received from the Depositories as on June 17, 2022.
5. Members are requested to note that Kfin Technologies Private Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana - 500 032, India, is the Registrar and Share Transfer Agent to manage the work related to shares held in dematerialized form.
6. A Member entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend and vote instead of himself. Proxy need not be a member of the Company. Proxies to be effective should be lodged with the Registered Office of the Company at least 48 hours before the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
7. Members desiring any information or clarification are requested to write to the Company at least 48 hours before the meeting so as to enable the board to keep the information ready.
8. Proxy form is enclosed herewith.
9. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. July 08, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. July 08, 2022 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
10. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special businesses set out herein above is annexed hereto.
11. The business set out in the Notice will be transacted through remote electronic voting system. Instruction and other information relating to E-voting are given here under :

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING

The remote e-voting period begins on July 12, 2022 at 10:00 A.M. and ends on July 14, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. July 08, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 08, 2022.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system**A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re- directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.  |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e- Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sheltonmjooseph90@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or

"Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Soni Singh) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@kosamattam.com.

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@kosamattam.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.

2. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

OTHER INSTRUCTIONS

1. The Board of Directors has appointed CS Shelton Mary Joseph (CP No. 14240) as the Scrutinizer to scrutinize the Voting during the AGM and remote e-voting process in a fair and transparent manner.
2. The Scrutinizer shall, immediately after the conclusion of voting process, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 2 working days from the conclusion of AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
3. The results of voting will be declared within 2 working days from the conclusion of AGM and the result declared alongwith the Scrutinizer's Report shall be placed on the Company's website i.e. <https://www.kosamattam.com/>
4. The resolutions, if passed by requisite majority shall be deemed to have been passed on the date of the AGM i.e. July 15, 2022.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.3: To approve the appointment of Mr. Sebastian Kurian (DIN: 09416863) as an Independent Director

Mr. Sebastian Kurian (DIN: 09416863) has been appointed as an Independent Director by the Board of directors w.e.f. December 14, 2021 in the casual vacancy caused by the sad demise of Mr. Kavil Viswambharan Raveendravilasam. As per Section 161(4) of the Companies Act, 2013, the shareholders' approval is required if the Board has filled the vacancy of the directors.

None of the Directors or KMPs of the Company or their relatives are concerned or interested in the resolution.

The Board of Directors recommends resolution set out at item No.3 for your consideration and approval by way of Ordinary Resolution.

Item No.4: To pay remuneration to Mr. Mathew K. Cherian, Chairman cum Managing Director in excess of 5% of net profit of the Company

Pursuant to section 197 of the Companies Act, 2013, except with the approval of the company in general meeting by a special resolution, the remuneration payable to any one managing director shall not exceed 5% of the net profits of the Company.

Therefore, in order to give remuneration to Mr. Mathew K. Cherian, Chairman cum Managing Director in excess of 5% of the net profits for the financial year 2022-2023, the members of the Company have to provide permission by passing special resolution.

None of the Directors or KMPs of the Company or their relatives, except Mr. Mathew K. Cherian is concerned or interested in the resolution.

The Board of Directors recommends resolution set out at item No.4 for your consideration and approval by way of Special Resolution.

Item No.5: To pay remuneration to Mrs. Laila Mathew, Whole-Time Director in excess of 5% of net profit of the Company

Pursuant to section 197 of the Companies Act, 2013, except with the approval of the company in general meeting by a special resolution, the remuneration payable to any one whole-time director shall not exceed 5% of the net profits of the Company.

Therefore, in order to give remuneration to Mrs. Laila Mathew, Whole-Time director in excess of 5% of the net profits for the financial year 2022-2023, the members of the Company have to provide permission by passing special resolution.

None of the Directors or KMPs of the Company or their relatives, except Mrs. Laila Mathew is concerned or interested in the resolution. The Board of Directors recommends resolution set out at item No.5 for your consideration and approval by way of Special Resolution.

By order of the Board of Directors

**Place : Kottayam
Date : June 14, 2022**

**Sd/-
Sreenath Palakkattillam
Company Secretary
Membership No. F10553**

CORPORATE PROFILE

CIN: U65929KL1987PLC004729

Regd. Office: Kosamattam City Centre, Floor Number 4th & 5th, T.B Road, Kottayam, Kerala-686001.
Email – info@kosamattam.com, Web – www.kosamattam.com

Board of Directors and Key Managerial Personnel

| DIN/PAN | Full Name | Designation | Date of Appointment |
|------------|-------------------------|--------------------------------|---------------------|
| 01286073 | Mathew K. Cherian | Chairman cum Managing Director | June 11, 2004 |
| 01286176 | Laila Mathew | Whole-time Director | June 11, 2004 |
| 03621643 | Jilu Saju Varghese | Non-Executive Director | October 01, 2011 |
| 02541626 | C. Thomas John | Independent Director | August 19, 2015 |
| 07218120 | Paul Jose Maliakal | Independent Director | June 25, 2018 |
| 09416863 | Sebastian Kurian | Independent Director | December 14, 2021 |
| AGMPA8219M | Annamma Varghese C. | Chief Financial Officer | March 05, 2016 |
| DNSPS4260L | Sreenath Palakkattillam | Company Secretary | March 05, 2016 |

| | |
|---|--|
| Debt Security Listed in Stock Exchange BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 | Public Issue Debenture Trustee Vistra ITCL (India) Limited The IL&FS Financial Center, Plot No.C-22, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051 |
|---|--|

DIRECTOR'S REPORT

To The Members,

The Board of Directors of Kosamattam Finance Limited (KFL) have great pleasure in presenting the Annual Report together with the audited Balance Sheet as on March 31, 2022, Statement of Profit and Loss and Cash Flow Statement for the year ended March 31, 2022.

FINANCIAL SUMMARY AND OPERATIONAL PERFORMANCE:

The Company's financial performance for the year ended March 31, 2022 is summarised below:

Currency: ₹ in Lakhs

| Description | Year Ended | |
|---|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Total Income | 62,478.73 | 54,184.17 |
| Total Expenditure | 51,753.50 | 44,584.81 |
| Profit before Tax | 10,725.23 | 9,599.36 |
| Tax Expense | 2,725.57 | 3,067.78 |
| Profit after Tax | 7,999.66 | 6,531.58 |
| Other Comprehensive Income | (107.59) | (6.97) |
| Appropriation from Profit after Tax: | | |
| Transfer to reserve Fund under Section 45-IC of the RBI Act, 1934 | 1,599.94 | 1,330.30 |
| Transfer to Impairment Reserve | 685.61 | 811.71 |
| Balance carried forward to balance Sheet | 12,992.36 | 7,278.25 |

For the financial years ended March 31, 2022 and March 31, 2021 total income was ₹ 62,478.73 lakhs and ₹ 54,184.17 lakhs respectively. Profit after tax for the financial years ended March 31, 2022 and March 31, 2021, was ₹ 7,999.66 lakhs and ₹ 6,531.58 lakhs, respectively. For the financial years ended March 31, 2022 and March 31, 2021, revenues from our Gold Loan business constituted 96.38% and 94.89%, of our total income for the respective year.

BUSINESS BACKGROUND:

Gold Loan is the most significant product in the product portfolio of the Company. Gold Loan customers are typically businessmen, vendors, traders, farmers, salaried individuals and families, who for reasons of convenience, accessibility or necessity, avail of 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 the customers to choose the Gold Loan scheme best suited to their requirements. Gold Loans are sanctioned for tenure of up to 12 months, with an option to our customers to foreclose the Gold Loan.

DIVIDEND:

Board of directors are not recommending dividend for the financial year 2021-2022.

CAPITAL EXPENDITURE:

As on March 31, 2022 the gross fixed assets stood at ₹ 23,228.92 lakhs and net fixed assets ₹ 12,204.97 lakhs. Additions during the year amounted to ₹ 955.27 lakhs.

RESOURCES:

a) Human Resource Management:

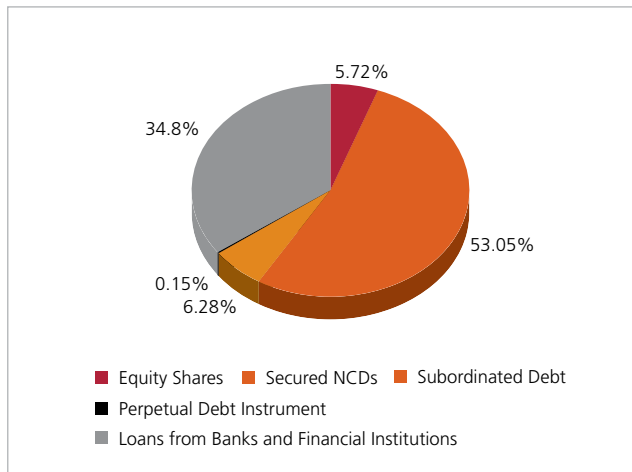
Human Resource Management plays a very important role in realizing the Company's objective. The Company is managed by the active involvement of the promoters along with strategic inputs from a well-diversified and competent board.

As on March 31, 2022 the Company had 3,470 employees on its rolls at various organizational levels.

Your Company is committed to maintain the highest standards of health, safety and security for its employees and business associates and to operate in a healthy and safe environment. Your Company constituted Welfare Committee for the benefit of employees.

b) Resource Mobilisation

Source of finance of your Company contains equity share capital, debt securities (secured non-convertible debentures, subordinated debt and perpetual debt instruments) and loans from banks and financial institutions.



i. Private Placement of Debentures

During the period under review, Company has not made any private placement of debt instruments.

ii. Public Issue of Secured Non-convertible Debentures

The company has during the year raised through public issue ₹ 53,735.62 lakhs of Secured Redeemable Non-Convertible Debentures. As at March 31, 2022, the company has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

iii. Public Issue of Subordinated Debts

Another source of funding our operation is Subordinated Debts. During the reporting financial year, Company had raised ₹ 2,585.26 lakhs through public issue of Subordinated Debts which qualifies for Tier II Capital under Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2016.

iv. Loans from Banks and Financial Institutions

As on March 31, 2022 Company have outstanding loan from banks and financial institutions of ₹ 1,31,944.31 lakhs.

v. Share Capital

Total share capital of the Company as on March 31, 2022 is ₹ 21,687.93 lakhs consisting of 21,68,79,302 Equity Shares of ₹ 10 each. During the reporting year company has allotted 1,13,78,755 equity shares of ₹ 10 each at security premium of ₹ 30 each by way of Rights issue. Further Company has converted its compulsorily convertible preference shares of ₹ 12,00,00,000 into 30,00,000 equity shares of ₹ 10 each at security premium of ₹ 30 each.

vi. Perpetual Debt Instruments

Company has got outstanding Perpetual Debt Instruments of ₹ 565.00 lakhs. Exercised call option for perpetual debt instruments amounting to ₹ 445.00 lakhs.

DEBENTURE REDEMPTION RESERVE (DRR)

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.

COMPLIANCE OF RBI REGULATIONS

Your Company has been granted registration under Sec. 45IA of Reserve Bank of India Act, 1934 (Registration Number: B-16.00117) whereby the Company is allowed to carry on business as a Non-Banking Financial Company.

The Company has followed all regulatory directions such as, KYC Norms, Provisioning Norms, CRAR, Loan to value guidelines for Gold loans, Asset Liability Management, Fair Practices Code, Fraud Reporting etc., as required by the Reserve Bank of India, the regulator for NBFCs. As on March 31, 2022 the percentage of Gold Loan to total loan book is 98.99 %.

Your Company's Capital Adequacy Ratio as on March 31, 2022 stood at 18.65 % of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory minimum of 15.00 %. Out of the above, Tier 1 capital ratio stood at 14.45 %.

DIRECTORS

Your Company has a well-structured Board consisting of six directors, in which two of them are executive directors. Out of the four non- executive directors, three are independent directors, i.e. who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors which may affect the independence of the judgment of the Director and possess necessary qualifications to become independent directors.

i. Composition of the Board and Key Managerial Personnel

The Board of Directors of the Company comprises of six Directors. Out of the six Directors of the Company, two are Executive directors, three are Independent Directors and one is Non-executive director. The Composition of the Board, position, their directorship in other companies and other details are shown below;

| Name of the Member | Category | Date of Appointment | Directorship in Other Companies | | |
|----------------------------|--------------------------------|---------------------|---------------------------------|---------|------------|
| | | | Public | Private | Government |
| 1. Mr. Mathew K Cherian | Chairman cum Managing Director | June 11, 2004 | 1 | 1 | 0 |
| 2. Mrs. Laila Mathew | Whole-Time Director | June 11, 2004 | 1 | 1 | 0 |
| 3. Mrs. Jilu Saju Varghese | Non-Executive Director | October 1, 2011 | 1 | 1 | 0 |
| 4. Mr. Paul Jose Maliakal | Independent Director | June 25, 2018 | 1 | 0 | 0 |
| 5. Mr. C. Thomas John | Independent Director | August 19, 2015 | 3 | 0 | 0 |
| 6. Mr. Sebastian Kurian | Independent Director | December 14, 2021 | 0 | 0 | 0 |

ii. Directors or Key Managerial Personnel appointed or resigned during the year

During the reporting year, Mr. Kavil Viswambharan Raveendravilasam passed away on September 17, 2021 and Mr. Sebastian Kurian was appointed to fill the casual vacancy caused by the death of Mr. Kavil Viswambharan Raveendravilasam w.e.f. December 14, 2021. As per the Board of directors view, Mr. Sebastian Kurian is qualified to act as an Independent director of the Company. Sebastian Kurian holds a degree of bachelor of law from the University of Kerala and a degree of bachelor of arts from the University of Kerala. He has expertise and experience (including the proficiency) as required under the Companies Act, 2013.

iii. Board Meeting details

18 Board meetings were held during the year ended March 31, 2022. The gap between two Board meetings did not exceed 120 days. Board meeting dates and the attendance of members in meeting were as under.

| Date of Board Meeting | Board Strength | No of Directors Present |
|-----------------------|----------------|-------------------------|
| April 29, 2021 | 6 | 4 |
| June 14, 2021 | 6 | 5 |
| June 28, 2021 | 6 | 5 |
| July 09, 2021 | 6 | 6 |
| September 06, 2021 | 6 | 5 |
| September 28, 2021 | 5 | 4 |
| September 30, 2021 | 5 | 5 |
| October 20, 2021 | 5 | 4 |
| November 03, 2021 | 5 | 5 |
| November 29, 2021 | 5 | 4 |
| December 14, 2021 | 5 | 4 |
| January 05, 2022 | 6 | 4 |
| January 27, 2022 | 6 | 5 |
| February 11, 2022 | 6 | 5 |
| February 21, 2022 | 6 | 5 |
| March 17, 2022 | 6 | 5 |
| March 24, 2022* | 6 | 5 |
| March 30, 2022 | 6 | 3 |

*Meeting of Independent directors conducted pursuant to Schedule IV of the Companies Act, 2013.

iv. Retirement by Rotation

In terms of Section 152 of the Act and the Articles of Association of the Company, Mrs. Jilu Saju Varghese (Holding DIN : 03621643), retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment. In the opinion of your Directors, Mrs. Jilu Saju Varghese has requisite qualification and experience and therefore, your Directors' recommend her reappointment in the ensuing Annual General Meeting.

Policy on appointment of directors and remuneration;

1. Nomination and Remuneration Committee ("the Committee") evaluates the range of skills, experience, expertise and diversity of the existing Directors, and identifies criteria for the new role considering the Company's strategic objectives, the dynamism of the existing Board, and gaps which need to be filled.
2. The Committee agrees the most appropriate avenue to identify suitable candidates.

3. Potential candidates are considered with reference to their skill, experience, expertise, diligence, soundness of judgement, availability, their ability to add value to the Board, and their interest in the Company and its business.
4. The Company will undertake due diligence before appointing Director to verify character references, qualifications, prior experience and other governmental checks, if appropriate.
5. The Proposed Director will be given the opportunity to undertake due diligence of the Company including access to information and meeting with the Senior Executive and Directors (where appropriate and subject to a confidentiality agreement as deemed necessary by the Board) which would be pertinent to their ability to make an informed decision as to their suitability and support of the Company.
6. If relevant, the Committee recommends appropriate candidates for appointment to the Board. The Board will consider the recommendation and if appropriate, extend an invitation to the candidate to join the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.
7. The Company will immediately tell the Registrar of Companies ("ROC") within the jurisdiction of the registered office of the Company. Once a Director is appointed and provides the necessary disclosures under the Companies Act, 2013 and Rules made there under.
8. As per the Board's timely assessment, appointed Director may be a member of the various Committees:
9. As member of the Board appointed Director along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
 - Requirements under the Companies Act, 2013 and Rules made there under
 - Accountability under the Director's Responsibility Statement,
 - Protecting and enhancing the Kosamattam brand.
10. Every Director appointed in the Company shall give disclosure of interest in the first meeting of every financial year.

11. Nomination and Remuneration Committee may timely revise the remuneration payable to Directors with the consent of Board.

v. Performance Evaluation Policy

The Board has made a formal evaluation of its own performance and that of its committees and individual directors as required under Section 134(3) of the Companies Act, 2013. The Company's Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis and in the best interest of the Company and its stakeholders.

As, one of the most important functions of the Board of Directors is to oversee the functioning of Company's top management, this policy aims at establishing a procedure for conducting periodical evaluation of Director's performance and formulating the criteria for determining qualifications, positive attribute and independence of each and every director of the Company. In addition, the Nomination and Remuneration Committee shall carry out the evaluation of performance of every director, Key managerial Personnel and other employees in accordance with the criteria contained herein. It shall be the duty of the Company to organize the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the directors' and committees' effectiveness, to maximize their strength and to tackle their shortcomings.

The Board of Directors shall undertake the following activities on an annual basis:

- I. Review the various strategies of the Company and accordingly set the performance objectives for Directors, consistent with the varying nature and requirements of Company's business.
- II. The Board as a whole shall discuss and analyse its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.

In conformity with the requirement of the Act, the performance evaluation of all the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. Independent Directors are required to evaluate the performance of non – independent directors and Board as a whole. The independent directors of the Company shall hold at least one meeting in a year to exercise the functions as mentioned in the Companies Act, 2013 and its applicable Schedules.

Evaluation Factors

The Board of Directors shall take into consideration the following parameters for the purpose of evaluating the performance of a particular director:

- Independent Directors**

Some of the specific issues and questions that should be considered in the performance evaluation of an Independent Director are set out below:

| Sl.No | Assessment Criteria |
|-------|---|
| 1. | Attendance and participations in the Meetings |
| 2. | Adherence to ethical standards & code of conduct of Company and disclosure of non – independence, as and when it exists and disclosure of interest. |
| 3. | Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings |
| 4. | Interpersonal relations with other directors and management |
| 5. | Objective evaluation of Board's performance, rendering independent, unbiased opinion |
| 6. | Understanding of the Company and the external environment in which it operates and contribution to strategic direction. |
| 7. | Safeguarding interest of whistle-blowers under vigil mechanism and Safeguard of confidential information |

- Non-Independent Directors/Whole –Time Directors**

Some of the specific issues and questions that should be considered in a performance evaluation of Non-Independent Director /WTD/ CMD are set out below.

| Sl.No | Assessment Criteria |
|-------|--|
| 1. | Attendance and participations in the Meetings |
| 2. | Contribution towards growth of the Company including actual vis-à-vis budgeted performance. |
| 3. | Leadership initiative, like new ideas and planning towards growth of the Company and steps initiated towards Branding of the Company |
| 4. | Adherence to ethical standards & code of conduct of the Company |
| 5. | Team work attributes and supervising & training of staff members |
| 6. | Compliance with policies, Reporting of frauds, violation etc. and disclosure of interest |
| 7. | Safeguarding of interest of whistle blowers under vigil mechanism and Safeguard of confidential information |

- Board of Directors**

| Sl.No | Assessment Criteria |
|-------|---|
| 1. | Is the composition of the board appropriate with the right mix of knowledge and skills required to drive organizational performance in the light of future strategy? |
| 2. | Members of the board meet all applicable independence requirements. |
| 3. | The Board of Directors is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations. |
| 4. | The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfil its responsibilities. |
| 5. | Are sufficient numbers of board meetings, of appropriate length, being held to enable proper consideration of issues? |
| 6. | The Chairman of the Board effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the Board. |
| 7. | Nomination and appointment of Board members and their Remuneration follow clearly established procedures using known criteria as laid down by the Nomination and Remuneration Committee |
| 8. | Company has necessary Committees which are required and these Committees are working effectively |

• **Review**

The performance evaluation process and related tools will be reviewed by the "Nomination and Remuneration Committee" on need basis and the Committee may periodically seek independent external advice in relation to the process.

The committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee.

vi. Statement on declaration given by independent directors

Company has received statement of declaration from Independent Directors as required under section 149(7) of the Companies Act 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

vii. Details of remuneration paid to directors during the financial year 2021-2022

Currency: ₹ in Lakhs

| Name of the Member | Sitting Fee Board Meeting | Committee Meetings | Salaries and other Allowances | Commission | Total |
|--|---------------------------|--------------------|-------------------------------|------------|--------|
| 1. Mr. Mathew K. Cherian | - | - | 120.00 | 297.50 | 417.50 |
| 2. Mrs. Laila Mathew | - | - | 96.00 | 297.50 | 393.50 |
| 3. Mrs. Jilu Saju Varghese | - | - | - | - | - |
| 4. Mr. C. Thomas John | 0.90 | 1.80 | - | - | 2.70 |
| 5. Mr. Paul Jose Maliakal | 0.40 | 0.80 | - | - | 1.20 |
| 6. Mr. Kavil Viswambharan Raveendravisam | 0.05 | - | - | - | 0.05 |
| 7. Mr. Sebastian Kurian | 0.35 | - | - | - | 0.35 |

viii. Committees of the board

Board of Directors regularly evaluating performance of each committee to the Board based on the attendance of each member in respective meetings and inputs from the Committee members. As on reporting date Company has following committees to the board;

a) Audit Committee

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

Directors:

1. Mr. Paul Jose Maliakal
2. Mr. Mathew K. Cherian
3. Mr. C. Thomas John

The Committee satisfies the guidelines prescribed under Section 177 of the Companies Act, 2013, guidelines issued by the Reserve Bank of India in this regard and applicable provision of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

The Audit Committee at the Board level of your Company acts as a link between the Independent Auditors, Internal Auditors, the Management and the Board of Directors and oversees the financial reporting process. The Audit committee interacts with the Internal Auditors, Independent Auditors, and Secretarial Auditors and reviews and recommends their appointment and remuneration. The Audit Committee is provided with all necessary assistance and information for enabling them to carry out its function effectively.

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.

The audit committee met 11 times during the year under review to deliberate on various matters. The constitution, record of attendance and other details of the Audit Committee of the Company are detailed below:

| Name of the Member | Position | Status | Attendance | Meeting Dates |
|---------------------------|----------|--------------------------------------|------------|---|
| 1. Mr. Paul Jose Maliakal | Chairman | Independent & Non-Executive Director | 11 | April 19, 2021, May 03, 2021, June 11, 2021, June 24, 2021, July 9, 2021, |
| 2. Mr. Mathew K. Cherian | Member | Managing Director | 11 | August 23, 2021, October 12, 2021, November 01, 2021, January 4, 2022, |
| 3. Mr. C. Thomas John | Member | Independent & Non-Executive Director | 11 | February 08, 2022 and March 03, 2022 |

b) Nomination and Remuneration Committee

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

The Committee currently comprises:

1. Mr. C. Thomas John
2. Mrs. Jilu Saju Varghese
3. Mr. Paul Jose Maliakal

The Committee met 5 times during the year and reviewed the performance of the Directors both Non-Executive and Executive Directors and also the senior managerial personnel including Key Managerial personnel. The constitution, record of attendance and other details of the Nomination and Remuneration Committee of the Company are detailed below:

| Name of the Member | Position | Status | Attendance | Meeting Dates |
|----------------------------|----------|--------------------------------------|------------|--------------------------------------|
| 1. Mr. C. Thomas John | Chairman | Independent & Non-Executive Director | 5 | April 01, 2021, July 2, 2021, |
| 2. Mrs. Jilu Saju Varghese | Member | Non-Executive Director | 5 | October 5, 2021, November 3, 2021 |
| 3. Mr. Paul Jose Maliakal | Member | Independent & Non-Executive Director | 5 | and January 4, 2022 |

Terms of reference of the Nomination and Remuneration 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."

c) Corporate Social Responsibility Committee

The Company has adopted the Corporate Social Responsibility Policy outlining the various activities defined in Schedule VII of the Companies Act, 2013. The Policy envisages the formulations of the CSR Committee which will recommend the amount of expenditure to be incurred on the activities referred to in the Policy to the Board and monitor the project/programs from time to time with reporting of the progress on such project/programs to the Board

Contents of the CSR policy of the Company are displayed on the website of the Company www.kosamattam.com.

The Corporate Social Responsibility Committee was constituted by way of a board resolution dated March 03, 2014. The committee met 8 times during the year to discuss about the implementation of Company's CSR programmes. 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:

- 1) Mr. Mathew K. Cherian
- 2) Mrs. Laila Mathew
- 3) Mrs. Jilu Saju Varghese
- 4) Mr. C. Thomas John

The constitution, record of attendance and other details of the Corporate Social Responsibility Committee of the Company are detailed below:

| Name of the Member | Position | Status | Attendance | Meeting Dates |
|----------------------------|----------|---|------------|---|
| 1. Mr. Mathew K. Cherian | Chairman | Managing Director | 8 | May 26, 2021, July 16, 2021, July 30, 2021, |
| 2. Mrs. Laila Mathew | Member | Whole-Time Director | 8 | August 24, 2021, January 05, 2022, |
| 3. Mrs. Jilu Saju Varghese | Member | Non-Executive Director | 8 | January 25, 2022, February 8, 2022 and March 24, 2022 |
| 4. Mr. C. Thomas John | Member | Independent & Non-Executive Director | 8 | |

The terms of reference of Corporate Social Responsibility Committee are as under:

1. To formulate and to recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Scheduled VII;
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause 1; and
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

d) 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 December 10, 2019, and it currently comprises of the following members: -

1. Mr. Mathew K. Cherian
2. Mrs. Laila Mathew
3. Mrs. Jilu Saju Varghese
4. Mr. C. Thomas John.
5. Mr. Saju John Varghese

The committee met 4 times during the year for verifying and valuing securities on a quarterly basis and for analysing the security cover available for the debentures issued and interest payable. The constitution, record of attendance and other details of the Asset Liability Management Committee of the Company are detailed below:

| Name of the Member | Position | Status | Attendance | Meeting Dates |
|---------------------------|----------|---|------------|--|
| 1. Mr. Mathew K. Cherian | Chairman | Managing Director | 4 | April 24, 2021, July 29, 2021, October 20, 2021 and January 14, 2022 |
| 2. Ms. Laila Mathew | Member | Whole -Time Director | 4 | |
| 3. Ms. Jilu Saju Varghese | Member | Non-Executive Director | 4 | |
| 4. Mr. C. Thomas John | Member | Independent & Non-Executive Director | 4 | |
| 5. Mr. Saju John Varghese | Member | CGM Corporate Planning & operations cum CTO | 4 | |

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:

1. Successful implementation of the risk management process;
2. Integration of basic operations and strategic decision making with risk management;
3. Overall responsibility for management of risks;
4. Deciding the risk management policy of the Company;
5. Setting limits for liquidity, interest rate and equity price risks and shall be responsible for ensuring adherence to the limits set thereby;
6. 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.
7. Articulating the current interest rate view of the NBFC and base its decisions for future business strategy on this view.
8. Reviewing Interest rate forecasts and spreads for Company;
9. Analyzing, monitoring and reporting the risk profiles;
10. Responsible for balance sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
11. 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.

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 analysing '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."

e) 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:

1. Mr. Mathew K. Cherian
2. Mrs. Laila Mathew
3. Mrs. Jilu Saju Varghese
4. Mr.C. Thomas John
5. Mr. Arun Kumar (Chief Information Officer and Chief Risk Officer - IT).

The committee met 2 times during the year for reviewing and analysing the existing internal controls and to take all possible steps to mitigate risks associated with the business. The constitution, record of attendance and other details of the Risk Management Committee of the Company are detailed below:

| Name of the Member | Position | Status | Attendance | Meeting Dates |
|----------------------------|----------|---|------------|-------------------------------------|
| 1. Mr. Mathew K. Cherian | Chairman | Managing Director | 2 | July 6, 2021 and January 7, 2022 |
| 2. Mrs. Laila Mathew | Member | Whole-Time Director | 2 | |
| 3. Mrs. Jilu Saju Varghese | Member | Non-Executive Director | 2 | |
| 4. Mr. C. Thomas John | Member | Independent & Non- Executive Director | 2 | |
| 5. Mr. Arun Kumar | Member | Chief Information Officer and Chief Risk Officer (IT) | 2 | |

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.

f) Debenture Committee

The Debenture Committee was constituted by the Board of Directors through its resolution dated December 26, 2014. The Committee was re-constituted by the Board of Directors through its resolution dated January 31, 2019. The Debenture Committee comprises of the following persons:

1. Mr. Mathew K. Cherian
2. Mrs. Laila Mathew
3. Mrs. Jilu Saju Varghese

During the year under review the Committee met 8 times on various matters. The constitution, record of attendance and other details of the Debenture Committee of the Company are detailed below:

| Name of the Member | Position | Status | Attendance | Meeting Dates |
|----------------------------|----------|------------------------|------------|---|
| 1. Mr. Mathew K. Cherian | Chairman | Managing Director | 8 | July 14, 2021, July 27, 2021, August 13, 2021, |
| 2. Mrs. Laila Mathew | Member | Whole time Director | 8 | August 26, 2021, September 20, 2021, February 22, 2022, |
| 3. Mrs. Jilu Saju Varghese | Member | Non-Executive Director | 8 | March 02, 2022 and March 10, 2022, |

Terms of reference:

- i. 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.,
- ii. To approve and make changes to the Draft Prospectus,
- iii. To approve the Final Prospectus, including any corrigendum, amendments supplements thereto, and the issue thereof and
- iv. 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 utilization 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.

g) Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted by a board resolution dated April 16, 2014. The committee was last reconstituted by the Board by its resolution dated May 06, 2019. The Committee currently comprises:

1. Mr. Mathew K. Cherian
2. Mrs. Laila Mathew
3. Mrs. Jilu Saju Varghese
4. Mr. C. Thomas John

During the year under review the committee met 4 times on various matters of stakeholders. The constitution, record of attendance and other details of the Stakeholders Relationship Committee of the Company are detailed below:

| Name of the Member | Position | Status | Attendance | Meeting Dates |
|----------------------------|----------|--------------------------------------|------------|----------------------|
| 1. Mrs. Jilu Saju Varghese | Chairman | Non-Executive Director | 4 | May 19, 2021, |
| 2. Mr. Mathew K. Cherian | Member | Managing Director | 4 | July 06, 2021, |
| 3. Mrs. Laila Mathew | Member | Whole-Time Director | 4 | October 12, 2021 and |
| 4. Mr. C. Thomas John | Member | Independent & Non-Executive Director | 4 | January 6, 2022 |

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."

h) Bank Operation Committee

The Committee of Directors for Bank Operations was constituted by the board of directors in their meeting held on August 01, 2016. Board delegated the powers to the Committee for Bank account operations such as account opening, changing authorization of Branch Managers and closing of bank accounts etc. The Committee currently comprises:

1. Mr. Mathew K. Cherian
2. Mrs. Laila Mathew
3. Mrs. Jilu Saju Varghese

During the year under review the committee met 11 times on various matters. The constitution, record of attendance and other details of the Committee are detailed below:

| Name of the Member | Position | Status | Attendance | Meeting Dates |
|-------------------------|----------|------------------------|------------|---|
| Mr. Mathew K. Cherian | Chairman | Managing Director | 11 | April 05, 2021, June 07, 2021, July 05, 2021, August 05, 2021, |
| Mrs. Laila Mathew | Member | Whole-Time Director | 11 | September 05, 2021 October 05, 2021, November 05, 2021 December 06, 2021 |
| Mrs. Jilu Saju Varghese | Member | Non-Executive Director | 11 | January 05, 2022, February 07, 2022, and March 07, 2022 |

The functions of the Committee for Bank Operations and the Terms of reference shall be as follows: -

1. Opening Bank accounts for branch level operations;
2. Give authorisation to staff to open and operate bank accounts in branch level and
3. Give instruction to Bank for closing bank accounts

i) IT Strategy Committee

As per the Master Direction of Reserve Bank of India on Information Technology Framework for the NBFC Sector, Company has constituted IT Strategy Committee on May 30, 2018. Role of IT strategy committee is to advise board on IT initiative. Strategy committee generally consists of board members and specialized non-board members. The IT Strategy Committee should meet at an appropriate frequency but not more than six months should elapse between two meetings. The Committee currently comprises:

1. Mr. C.Thomas John, Independent Director
2. Mr. Saju Varghese, Chief Technology Officer
3. Mr. Arun Kumar, Chief Information Officer/ Chief Risk Officer (IT)

During the year under review the committee met 2 times on various matters. The constitution, record of attendance and other details of the Committee are detailed below:

| Name of the Member | Position | Status | Attendance | Meeting Dates |
|---------------------------|----------|---|------------|--|
| 1. Mr. C. Thomas John | Chairman | Independent & Non-Executive Director | 2 | August 17, 2021 and February 8, 2022 |
| 2. Mr. Saju John Varghese | Member | Chief Technology Officer | 2 | |
| 3. Mr. Arun Kumar | Member | Chief Information Officer/Chief Risk Officer (IT) | 2 | |

Roles and Responsibilities of IT Strategy Committee shall be:

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high- level direction for sourcing and use of IT resources;
5. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks.

** Company also constituted IT Steering Committees, operating at an executive level.*

j) IPO committee*

The IPO committee was constituted by the board by its resolution dated May 06, 2019 for deciding various matters related to the proposed IPO of equity shares. The Committee currently comprises:

1. Mr. Mathew K. Cherian
2. Mrs. Laila Mathew
3. Mr. C. Thomas John

Roles and Responsibilities of IPO Committee shall be:

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."

* No meetings of IPO Committee were held during the FY 2021-22

INTERNAL CONTROL

The Company has an Internal Control System which is commensurate with the size, scale and complexity of its operations. The Internal Audit Team monitors the efficiency and efficacy of the internal control systems in the Company, compliance with operating systems/accounting procedures and policies of the Company. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. The Internal Audit Team directly reports to the Audit Committee of the Company

The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening of the Company's risk management policies and systems. The Audit Committee oversees the functioning of the audit team and reviews the effectiveness of internal control at all levels apart from laying down constructive suggestions for improving the audit function in the Company. The present reporting structure ensures independence of the internal audit function and embodies best corporate governance practices.

The Company had formed various Committees such as Risk Management Committee, Asset Liability Management Committee and Audit Committee and for the proper administration of the day-to-day functioning. Stakeholders relationship Committee, Nomination and Remuneration Committee Corporate Social Responsibility Committee, Debenture Committee, IT strategy Committee, IPO committee and Bank operations Committee have also been formed.

CREDIT RATING

Your Company's debt instruments are rated by Credit Analysis and Research Ltd. for the initial public issues upto eighth tranche. Then India Ratings & Research Private Limited assigned rating for the borrowings and public issues upto twentieth tranche as mentioned below and Brickwork Ratings assigned rating for the borrowings and remaining public issues.

Currency: ₹ in Lakhs

| Rating Agency | Facilities | Amount Rated | Outstandi ng as on | Rating as on | | Rating Definition |
|--------------------------|----------------------------|--------------|--------------------|-------------------------------|-----------------------------|--|
| | | | March 31, 2022 | March 31, 2022 | March 31, 2021 | |
| CARE | Non- Convertible Debenture | 62,500.00 | 7,435.47 | CARE BBB+ [CARE Triple B+] | CARE BBB [CARE Triple B] | Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. Modifiers {"+" (plus) / "- "(minus)} reflect the comparative standing within the category. |
| | Subordinated Debt | 2,500.00 | 2,478.59 | | | |
| India Ratings & Research | Non- Convertible Debenture | 3,19,500.00 | 1,15,469.00 | IND BBB+[IND Triple B+] | IND BBB[IND Triple B] | |
| | Subordinated Debt | 20,500.00 | 15,965.94 | | | |
| | Bank Facilities | 1,00,000.00 | - | | | |
| BrickWork Ratings | Non- Convertible Debenture | 83,000.00 | 78,215.75 | BWR BBB+ [BWR Triple B+] | BWR BBB+ [BWR Triple B+] | |
| | Subordinated Debt | 7,000.00 | 5,382.20 | | | |
| | Bank Facilities | 1,50,000.00 | 1,31,944.31 | | | |

WHISTLE BLOWER POLICY

During the reporting financial year, the Company reviewed Whistle Blower Policy and established the necessary vigil mechanism for Directors and Employees to report concerns about unethical behaviour. The mechanism provides for adequate safeguards against victimisation. Further, no person has been denied access to the Audit Committee. The Whistle Blower Policy is available under the following web link: <http://www.kosamattam.com/vigil-mechanism-whistle-blower-policy-policy/>.

LISTING ON STOCK EXCHANGES AND REGISTRATION OBTAINED FROM OTHER FINANCIAL SECTOR REGULATORS

Your Company's Debt Securities are listed with the Bombay Stock Exchange. The strength of debt holders shows that the investors have built a greater confidence in the Company and its performance.

Your Company holds a FFMC license and carries on money changing activities through its branches authorised by RBI. As on March 31, 2022, Company had one head office and 61 authorised branches. Currency operations include sale and purchase of foreign exchange at different authorised branches.

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 registration from the IRDA, dated March 30, 2016, which is valid up to March 31, 2022, 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.

Your Company holds a Certificate of Registration dated May 22, 2019 bearing registration number IN-DP-415-2019 issued by the SEBI to act as Depository Participant in terms of Regulation 20 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.

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

Global Intermediary Identification Number (GIIN) of the Company is 1CIT1U.99999.SL.356.

Your Company has obtained ISD registration under Goods and Service Tax Act 2017 for distribution of the input credit to various states and was assigned a registration No 32AACCK4277A3ZY.

Your Company has obtained registration with Financial Intelligence Unit – India (FIU-IND) and was assigned registration No FINBF12988.

PUBLIC DEPOSITS

Your Company is a non-deposit taking Company. The Company has not accepted any fixed deposit during the year under review. Board of Directors of the Company has passed a resolution on April 29, 2021 for non-acceptance of public deposit. The Company is functioning under valid registration No.B.16.00117 dated January 28, 2005. (Amended on December 19, 2013 due to name change)

ANCILLARY BUSINESS

The Company is engaged in certain ancillary businesses such as Corporate Insurance Agency, Money Transfer Service, Full Fledged Money Changer, PAN Services, Travels, Depository Participant Services, Plantations, Windmill etc. All these businesses contribute their own share in achieving good profitability and goodwill to the Company.

MICRO FINANCE

The company is engaged in micro finance operations which provide micro credit lending to customers who are predominantly located in rural and semi-urban areas and the purpose of loans sanctioned to them is mainly for utilization in small businesses or for other income generating activities but not for personal consumption. As on March 31, 2022, the percentage of micro finance loan to total loan book is 0.029 %

HUMAN RESOURCES DEVELOPMENT

Intellectual Capital is the most valuable asset in modern business environment. Recognizing the fact, the Company gives much importance to Human Resources Development and Management in the organization. Being a service industry, the key resource is manpower. Your Company emphasizes on imparting effective and continual training to its employees in a planned and systematic manner, to acquire and sharpen capabilities required to perform various functions associated with their present/ expected future roles in the business of the Company. Many key positions in operations are held by senior professionals retired from senior positions in major public sector Banks. As on March 31, 2022 the Company had employees 3,470 on its rolls at various organizational levels.

Your Company is professionally managed with senior management personnel having rich experience and long tenure with the Company. Your Company has laid down a Training policy, which:

- Enables the Company to train new employees that is necessary to ensure steady expansion of business by way of opening of large number of branches and operating units, viz. regional offices, zonal offices etc.
- Helps employees to adapt to changing business environment, demand and expectation of customers, competition, advances in technology.
- Helps the Company in improving the quality of service with professional approach which ensures customer satisfaction management.
- Helps the Company in evolving a culture of business and participative management.
- As per the Training Policy all categories of staff members should receive training in matters, including:
- Induction training at the time of entry into service and refresher program within 6 months of joining service.
- In-service training at suitable intervals during career progression, preferably once in a year.
- Promotion linked training of two to three days duration either before or after promotion, within a specific time interval, preferably five year

ENERGY CONSUMPTION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Conservation of energy:

The Company is engaged in the financial services sector and therefore conservation of energy, technology absorption etc. have a limited application. However, the Company follows a practice of purchase and use of energy efficient electrical and electronic equipment and gadgets in its operations. As a further step the Company started operation of wind mill at Ramakkalmedu, Thookkupalam in Idukki District.

b) Technology absorption:

During the period under review there was no major technology absorption undertaken by the Company.

c) Foreign Exchange Earnings and Outgo:

The Company is indulged in the business of FFMC with the RBI license. During the period foreign exchange earnings and outgo was as under:

| Particulars | March 31, 2022 |
|---|----------------|
| Foreign Exchange Earnings | |
| Exchange Gain on Foreign Currency trading | ₹ 13.30 lakhs |
| Foreign Exchange Outgo | - |

AUDITORS

The present Statutory Auditors of the Company is M/s. SGS & Company, Chartered Accountants, (Firm Registration No.009889S). X/657/B, CA-Med Tower, Pallikulam Road, Near Chaldean Centre, Thrissur, Kerala- 680001

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report is attached and forms an integral part of the Report of the Board of Directors (Annexure I).

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website on <https://www.kosamattam.com/annual-return/>.

SECRETARIAL AUDIT

Secretarial Audit Report as per Section 204 of Companies Act 2013 is placed as annexure to this report (Annexure II).

REPLY TO AUDITORS OBSERVATIONS/REMARKS:

In reply to the observation by the Secretarial Auditor in point No. (vi)(a) of Audit Report, we hereby inform that some of the e-forms were filed belatedly due to some technical issues. Company has provided additional fee prescribed in Rule 12 of the Companies (Registration of offices and fees) Rules, 2014.

In reply to the observation by the Secretarial Auditor in point No.(vi)(b) of Audit Report, we hereby inform that, we are in the process of filing KYC documents in order to comply with the respective directions issued by Reserve Bank of India. Further we confirm that no penalties or fines have been imposed by RBI during the reporting period.

In reply to the observation by the Secretarial Auditor in point No.(vi)(c) of Audit Report, the reported issue is pertaining to one case and for that Company has timely transferred the amount to IEPF account. Due to the technical issues with the MCA site, we were not able to upload excel utility of that particular case in Form IEPF. Company has raised complaint with the MCA in this regard.

In reply to the observation by the Secretarial Auditor in point No.(vi)(d) of Audit Report, certain modules were not working in website during the inspection time. Subsequently Company has fixed the issue and all the details and documents as required are now available on website.

In reply to the observation by the Secretarial Auditor regarding calling of meeting at short notice, we hereby inform that for considering some emergency agenda, Board of directors had met by short notice by complying provisions of Companies Act, 2013 and applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

SECRETARIAL STANDARDS

The Company has complied with the applicable provisions of secretarial standards issued by The Institute of Company Secretaries of India.

CORPORATE SOCIAL RESPONSIBILITY

Your Company's Corporate Social Responsibility (CSR) activities are guided and monitored by its CSR Committee. The CSR Policy of the Company provides a broad set of guidelines including intervention areas. In the areas of preventive health care and promoting educations etc., Company has spent ₹ 172.73 lakhs for CSR activities. A report Pursuant to Section 135 of the Act & Rules made thereunder is annexed to this report **(Annexure III)**.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

The Company has not entered into any contracts or arrangements or transaction with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis during the year under review.

The details of material contracts or arrangement or transactions, report on arm's length transactions entered into by the Company during the period attached to and forming part of this report and annexed to this report **(Annexure IV)**.

DISCLOSURE AS REQUIRED UNDER COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014.

Disclosures as required under Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 are annexed together with this report **(Annexure V)**.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status of your Company and its future operations.

Members' attention is drawn to the below mentioned matters:

i. Service Tax demand

Customs, Excise and Service Tax Appellate Tribunal by its order dated February 01, 2022 set aside the Service Tax demand on interest collected from the customer above 18% for the period beginning from September 2004 to March 2016. By considering this, Company has decided not to consider any amount under contingent liability. Considering the demand of Service tax on money transfer service as per the same order, Company has created provision for ₹ 102.18 lakhs including interest.

ii. Applicability of Kerala Money Lending Act 1958

In the pending case of applicability of Kerala Money Lending Act 1958 to NBFCs, the Honorable Supreme Court of India via order dated May 10, 2022 has been ordered that Kerala Money Lending Act 1958 will have no application to NBFCs registered under the RBI Act and regulated by RBI.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

Except shifting of Registered office of the Company from Kosamattam Mathew K. Cherian Building, M. L. Road, Market Junction, Kottayam - 686 001 to Kosamattam City Centre, Floor Number 4th & 5th, T.B Road, Kottayam, Kerala-686001 w.e.f. April 21, 2022, no material changes and commitments affecting the financial position of your Company occurred between the end of the financial year to which this financial statement relate and the date of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not made any investment through not more than two layers of investment companies during the year under review. Further your Company has not directly or indirectly

- a) given any loan to any person or other body corporate other than usual advances envisaged in a contract of services or as a part of ordinary course of business, if any;
- b) given any guarantee or provide security in connection with a loan to any other body corporate or person and
- c) acquired by way of subscription purchase or otherwise, the securities of any other body corporate exceeding sixty percent of its paid-up share capital, free reserve and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more.

IT SECURITY

Your Company is governed by the IT framework recommended by RBI and various initiatives have been implemented in the area of IT and Cyber security to ensure industry standard security frame work. The operational processes are in place to monitor and manage effectiveness of the security initiatives taken by company. This includes, industry standard security practices, which include performing Vulnerability Assessment and Penetration tests to assess vulnerabilities in the application & IT Infrastructure.

RISK MANAGEMENT POLICY AND IMPLEMENTATION

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Your Company's risk management is embedded in the business processes. Your Company has identified the following risks:

| Key Risk | Impact to Kosamattam Finance Limited | Mitigation Plans |
|--|--|--|
| Interest Rate Risk | Any increase in interest rate will have an adverse effect on our net interest margin, there by adversely affecting business and financial condition of the Company. | By procuring low cost funds and increasing the own fund company may mitigate such risks. |
| Human Resources Risk | Your Company's ability to deliver value is dependent on its ability to attract, retain and nurture talent. Attrition and non- availability of the required talent resource can affect the overall performance of the Company | By continuously benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent. By putting in place production incentives on time bound basis and evaluating the performance at each stage of work. Also, recruitment is across almost all states of India which helps to mitigate this risk. |
| Competition Risk | Your Company is always exposed to competition Risk From various other non-banking finance companies. The increase in competition concrete pressure on margins, market share etc. | By continuous efforts to enhance the brand image of the Company by focusing on R&D, quality, Cost, timely customer service. By introducing new product range commensurate with demands your Company plans to mitigate the risks so involved. |
| Compliance Risk – Increasing Regulatory requirements | Any default can attract penal Provisions and will have adverse impact on the functioning of the Company. | By regularly monitoring and review of changes in regulatory framework. |
| Market Price Risk | Volatility in the market price of gold may adversely affect our financial condition, cash flows and results of operations. | By ensuring that sufficient security is available for every loan. |

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

Policy on Prevention and Redressal of Sexual Harassment at Workplace is in place as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no complaint received during the reporting period. Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace

DISCLOSURE IN RESPECT OF FRAUD

During the reporting financial year, 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 Kunankunte branch. Company had filed complaint at respective police stations.

The matter is currently pending.

DIRECTORS' RESPONSIBILITY STATEMENT

Directors' Responsibility Statement pursuant to the provisions of section 134 (5) of Companies Act, 2013 on the accounts of the Company for the year ended March 31, 2022 is given below:

1. In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2022 and of the Profit of the Company for that period;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the Financial Statements on a going concern basis;
5. The Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;
6. The Directors had devised proper system to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

CAUTIONARY NOTE

Certain statements in this Report may be forward-looking and are stated as may be required by applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental/related factors.

ACKNOWLEDGEMENT

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's performance.

The Directors would also like to thank the investors, Customers, Bankers, Government, Lead managers and all the other business associates for the continuous support given by them to the Company and their confidence in its Management.

For and on behalf of the Board of Directors

Place: Kottayam
Date: June 14, 2022

Sd/-
Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Annexure – I to directors' report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

COMPANY OVERVIEW

Founded by Chacko Varkey in 1850, the Kosamattam Group, has been striving to differentiate itself through customer-centricity, innovation, entrepreneurship, trustworthiness and values-driven operations, while balancing not only our own interest but taking in to account the interests of our customers, employees and civil society.

An important member of the group, Kosamattam Finance Limited is an NBFC focused on the gold loan segment, serving small vendors, businessmen, farmers, traders, salaried employees and individuals as its customers. Kosamattam also provides ancillary services such as Corporate Insurance Agency, Money Transfer Service, Full Fledged Money Changer, PAN Services, Travels, Depository Participant Services, Plantations, Windmill etc.

MACRO-ECONOMIC ENVIRONMENT

Of all the impactful factors over economic environment, two adversities, one old and another new, turn up as the most devastating. One is the Covid-19 with its ever renovating mutations and the other Russia-Ukraine conflict.

Though it is a solace that Covid-19 has turned from pandemic to endemic in many parts of the world, the virus has been a havoc in China for long, surfaced afresh in North Korea and continues to have its lingering effects in other places. Lockdowns in China lead to scarcities and supply chain disruptions in respect of minerals, chemicals and commodities.

The so called 'special operation' by Russia over Ukraine, that began in February 2022 and continuing till date in June, has resulted in unprecedented hardships to every economy and every society on the globe. Sanctions imposed on Russia by countries from east and west could not help in Russia ceasing the fire.

The two devastating factors together, have led to steep rise in prices of crude oil, edible oil, wheat and other supplies. The reports, of European countries have been chalking out long term strategies to halt import of petroleum products from Russia, would have further repercussions over the prices of crude oil. Resultantly inflation has been on fire everywhere in the world and all countries have been forced to raise interest rates in an attempt to clip the wings of high-flying vulture, called Inflation.

High interest rates in US led to FIIs rushing their monies from India back to USA which in turn has resulted in weakness of Rupee against dollar.

RBI has made an off-cycle rate rise already and few more are expected in June 2022 and later. The increases in policy rates had a cascading effect on interest rates on deposits and advances. Thus, banks and NBFCs would be compelled to pass on the rate rises to their customers. Lest, they have to be satisfied with reduced Net Interest Margin (NIM).

Keeping in view the current scenario, the World Bank revised the growth of global economy in 2022 to 3.2%, down from its previous estimate of 4.1%. It would be a steep decrease compared to 5.7% growth recorded in 2021.

On home front, the Reserve Bank of India also has trimmed India's economic growth forecast for 2022-23, from 7.8% to 7.2%. Revised estimate is significantly lower than the 9.2% growth achieved in 2021-22.

However, even the downgraded growth rate of 7.2% is still much better than the expected growth in many other countries. India's sweet spot occupation is on account of policy measures like the Production Linked Incentives (PLI) for green energy, semiconductor and electric vehicle industries, push for domestic defence supplies, digitisation of financial transactions, priority given for creation of infrastructure, etc.

India also has the blessings of mother nature in the form of normal monsoon expected in 2022.

TRENDS IN GOLD LOAN BUSINESS

For the last three to four years, gold loan NBFCs have registered decent growth. Reasons for the growth and emerging trends in our line of business are captured below:

- As household income contracted significantly following the Covid-19 induced lockdown, the demand for gold loans has been growing as a way to bridge the gap between income and expenses at the households.
- Lesser regulations and faster loan disbursals, than in banks, continue as the USPs of gold loan NBFCs.
- Of late, commercial banks have been expanding gold loans and fintech firms started entering the arena.
- Digital gold, as an asset class, is growing and its market value is estimated to be about \$2.5 billion at the end of FY 22.
- Launch of the spot exchange for gold by the National Stock Exchange (NSE) in association with India Bullion and Jewellers Association is expected to bring down the volatility in prices, which would be a positive factor for gold loans.
- Gold secured credit cards and wallets are being introduced into the market creating new opportunities for lenders and convenience to the borrowers.

SWOT ANALYSIS

| | |
|--|---|
| <p>Strengths</p> <p>Legacy: 150-year legacy of the group</p> <p>Potential: Loyal customer base</p> <p>Network: Close to 1,000-branch network</p> <p>Team: Able and experienced team</p> | <p>Weaknesses</p> <p>High cost of (funding compared to banks)</p> <p>High concentration in personal gold loans</p> <p>Challenges in storage of gold</p> |
| <p>Opportunities</p> <p>Untapped markets: Untapped potential in rural and urban markets</p> <p>Digital offerings: Deploy technology platform for business growth, better services and reduced costs</p> <p>Diversified products: Loan against digital gold</p> | <p>Threats</p> <p>Competition Competition from banks and fintech</p> <p>NPAs NPA in difficult times like Covid-19</p> <p>Security Fraud and robbery during assessment and storage of gold</p> |

REVIEW OF PERFORMANCE

Financial performance

Gross loan assets under management:

Our consolidated loan assets under management for FY 22 stood ₹ 4,00,725.00 Lakhs as against ₹ 3,47,826.38 Lakhs in FY 21 with a year on year growth of 15.21 %

Gold loan outstanding:

Our total gold loan outstanding is ₹ 3,65,802.24 Lakhs in FY 22, grown by 16.27 % from the FY 21 which was ₹ 3,14,609.59 Lakhs

Total borrowings

Total borrowings were ₹ 3,55,509.04 Lakhs in FY 22 in comparison with ₹ 3,13,584.01 lakhs in FY 21, with an increase of 13.37%

Average gold loan

The average gold loan per branch in FY 22 is ₹ 370.25 Lakhs, as against ₹ 332.92 lakhs in FY 21

Interest cost

Interest cost increased 16.85% to ₹ 36,915.29 Lakhs in FY 22 from ₹ 31,592.56 Lakhs in FY 21

Net interest margin

Net interest margin which was 7.38% in FY 21 and 6.98% in FY 22

Revenue:

Our total income grew to ₹ 62,478.73 Lakhs in FY 22 from ₹ 54,184.17 Lakhs in FY 21, registering a year-on-year increase of 15.31 %.

Profit before tax:

Profit before tax is ₹ 10,725.23 Lakhs in FY 22, against ₹ 9,599.36 Lakhs in FY 21.

Profit after tax:

Profit after tax achieved a year-on-year increase of 22.48 % and stood at ₹ 7,999.66 Lakhs in FY 22 vis-à-vis ₹ 6,531.58 Lakhs in the previous year.

Capital adequacy ratio:

The capital adequacy ratio stood at 18.65 % in FY 22 with a Tier I capital of 14.45 % and Tier II capital of 4.20 %

INTERNAL CONTROLS AND ADEQUACY

The Company has put in place an adequate internal control system to safeguard all its assets and ensure operational excellence. The system also meticulously records all transaction details and ensures regulatory compliance. The Company also has a team of internal auditors to conduct internal audit which ensure that all transactions are correctly authorised and reported. The reports are reviewed by the Audit Committee of the Board. Wherever necessary, internal control systems are strengthened, and corrective actions initiated. For and on behalf of the Board of Directors.

For and on behalf of the Board of Directors

Sd/-
Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Place: Kottayam
Date: June 14, 2022

Annexure - II to directors' report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,

Kosamattam Finance Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kosamattam Finance Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Kosamattam Finance Limited for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (i) SEBI (listing obligations and disclosure requirements) Regulations, 2015.
- (vi) Reserve Bank of India Act, 1934 and RBI directions and guidelines as are applicable to Non-Banking Finance Companies (NBFC) which is specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the debt Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- a) *The company has filed some statutory returns belatedly.*
- b) *The Company is yet to comply with CKYC directions issued by RBI dated 25th February, 2016 and the exchange of information in this regard is being validated by the apex bank.*
- c) *The Company did not upload details under Rule 5 of IEPF Rules, 2016.*
- d) *The Company has a few inconsistencies in maintaining its website entirely in accordance with Regulation 62 of LODR.*

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act

Adequate notice as prescribed by the Act was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except for some very short notices and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The said systems and processes need periodical review and revamp.

I further report that during the audit period the company has:

- a) Issued and allotted subordinated debt instruments by public issue amounting to ₹258526000.00 (rupees twenty five crores eighty five lakhs twenty six thousand).
- b) Issued and allotted secured non-convertible debentures by public issue amounting to ₹5373562000.00 (rupees five hundred and thirty seven crores thirty five lakhs and sixty two thousand).
- c) Redeemed secured non-convertible debentures amounting to ₹6426209000.00 (rupees six hundred and forty two crores sixty two lakhs and nine thousand).
- d) Exercised call option for perpetual debt instruments amounting to ₹44500000.00 (four crores forty five lakhs).
- e) Converted convertible preference shares in to equity amounting to ₹120000000.00 (rupees twelve crores).
- f) Issued and allotted equity shares on rights basis amounting to ₹10806250.00 (one crore eight lakhs six thousand two hundred and fifty) with premium of ₹32418750.00 (three crores twenty four lakhs eighteen thousand seven hundred and fifty).
- g) Issued and allotted equity shares on rights basis amounting to ₹102981300.00 (ten crores twenty nine lakhs eighty one thousand three hundred) with premium of ₹308943900.00 (thirty crores eighty nine lakhs forty three thousand nine hundred).

Place: Thrissur

Date: 21-05-2022

Signature:

Sd/-

Name : Maliekal Thobias Powell
Company Secretary in practice
ACS No. 10311 C P No.: 4091
UDIN: A010311D000358857

This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

'Annexure A'

The Members

Kosamattam Finance Limited

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Thrissur

Date: 21-05-2022

Signature:

Sd/-

Name : Maliekal Thobias Powell
Company Secretary in practice
ACS No. 10311 C P No.: 4091
UDIN: A010311D000358857

Annexure – III to directors' report

REPORT ON CSR ACTIVITIES/INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. Brief Outline of the CSR Policy

The Company has adopted the Corporate Social Responsibility Policy outlining the various activities defined in Schedule VII of the Companies Act, 2013. The Policy envisages the formulations of the CSR Committee which will recommend the amount of expenditure to be incurred on the activities referred to in the Policy to the Board and monitor the project/programs from time to time with reporting of the progress on such project/programs to the Board. The execution of the projects/programs is either by way of partnering through the implementing agencies or directly by the Company or through trust established by the Company.

Contents of the CSR policy of the Company are displayed on the website of the Company <http://www.kosamattam.com/corporate-social-responsibility-policy/>.

2. The Composition of the CSR Committee

The Corporate Social Responsibility Committee was reconstituted by way of board resolution dated June 25, 2018. The Committee comprise of the following members:

| Sr. No | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|--------|-------------------------|--------------------------------------|--|--|
| 1. | Mr. Mathew K. Cherian | Chairman cum Managing Director | 8 | 8 |
| 2. | Mrs. Laila Mathew | Whole Time Director | 8 | 8 |
| 3. | Mrs. Jilu Saju Varghese | Non-Executive Director | 8 | 8 |
| 4. | Mr. C Thomas John | Independent Director | 8 | 8 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company

Composition of the CSR committee shared above and is available on the Company's website on <https://www.kosamattam.com/corporate-social-responsibility-policy/>

CSR policy of the Company available on the website of the Company on <https://www.kosamattam.com/corporate-social-responsibility-policy/>

CSR projects available on the website of the Company on <https://www.kosamattam.com/corporate-social-responsibility-policy/>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| SL. No. | Financial Year | Amount available for set off from preceding financial year (in ₹) | Amount required to be setoff for the financial year, if any (in ₹) |
|---------|----------------|---|--|
| Nil | Nil | Nil | Nil |

6. Average Net Profit of the Company for last 3 financial years: ₹ 8,616.96 lakhs

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 172.34 lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 172.34 lakhs

8. (a) CSR amount spent or unspent for the financial year

| Total Amount Spent for the Financial Year (₹ in lakhs) | Amount Unspent (₹ in lakhs) | | | | |
|---|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) | | |
| | Amount | Date of Transfer | Name of the fund | Amount | Date of Transfer |
| ₹ 172.73 lakhs | Nil | Nil | Nil | Nil | Nil |

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year: (₹ in lakhs)

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|---------|--|---|-----------------------|-------------------------|-----------|--------------------------------------|---|--|-------------------------|
| Sr. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local area (Yes / No) | Location of the project | | Amount spent for the project (lakhs) | Mode of implementation - Direct (Yes/ No) | Mode of implementation - Through implementing agency | |
| | | | | State | District | | | Name | CSR registration number |
| 1 | Supply of free food kit to needy during Covid-19 pandemic | Eradicating Hunger | Yes | Kerala | Kottayam | 3.28 | Yes | - | NA |
| 2 | Provided mobile phones to needy students for their education | Promoting Education | Yes | Kerala | Kottayam | 0.79 | Yes | - | NA |
| 3 | Provided funds to start new business venture or to promote the existing venture by needy women | Empowering women | Yes | Kerala | Kottayam | 108.00 | Yes | - | NA |
| 4 | Provided funds to start new business venture or to promote the existing venture by needy women | Empowering women | Yes | Kerala | Idukki | 28.00 | Yes | - | NA |
| 5 | Provided funds to start new business venture or to promote the existing venture by needy women | Empowering women | Yes | Kerala | Ernakulam | 12.00 | Yes | - | NA |
| 6 | Financial assistance for construction of house | Setting up homes | Yes | Kerala | Kottayam | 20.66 | Yes | - | NA |

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 172.73 lakhs

(g) Excess amount for set off, if any: ₹ 0.39 lakhs

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sr. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under Section 135 (6) (₹ lakhs) | Amount spent in the reporting Financial Year (₹ lakhs) | Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any | | | Amount remaining to be spent in succeeding financial years (₹ lakhs) |
|---------|--------------------------|---|--|---|------------------|------------------|--|
| | | | | Name of the Fund | Amount (₹ lakhs) | Date of transfer | |
| 1 | 2020-2021 | Nil | - | - | - | - | - |
| 2 | 2019-2020 | 28.56 | - | - | - | - | - |
| 3 | 2018-2019 | 33.65 | - | - | - | - | - |

The Provision of transferring of unspent CSR amount to Unspent CSR Account was not applicable for the above-mentioned financial years.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---------|------------|---------------------|---|------------------|---|---|--|---|
| Sr. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project Amount (₹ lakhs) | Amount spent on the project in the reporting Financial Year (₹ lakhs) | Cumulative amount spent at the end of reporting Financial Year (₹ lakhs) | Status of the project - Completed / Ongoing |
| - | - | - | - | - | - | - | - | - |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

- Date of creation or acquisition of the capital asset(s): None
- Amount of CSR spent for creation or acquisition of capital asset: NIL
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):

Not Applicable

12. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, follows CSR objectives and Policy of the Company

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

For and on behalf of the Board of Directors

Place: Kottayam
Date: June 14, 2022

Sd/-
Mathew K Cherian
Chairman cum Managing Director/Chairman of CSR Committee
DIN: 01286073

Annexure – IV to directors' report

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

- Details of contracts or arrangements or transactions not at Arm's Length Basis: Nil
- Details of material contracts or arrangement or transactions at arm's length basis:

| | | |
|--|---|---|
| (a) Name(s) of the related party and nature of relationship: | Kosamattam Security System Partnership firm in which Managing Director and Whole-Time Director of the Company are only partners | 1. Mathew K. Cherian- Chairman cum Managing Director |
| | | 2. Laila Mathew- Whole Time Director |
| (b) Nature of contracts/ arrangements/transactions | Acquiring services from firm | Acquiring premises on rent |
| (c) Duration of the contracts / arrangements/transactions: | Usually annual, however, depends on the nature of transaction | As per the respective agreements. |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | Quotations were invited and considering the quality of the service dependability Company selects the fair quotation. | Quotations were invited and considering the quality of the service dependability Company selects the fair quotation. Company has entered in to lease agreement with the above mentioned related. |
| (e) Date(s) of approval by the Board, if any: | April 29, 2021 | April 29, 2021 |
| (f) Amount paid as advances, if any: | Nil | Nil |

For and on behalf of the Board of Directors

Place: Kottayam
Date: June 14, 2022

Sd/-
Mathew K Cherian
Chairman cum Managing Director
DIN: 01286073

Annexure – V to directors' report

Disclosure Pursuant to Rule 5 of Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Median remuneration of the employee for the financial year 2021-2022 is ₹ 1.56 lakhs;

Currency: ₹ in Lakhs

| Names of the Directors | Remuneration (₹ in lakhs) | Ratio to Median (in times) |
|---|---------------------------|----------------------------|
| Mr. Mathew K. Cherian, Chairman cum Managing Director | 417.50 | 267.63 |
| Mrs. Laila Mathew, Whole-Time Director | 393.50 | 252.24 |
| Mrs. Jilu Saju Varghese, Non-Executive Director | - | - |
| Mr. Kavil Viswambharan Raveendravilasam, Independent Director * | 0.05 | 0.03 |
| Mr. C. Thomas John, Independent Director* | 2.70 | 1.73 |
| Mr. Paul Jose Maliakal, Independent Director* | 1.20 | 0.77 |
| Mr. Sebastian Kurian, Independent Director* | 0.35 | 0.22 |

*Sitting fee paid to independent director

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Currency: ₹ in Lakhs

| Names of the Directors /Authorised persons | Remuneration for the FY 2021-2022 | Remuneration for the FY 2020-2021 | Percentage increase in remuneration (in %) |
|---|-----------------------------------|-----------------------------------|--|
| Mr. Mathew K. Cherian, Chairman cum Managing Director | 417.50 | 390.00 | 7.05 |
| Mrs. Laila Mathew, Whole-Time Director | 393.50 | 367.00 | 7.22 |
| Mrs. Jilu Saju Varghese, Non-Executive Director | - | - | - |
| Mr. Kavil Viswambharan Raveendravilasam, Independent director | 0.05 | 0.20 | -75.00 |
| Mr. C. Thomas John, Independent director | 2.70 | 1.95 | 38.46 |
| Mr. Paul Jose Maliakal, Independent director | 1.20 | 0.95 | 26.32 |
| Mr. Sebastian Kurian, Independent Director | 0.35 | Nil | 35.00 |
| Mr. Sreenath Palakkattil, Company Secretary | 12.85 | 9.38 | 36.99 |
| Mrs. Annamma Varghese C, Chief Financial Officer | 8.88 | 8.62 | 3.02 |

(iii) The percentage increase in the median remuneration of employees in the financial year: 5.41%

(iv) The number of permanent employees on the rolls of the Company: 3,470

(v) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel in 2021-2022 was 5.38%

Currency: ₹ in Lakhs

| Name of the Managerial person | Remuneration for the FY 2021-2022 | Remuneration for the FY 2020-2021 | Percentage increase in remuneration (in %) | Average percentile increase of other employees | Comparison with the percentile increase in the managerial Remuneration (in%) |
|---|-----------------------------------|-----------------------------------|--|--|--|
| Mr. Mathew K. Cherian, Chairman cum Managing Director | 417.50 | 390.00 | 7.05 | 5.38 | 1.67 |
| Mrs. Laila Mathew, Whole-Time Director | 393.50 | 367.00 | 7.22 | 5.38 | 1.84 |
| Mrs. Jilu Saju Varghese, Non- Executive Director | - | - | - | 5.38 | NA |
| Mr. Kavit Viswambharan Raveendravilasam, Independent director | 0.05 | 0.20 | -75.00 | 5.38 | -80.38 |
| Mr. C. Thomas John, Independent director | 2.70 | 1.95 | 38.46 | 5.38 | 33.08 |
| Mr. Paul Jose Maliakal, Independent director | 1.20 | 0.95 | 26.32 | 5.38 | 20.94 |
| Mr. Sebastian Kurian, Independent Director | 0.35 | - | 35.00 | 5.38 | 29.62 |
| Mr. Sreenath P., Company Secretary | 12.85 | 9.38 | 36.99 | 5.38 | 31.61 |
| Mrs. Annamma Varghese C, Chief Financial Officer | 8.88 | 8.62 | 3.02 | 5.38 | -2.36 |

(vi) **Affirmation that the remuneration is as per the remuneration policy of the Company.**

The Company affirms that remuneration is as per the remuneration policy of the Company.

(vii) **Names of employees who were in receipt of remuneration of at least ₹1.02 Cr during the year 2021-2022;**

Currency: ₹ in Lakhs

| Sl. No. | Name & Designation of the Employee | Remuneration | Nature of Employment | Qualification and Experience | Date of Commencement of Employment | Age | Last employment | % of equity shares | Relative of any director |
|---------|--|--------------|----------------------|--|------------------------------------|--------|-----------------|--------------------|---|
| 1 | Mr. Mathew K. Cherian, Managing Director | 417.50 | Contractual | S.S.L.C. Has nearly 4 decades experience in finance industry. | May 2004* | 07, 67 | NA | 59.23 | Husband of Mrs. Laila Mathew, Whole-Time Director and Father of Mrs. Jilu Saju Varghse, Non- Executive Director |
| 2 | Mrs. Laila Mathew, Whole-Time Director | 393.50 | Contractual | Pre-degree. Has nearly 3 decades experience in finance industry. | May 2004# | 07, 65 | NA | 13.90 | Wife of Mr. Mathew K. Cherian, Managing Director and Mother of Mrs. Jilu Saju Varghse, Non-Executive Director |

*Reappointed as a Chairman cum Managing director for further period of 5 years w.e.f. June 08, 2018 # Reappointed as a Whole-Time Director for further period of 5 years w.e.f. June 08, 2018

- (viii) There were no employees employed in a part of the last financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;
- (ix) There were no employees employed throughout the financial year or part thereof, was in receipt of remuneration in the last year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

For and on behalf of the Board of Directors

Sd/-

Mathew K Cherian

Chairman cum Managing Director

DIN: 01286073

Place: Kottayam
Date: June 14, 2022

INDEPENDENT AUDITOR'S REPORT

To The Members of,
Kosamattam Finance Limited
CIN: U65929KL1987PLC004729

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Kosamattam Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon. So we do not provide a separate opinion on these matters. We have determined the matter described below as the Key Audit Matter to be communicated in our report

Key Audit Matters

Ind-AS 109 (Financial Instruments) requires the Company to recognise Expected Credit Loss (ECL) and impairment loss allowances on financial assets, which involves application of significant judgement and estimates including use of key assumptions such as probability of default and loss given default. The outbreak of the COVID - 19 pandemic and its post impact necessitate that the Company shall specifically consider the possible impact of uncertainties associated with the same in applying such judgement and estimates.

Management estimates impairment provision using Expected Credit loss model for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements and assumptions are:

Prompt and judicious identification and classification of the impaired loans, and determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors. The estimation of Expected Credit Loss (ECL) on financial instruments involves significant judgements and estimates. Following are points with increased level of audit focus:

Audit Procedures adopted

We have evaluated the management's process and tested key controls around the determination of expected credit loss allowances, including controls relating to:

- The identification of events leading to a significant increase in risk and credit impairment events and
- The determination of the impaired credit loss allowances and the key assumptions including probability of default and loss given default on a forward-looking basis having regard to historical experiences.

We understood and assessed the appropriateness of the impairment methodology developed and used by the management at the entity level, including with reference to the possible impact of the uncertainties associated with the post COVID-19 impacts. We tested the accuracy of key data inputs and calculations used in this regard.

We found that these key controls as above, were designed, implemented and operated effectively, and therefore have relied on these key controls and management's assessment of financial impact for the purposes of our audit of ECL and impairment loss allowances.

| Key Audit Matters | Audit Procedures adopted |
|--|---|
| <p>Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of recent Covid-19 epidemic and its continuing effects in the economy.</p> <p>Accounting interpretations, modelling assumptions and data used to build and run the models and measurement of individual borrowers' provisions. Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment arising out of the COVID 19 Pandemic.</p> | <p>We have evaluated the management's process in estimation of future cash receipts for the purpose of determination of EIR including identification of factors like expected behaviour, life cycle of the financial asset and probable fluctuation in collateral value. We tested the accuracy of key data inputs and calculations used in this regard.</p> <p>We tested the completeness of loans included in the Expected Credit Loss calculations as of 31 March 2022.</p> <p>We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage.</p> <p>We performed an overall assessment of the ECL provision levels at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment. We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.</p> |

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Standalone Financial Statements and our report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to preparation of the Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standard (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis for accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with standards on auditing, we exercise professional judgment and professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence

that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control systems in place and operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 2016, issued by the Reserve Bank of India In exercise of the powers conferred by sub-section (1A) of Section 45MA of the Reserve Bank of India Act, 1934, we give in the **"Annexure 1"**, an additional Audit Report addressed to the Board of Directors containing our statements on the matters specified therein.
2. As required by section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report agree with the books of account and returns.
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS prescribed under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure 2"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rule, 2014, as amended in our opinion and to the best of our information and according to explanations given to us:
 - i. The company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. Dividend (on Preference share capital) declared or paid during the year are in compliance with Section 123 of companies Act, 2013
3. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure 3"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

For S G S & Company
Chartered Accountants
Firm registration No: 009889S

Sd/-
CA Sanjo NG, FCA, DISA (ICAI)
Partner
Membership No :211952
UDIN: 22211952AJZBSF9021

Place: Thrissur
Date: May 21, 2022

ANNEXURE 1 TO THE AUDITOR'S REPORT

**To the Board of Directors of,
Kosamattam Finance Limited
CIN: U65929KL1987PLC004729**

We have audited the Balance Sheet of Kosamattam Finance Limited for the year ended on March 31, 2022, the Statement of Profit and Loss (Including Other Comprehensive Income), the statement of changes in equity and the Statement of Cash Flows for the year then ended annexed thereto. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016, and according to the information and explanations given to us, we provide herewith, a statement on the matters specified in paragraphs 3 and 4 of the aforesaid directions;

- i. The company is engaged in the business of Non-Banking Financial Institution and it has obtained the certificate of registration as provided in section 45-IA of the RBI Act, 1934.
- ii. The Company is entitled to continue to hold the Certificate of Registration in terms of the Asset/Income pattern as on March 31, 2022.
- iii. The company is meeting the requirements of net owned funds as laid down in master directions -Nonbanking financial company - Systemically important non-deposit taking company and deposit taking company Reserve Bank) Directions, 2016.
- iv. The Board of Directors of the Company has passed a resolution for non-acceptance of public deposit.
- v. The Company has not accepted any public deposit during the period under review.
- vi. According to the information and explanation given to us, the Company has complied with the prudential norms on Income Recognition, Indian Accounting Standards, Asset Classification, Provisioning for bad and doubtful debts as specified in the direction issued by the Reserve Bank of India in terms of the Master Direction – Non-Banking Financial Company –Systemically Important Non-Deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016.
- vii. The capital adequacy ratio as disclosed in the return submitted to RBI in terms of Master Direction – Non-Banking Financial Company – Systemically Important Non- deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016, has been correctly arrived at and such ratio is in compliance with the minimum CRAR as prescribed by the Reserve Bank of India.
- viii. The Company has furnished to RBI the annual statement of Capital Fund, risk assets/Exposures and risk assets ratio within the stipulated period
- ix. The Company has not been classified as NBFC-MFI for the year ended March 31, 2022.

The report has been issued pursuant to the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016 and is issued to the Board of Directors of the Company as required by Paragraph 2 of such directions and should not be used for any other purpose.

For S G S & Company

Chartered Accountants

Firm registration No: 009889S

CA Sanjo N G, FCA, DISA (ICAI)

Partner

Membership No :211952

UDIN: 22211952AJZBSF9021

Place: Thrissur

Date: May 21, 2022

ANNEXURE 2 TO THE AUDITOR'S REPORT

of even date on the Standalone Financial Statements of Kosamattam Finance Limited (CIN: U65929KL1987PLC004729) for the year ended 31 March 2022.

(Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Adequacy of Internal financial controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kosamattam Finance Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of the internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by The Institute of Chartered Accountants of India and the standards on auditing prescribed under section 143(10) of the Companies act 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of the Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and the dispositions of the assets of the Company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of the Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S G S & Company

Chartered Accountants

Firm registration No: 009889S

CA Sanjo N.G, FCA, DISA (ICAI)

Partner

Place: Thrissur

Date: May 21, 2022

Membership No :211952

UDIN: 22211952AJZBSF9021

ANNEXURE 3 TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 under 'Report on other legal and regulatory requirements' section of our report to the members of Kosamattam Finance Limited (CIN: U65929KL1987PLC004729) of even date)

To the best of our information and according to the explanations provided to us by the company and books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's property, plant and equipment and intangible assets:
 - a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situations of property, plant and equipment and relevant details of right-of use assets.
 - (B) The company is maintaining proper records showing full particulars of intangible assets.
 - b) Property, plant and equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - c) The title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of lessee) disclosed in the financial statements are held in the name of the company.
 - d) The company has not revalued any of its property, plant and equipment (including right of use of assets) and intangible assets during the year.
 - e) No proceedings have been initiated or are pending against the company for holding any benami property under the benami transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under
- ii.
 - a) The company is a service company, primarily rendering financial services. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) (a) of the order is not applicable.
 - b) The company has working capital limits in excess of five crore rupees, from banks or financial institutions on the basis of security of current asset; the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the company.
- iii.
 - a) The company being an NBFC whose principle business is to give loans is exempt from clause 3(iii) (a).
 - b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees are, prima facie, not prejudicial to the company's interest.
 - c) In respect of loans granted by the company, the schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and receipts of interest are generally been regular except in few cases.
 - d) According to the information and explanations given to us and based on the audit procedures performed by us, there is an overdue amount of Rs 57,42,28,728 for more than ninety days. Reasonable steps have been taken by the company for recovery of principle and interest.
 - e) The company being an NBFC whose principle business is to give loans is exempt from clause 3(iii) (e).
 - f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying the terms or period of repayment during the year. Hence, reporting under clause 3(iii) (f) is not applicable.
- iv. In our opinion and according to the information and explanation given to us and based on the audit procedures conducted by us, the company has complied with the provision of sections 185 and 186 of the Act, with respect to loans and advances granted, guarantees and securities provided and investments made by the company during the year.
- v. The Company has not accepted any deposits from the public during the year which attract the directives issued by the Reserve Bank of India. Being a Non- Banking Finance Company, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder regarding acceptance of deposits are not applicable. Therefore, the reporting requirement under clause (v) of paragraph 3 of the Order is not applicable.
- vi. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the company.
- vii.
 - a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods

and Services Tax, Duty of customs, Cess and any other material statutory dues, as applicable to the Company to the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed statutory dues payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Services Tax, Duty of Customs, Cess and other material statutory dues were outstanding as at March 31, 2022, for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute except the amounts disclosed in Note No.37 Contingent Liabilities forming part of the Standalone Financial Statements.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix.

- a) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of loans or other borrowings or in the payment of interest there on to any lender.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institutions or any other government authority.
- c) In our opinion and according to the information and explanations given to us and relying on the certificates issued by another auditor (SA 600), the company has utilized money obtained by way of term loans during the year for the purposes for which they were obtained, except for temporary deployment of surplus funds.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been used for long term purposes by the company.
- e) The company does not hold any investment in any subsidiary, associates or joint ventures (as defined under the companies act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- f) The company does not hold any investment in any subsidiary, associates or joint ventures (as defined

under the companies act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.

x.

- a) In our opinion and according to the information and explanations given to us, the company has utilised the money raised by way of initial public offer/further public offer (including debt instruments) for the purpose for which they were raised.
- b) In our opinion and according to the information and explanations obtained by us, the company has complied with the provisions of sections 42 and 62 of the companies Act, 2013 in connection with funds raised through preferential allotment/ private placement of shares/ fully / partially/ optionally convertible debentures and the same have been utilised for the purpose for which they were raised.

xi.

- a) According to the information and explanations given to us, instances of fraud on the Company by its officers or employees has been noticed, amounting to Rs. 4.65 Crores as per the FMR reports to RBI on 08.07.2021 and 11.10.2021 in two branches during the current year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) There were no whistle blower complaints received by the Company during the year (and up to the date of this report). Hence reporting under clause xi (c) is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv.

- a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the company issued till date, for the period under audit.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi.

- a) In our opinion and according to the information and explanations given to us, the company is required to obtain the registration under section 45-IA and the necessary registration has been duly obtained.
- b) In our opinion, the Company has conducted Non-Banking financial activities with a valid certificate of registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) In our opinion, according to the information and explanations given to us, the company is not a Core Investment Company and hence clause xvi (C) is not applicable.
- d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors of the Company during the year. There are no issues, objections or concerns raised by the outgoing auditors.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty

exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx.

- a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b) There are no unspent amount on ongoing projects which requires to be transferred to special account in compliance with 135 (6) of the Companies Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year

For S G S & Company

Chartered Accountants

Firm registration No: 009889S

CA Sanjo N G, FCA, DISA (ICAI)

Partner

Membership No :211952

UDIN: 22211952AJZBSF9021

Place: Thrissur**Date:** May 21, 2022

BALANCE SHEET

AS AT MARCH 31, 2022

Currency : ₹ in Lakhs

| Particulars | Note No. | As at March 31, | |
|---|----------|--------------------|--------------------|
| | | 2022 | 2021 |
| I. ASSETS | | | |
| (1) Financial assets | | | |
| (a) Cash and cash equivalents | 5.1 | 7,301.97 | 16,358.86 |
| (b) Bank Balance other than (a) above | 5.2 | 26,838.69 | 17,485.65 |
| (c) Receivables | | | |
| (I) Trade receivables | 6.1 | 14.08 | 7.37 |
| (II) Other receivables | 6.2 | 69.50 | 22.33 |
| (d) Loans | 7 | 4,00,725.00 | 3,47,826.38 |
| (e) Other financial assets | 8 | 1,338.45 | 1,259.52 |
| (2) Non-financial assets | | | |
| (a) Current tax assets (net) | 9 | 1,562.56 | 1,095.74 |
| (b) Deferred tax assets (net) | 31.1 | 916.06 | 843.13 |
| (c) Property, plant and equipment | 10 | 12,168.48 | 12,278.28 |
| (d) Capital Work in Progress | 10.1 | 36.49 | - |
| (e) Right of use assets | 11 | 3,720.70 | 3,650.13 |
| (f) Other intangible assets | 12 | 234.07 | 261.14 |
| (g) Other non-financial assets | 13 | 1,963.07 | 1,466.63 |
| Total Assets | | 4,56,889.12 | 4,02,555.16 |
| II. LIABILITIES AND EQUITY | | | |
| Liabilities | | | |
| (1) Financial liabilities | | | |
| (a) Payables | | | |
| (I) Trade payables | 14.1 | | |
| (i) total outstanding dues of micro-enterprises and small enterprises | | 113.61 | - |
| (ii) total outstanding dues of creditors other than micro-enterprises and small enterprises | | 127.09 | 165.08 |
| (II) Other payables | 14.2 | - | - |
| (i) total outstanding dues of micro enterprises and small enterprises | | 1.77 | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 142.90 | 199.32 |
| (b) Debt securities | 15 | 2,23,564.73 | 2,28,322.99 |
| (c) Borrowings (other than debt securities) | 16 | 1,31,944.31 | 85,261.02 |
| (d) Subordinated liabilities | 17 | 30,014.98 | 31,987.38 |
| (e) Lease liabilities | 11.1 | 3,911.13 | 3,777.99 |
| (f) Other financial liabilities | 18 | 400.98 | 194.82 |
| (2) Non-financial liabilities | | | |
| (a) Provisions | 19 | 726.95 | 431.06 |
| (b) Other non-financial liabilities | 20 | 238.25 | 156.65 |
| (3) Equity | | | |
| (a) Equity share capital | 21 | 21,687.93 | 20,250.05 |
| (b) Other equity | 22 | 44,014.49 | 31,808.80 |
| Total Liabilities and Equity | | 4,56,889.12 | 4,02,555.16 |
| See accompanying notes to the financial statements | | | |

For and on behalf of the Board of Directors

Sd/-

Mathew K Cherian

Chairman cum Managing Director
DIN: 01286073

Sd/-

Laila Mathew

Whole-time Director
DIN: 01286176

As per our report of even date attached

For SGS & Company

Chartered Accountants
Firm Reg No. 009889S

Sd/-

Annamma Varghese C

Chief Financial Officer

Sd/-

Sreenath Palakkattillam

Company Secretary

Sd/-

CA Sanjo N.G, F.C.A., D.I.S.A. (ICAI)

Partner
Membership No. 211952
UDIN: 22211952AJZBSF9021

Place: Kottayam

Date: May 21, 2022

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

Currency : ₹ in Lakhs

| Particulars | Note No. | Year ended March 31, | |
|---|----------|----------------------|------------------|
| | | 2022 | 2021 |
| Revenue from operations | | | |
| (a) Interest income | 23 | 62,126.39 | 53,799.22 |
| (b) Fees and commission income | 24 | 338.26 | 375.81 |
| (I) Total Revenue from operations | | 62,464.65 | 54,175.03 |
| (II) Other Income, net | 25 | 14.08 | 9.14 |
| (III) Total Income (I + II) | | 62,478.73 | 54,184.17 |
| Expenses | | | |
| (a) Finance costs | 26 | 36,915.29 | 31,592.56 |
| (b) Impairment on financial instruments | 27 | 569.59 | 732.78 |
| (c) Employee benefits expenses | 28 | 8,358.88 | 7,399.53 |
| (d) Depreciation, amortization and impairment | 29 | 2,723.27 | 2,409.31 |
| (e) Other expenses | 30 | 3,186.47 | 2,450.63 |
| (IV) Total Expenses | | 51,753.50 | 44,584.81 |
| (V) Profit/(loss) before tax (III- IV) | | 10,725.23 | 9,599.36 |
| Tax Expense: | 31 | | |
| (a) Current tax | | 2,762.33 | 2,529.52 |
| (b) Deferred tax | | (36.76) | 228.53 |
| (c) Income Tax relating to earlier years | | - | 309.73 |
| VI) Total Tax Expenses | | 2725.57 | 3067.78 |
| (VII) Profit/ (loss) for the period (V-VI) | | 7,999.66 | 6,531.58 |
| Other Comprehensive Income | | | |
| A) (i) Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit plan | | (143.78) | (9.32) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 36.19 | 2.35 |
| Subtotal (A) | | (107.59) | (6.97) |
| B) (i) Items that will be reclassified to profit or loss | | | |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Subtotal (B) | | - | - |
| (VIII) Other Comprehensive Income (A + B) | | (107.59) | (6.97) |
| (IX) Total Comprehensive Income for the period (VII+VIII) | | 7,892.07 | 6,524.61 |
| (X) Earnings per equity share (for continuing operations) | 32 | | |
| (Face value of ₹10/- each) | | | |
| Basic (₹) | | 3.83 | 3.31 |
| Diluted (₹) | | 3.83 | 3.12 |
| See accompanying notes to the financial statements | | | |

For and on behalf of the Board of Directors

Sd/-

Mathew K Cherian

Chairman cum Managing Director

DIN: 01286073

Sd/-

Laila Mathew

Whole-time Director

DIN: 01286176

Sd/-

Annamma Varghese C

Chief Financial Officer

Sd/-

Sreenath Palakkattillam

Company Secretary

As per our report of even date attached

For SGS & Company

Chartered Accountants

Firm Reg No. 009889S

Sd/-

CA Sanjo N.G, F.C.A., D.I.S.A. (ICAI)

Partner

Membership No. 211952

UDIN: 22211952AJZBSF9021

Place: Kottayam

Date: May 21, 2022

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

Currency : ₹ in Lakhs

| Particulars | Year ended March 31, | |
|--|----------------------|--------------------|
| | 2022 | 2021 |
| A) Cash flow from operating activities | | |
| Profit before tax | 10,725.23 | 9,599.36 |
| Adjustments to reconcile profit before tax to net cash flows: | | |
| Depreciation, amortisation and impairment | 2,792.37 | 2,473.57 |
| Interest Income | (62,126.39) | (53,841.02) |
| Profit on sale of Property, plant, and equipment | (0.78) | (2.14) |
| Finance costs | 36,915.29 | 31,592.56 |
| Impairment on financial instruments | 466.73 | 732.78 |
| Bad debts written off | 0.67 | - |
| Provision for Gratuity | 61.33 | 64.83 |
| Cash inflow from interest on loans | 58,619.14 | 49,798.35 |
| Cash outflow towards finance costs | (30,646.62) | (30,756.50) |
| Operating Profit Before Working Capital Changes | 16,806.97 | 9,661.79 |
| Adjustments for: | | |
| (Increase)/Decrease in other receivables | (53.88) | 18.42 |
| (Increase)/Decrease in Loans | (51,386.10) | (48,044.17) |
| (Increase)/Decrease in Other financial assets | 23.18 | 25.77 |
| (Increase)/Decrease in Other non-financial asset | (496.44) | (606.77) |
| Increase/(Decrease) in Other financial liabilities | 242.16 | 21.96 |
| Increase/(Decrease) in Other non-financial liabilities | 81.59 | 76.06 |
| Increase/(Decrease) in Payables | 20.97 | (98.91) |
| Increase/(Decrease) in Provisions | 90.78 | (4.36) |
| Cash used in operations | (34,670.77) | (38,950.21) |
| Income tax paid (net of refunds) | (3,229.16) | (2,953.36) |
| Net cash from / (used in) operating activities | (37,899.93) | (41,903.57) |

Currency : ₹ in Lakhs

| Particulars | Year ended March 31, | |
|---|----------------------|-------------------|
| | 2022 | 2021 |
| B) Cash flow from investing activities | | |
| Purchase of Property, plant, and equipment and intangible assets | (974.25) | (1,056.25) |
| Proceeds from sale of property, plant, and equipment's | 1.48 | 3.62 |
| (Increase) / decrease in other bank balance | (9,353.04) | (5,804.68) |
| Interest received on fixed deposits | 1,425.23 | 811.89 |
| Net cash from / (used in) investing activities | (8,900.58) | (6,045.42) |
| C) Cash flow from financing activities | | |
| Proceeds from issue of equity share capital (including share premium) | 5,751.50 | 3,487.61 |
| Increase / (decrease) in debt securities | (10,765.88) | 24,089.48 |
| Increase / (decrease) in borrowings (other than debt securities) | 46,683.28 | 33,072.65 |
| Cash outflow towards Lease | (2,087.37) | (1,832.20) |
| Increase / (decrease) in Subordinate liabilities | (1,837.92) | 1,997.12 |
| Net cash from / (used in) financing activities | 37,743.62 | 60,814.66 |
| D) Net increase/(decrease) in cash and cash equivalents (A+B+C) | (9,056.89) | 12,865.67 |
| Cash and cash equivalents at beginning of the period | 16,358.86 | 3,493.19 |
| Cash and cash equivalents at March 31, 2022/ March 31, 2021 (Refer note 5.1) | 7,301.97 | 16,358.86 |

The above Statement of cash flow has been prepared under the indirect method set out in Ind-AS 7 - Statement of Cash Flow.

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

Sd/-

Mathew K Cherian

Chairman cum Managing Director

DIN: 01286073

Sd/-

Laila Mathew

Whole-time Director

DIN: 01286176

Sd/-

Annamma Varghese C

Chief Financial Officer

Sd/-

Sreenath Palakkattillam

Company Secretary

As per our report of even date attached

For SGS & Company

Chartered Accountants

Firm Reg No. 009889S

Sd/-

CA Sanjo N.G, F.C.A., D.I.S.A. (ICAI)

Partner

Membership No. 211952

UDIN: 22211952AJZBSF9021

Place: Kottayam

Date: May 21, 2022

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

Equity shares of ₹10/- each issued, subscribed and fully paid

(1) Current Reporting Period

Currency: ₹ in Lakhs

| Balance as at April 01, 2021 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance as at March 31, 2022 |
|------------------------------|--|---|---|------------------------------|
| 20,250.05 | - | 20,250.05 | 1,437.88 | 21,687.93 |

(2) Previous Reporting Period

Currency: ₹ in Lakhs

| Balance as at April 01, 2020 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance as at March 31, 2021 |
|------------------------------|--|---|---|------------------------------|
| 19,160.18 | - | 19,160.18 | 1,089.87 | 20,250.05 |

B. Other Equity

(1) Current Reporting Period

Currency: ₹ in Lakhs

| Particulars | Reserves and Surplus | | | | | | | Other items of Other Comprehensive Income (Re measurement of defined benefit plans)) | Total |
|---|-----------------------|--------------------|--|--------------------|-----------------|-------------------|---------------------|--|-----------|
| | Capital Total Reserve | Securities Premium | Reserve Fund U/S 45-IC (1) of RBI Act, 1934* | Impairment Reserve | General Reserve | Retained Earnings | Revaluation Surplus | | |
| Balance as at April 01, 2021 | 9.07 | 2,755.03 | 6,679.58 | 3,403.13 | 11,660.97 | 7,278.25 | 2.86 | 19.91 | 31,808.80 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of the current reporting period | 9.07 | 2,755.03 | 6,679.58 | 3,403.13 | 11,660.97 | 7,278.25 | 2.86 | 19.91 | 31,808.80 |
| Total Comprehensive Income for the current year | - | - | - | - | - | - | - | (107.60) | (107.60) |
| Dividends | - | - | - | - | - | - | - | - | - |
| Transfer to/(from) Retained earnings | - | - | 1,599.94 | 685.61 | - | (2,285.55) | - | - | - |
| Shares issued on rights issue basis | - | 4,313.63 | - | - | - | - | - | - | 4,313.63 |
| Profit for the year (net of taxes) | - | - | - | - | - | 7,999.66 | - | - | 7,999.66 |
| Balance as at March 31, 2022 | 9.07 | 7,068.66 | 8,279.52 | 4,088.74 | 11,660.97 | 12,992.36 | 2.86 | (87.69) | 44,014.49 |

(2) Previous Reporting Period

Currency: ₹ in Lakhs

| | Reserves and Surplus | | | | | | | Other items of Other Comprehensive Income (Re measurement of defined benefit plans)) | Total |
|--|-----------------------|--------------------|--|--------------------|-----------------|-------------------|---------------------|--|-----------|
| | Capital Total Reserve | Securities Premium | Reserve Fund U/S 45-IC (1) of RBI Act, 1934* | Impairment Reserve | General Reserve | Retained Earnings | Revaluation Surplus | | |
| Balance as at April 01, 2020 | 9.07 | 357.30 | 5,349.28 | 2,591.42 | 11,660.97 | 2,888.68 | 2.86 | 26.88 | 22,886.46 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of the previous reporting period | 9.07 | 357.30 | 5,349.28 | 2,591.42 | 11,660.97 | 2,888.68 | 2.86 | 26.88 | 22,886.46 |
| Total Comprehensive Income for the previous year | - | - | - | - | - | - | - | (6.97) | (6.97) |
| Dividends | - | - | - | - | - | - | - | - | - |
| Transfer to/(from) Retained earnings | - | - | 1,330.30 | 811.71 | - | (2,142.01) | - | - | - |
| Shares issued on rights issue basis | - | 2,397.73 | - | - | - | - | - | - | 2,397.73 |
| Profit for the year (net of taxes) | - | - | - | - | - | 6,531.58 | - | - | 6,531.58 |
| Balance as at March 31, 2021 | 9.07 | 2,755.03 | 6,679.58 | 3,403.13 | 11,660.97 | 7,278.25 | 2.86 | 19.91 | 31,808.80 |

*As required by section 45-IC of the RBI Act 1934, the Company maintains a reserve fund and transfers there in a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared. The Company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date, RBI has not specified any purpose for the appropriation of Reserve fund maintained under section 45-IC of RBI Act, 1934.

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

Sd/-

Mathew K CherianChairman cum Managing Director
DIN: 01286073

Sd/-

Laila MathewWhole-time Director
DIN: 01286176

Sd/-

Annamma Varghese C

Chief Financial Officer

Sd/-

Sreenath Palakkattillam

Company Secretary

As per our report of even date attached

For SGS & Company

Chartered Accountants
Firm Reg No. 009889S

Sd/-

CA Sanjo N.G., F.C.A., D.I.S.A. (ICAI)Partner
Membership No. 211952
UDIN: 22211952AJZBSF9021

Place: Kottayam

Date: May 21, 2022

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

1 Corporate Information

Kosamattam Finance Limited is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its debt securities are listed on the Bombay Stock Exchange. The Company had been primarily incorporated as a Private Limited Company and converted into a Public Limited Company on November 22, 2013.

The Company is a Non-Banking Finance Company ('NBFC'), which provides a wide range of fund-based and fee-based services including gold loans, money exchange facilities, etc. The Company is a Systemically Important Non-Deposit Taking Non-Banking Financial Company Registered under Sec 45IA of RBI Act. The Company currently operates through 988 branches spread across the country.

The registration details are as follows:

| | |
|--|------------------------------|
| RBI | B-16.00117 |
| Corporate Identity Number (CIN) | U65929KL1987PLC004729 |

The financial statements of the Company for the year ended March 31, 2022, were approved for issue in accordance with the resolution of the Board of Directors on May 21, 2022

2 Basis of preparation and presentation

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements may require further adjustments, if any, necessitated by the guidelines/clarifications/directions issued in future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Fair value through other comprehensive income (FVOCI) instruments,
- Other financial assets held for trading,
- 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: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from a contract with the customer for rendering services is recognized at a point in time when the performance obligation is satisfied.

3.3 Financial instruments

A. Financial Assets

3.3.1 Initial recognition and measurement

All financial assets are recognized initially at fair value when the parties become parties to the contractual provisions of the financial asset. In the case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

3.3.2 Subsequent measurement

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

a. Financial assets measured at amortized cost

A financial asset is measured at Amortised Cost if it is

held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is measured at FVTPL.

B. Financial liabilities

3.3.3 Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, non-convertible debentures, loans, and borrowings including bank overdrafts.

3.3.4 Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.4 Derecognition of financial assets and liabilities

3.4.1 Financial Asset

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

3.4.2 Financial Liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability with the difference charged to profit or loss.

3.5 Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and

liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously in all the following circumstances:

- a. The normal course of business
- b. The event of default
- c. The event of insolvency or bankruptcy of the Company and/or its counterparties

3.6 Impairment of financial assets

In accordance with Ind AS 109, the Company uses the 'Expected Credit Loss model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

Further, in accordance with RBI circular no. RBI/2019-20/170 dated March 13, 2020, the impairment allowances as per ECL shall be compared with the required provisioning under IRACP. If the impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP the difference is appropriated from net profit after tax to 'Impairment Reserve'.

3.6.1 Overview of the Expected Credit Loss (ECL) model

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

- At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.
- At an amount equal to 12-month expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses mean expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses mean the portion of Lifetime ECL that represents the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial asset's credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses.

Based on the above process, the Company categorizes its loans into three stages as described below:

For non-impaired financial assets

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial asset. In assessing whether credit

risk has increased significantly, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. Interest revenue is calculated on the gross carrying amount of the asset.

- Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognizes lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision. Interest revenue is calculated on the gross carrying amount of the asset.

For impaired financial assets:

Financial assets are classified as stage 3 when there is objective evidence of impairment at the reporting date.

The Company recognizes lifetime ECL for impaired financial assets and interest revenue is calculated on the net carrying amount of the asset.

3.6.2 Estimation of Expected Credit Loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral.

Forward-looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. Periodically, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation, etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective

of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as Land, buildings, securities, etc. However, the fair value of collateral affects the calculation of ECL. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral is valued based on data provided by third parties or management judgments. In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes of such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet. Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

3.7 Determination of fair value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

3.9 Bank Balances other than cash and cash equivalents

Bank balances other than cash and cash equivalents include earmarked balances with banks and balances which are held as margin money or security against borrowings, guarantees, and other commitments.

3.10 Other receivables

Other receivables mean receivables emanating from items that are classified as 'others' under 'Revenue from Operations'.

3.11 Property, plant, and equipment

Property, plant, and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment if any. Cost of an item of property, plant, and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant, and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress. Subsequent expenditure related to the asset is added to its carrying amount or recognized as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.11.1 Depreciation

Depreciation on property, plant, and equipment is calculated using written down value method (WDV) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:

| Particulars | Useful Life |
|-----------------------------------|-------------|
| Building | 60 Years |
| Building - Compound Wall and Well | 5 Years |
| Furniture and Fixtures | 10 Years |
| Electrical Fittings | 10 Years |
| Computer | 3 Years |
| Vehicles | 8 Years |
| Plant and Machinery | 22/15 Years |

The residual values, useful lives, and methods of depreciation of property, plant, and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates.

Property, plant, and equipment are derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income/expense in the statement of profit and loss in the year the asset is derecognized. The date of disposal of an item of property, plant, and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.12 Intangible assets

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Subsequent expenditure related to the asset is added to its carrying amount or recognized as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortized on a straight-line basis over a period of 10 years unless it has a shorter useful life.

Gains or losses from the derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit or Loss when the asset is derecognized.

3.13 Impairment of non-financial assets: Property, Plant and Equipment and Intangible Assets

The Company assesses, at each reporting date, whether there is any indication that any property, plant and equipment, and intangible assets or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. A recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

3.14 Finance costs

Finance costs represent interest expense recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

- a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortized cost of financial liability.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. Any subsequent changes in the estimation of the future cash flows are recognized in interest income with the corresponding adjustment to the carrying amount of the assets.

3.15 Employee Benefits Expenses

3.15.1 Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include benefits such as salaries, wages, short-term compensated absence, etc. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

3.15.2 Post-Employment Benefits

A. Defined contribution schemes

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund at the prescribed rates and are charged to Statement of Profit and Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.

B. Defined Benefit schemes

Gratuity

The Company provides for gratuity covering eligible employees under which a lump sum payment is paid to vested employees at retirement, death, incapacitation, or termination of employment, of an amount reckoned on the respective employee's salary and his tenure of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under a defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

An actuarial valuation involves making various assumptions that may differ from actual developments

in the future. These include the determination of the discount rate, attrition rate, future salary increases, and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods

3.16 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.17 Taxes

Income tax expense for the year comprises of current tax and deferred tax.

3.17.1 Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss i.e., either in other comprehensive income or in equity.

Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.17.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the financial statements for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused

tax credits, and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss i.e., either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.17.3 Goods and services tax /value-added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the goods and services tax/value-added taxes paid, except:

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii. When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.18 Other income and expenses

All other income and expenses are recognized in the period they occur.

3.19 Contingent Liabilities and Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are neither recognized nor disclosed in the financial statements.

3.20 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduce the earnings per share or increases loss per share are included.

3.21 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on the historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

3.22 Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue-generating, investing and financing activities of the Company are segregated.

3.23 Leases

The Company has adopted Ind AS 116-Leases effective from 1st April 2019, using the modified retrospective

method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application.

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset
- (ii) The Company has substantially all of the economic benefits from the use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term Leases) and leases of low-value assets. For these short-term and leases of low-value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

4 Significant accounting judgments, estimates, and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty, and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

4.1 Business Model Assessment

Classification and measurement of financial assets depend on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed, and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4.2 Effective Interest Rate (EIR) method

The Company's EIR methodology recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgment regarding the expected behaviour and life-cycle of the instruments, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

4.3 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4 Contingent liabilities and provisions other than impairment on a loan portfolio

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation and arbitration in the ordinary course of business. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the

probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter, and historical evidence from similar incidents. Significant judgment is required to conclude these estimates.

4.5 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

4.6 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets, etc.

Notes to financial statements

For the Year Ended March 31, 2022

Note 5: Cash and Cash Equivalents and Bank Balances

Note 5.1: Cash and cash equivalents

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|--|-----------------|------------------|
| | 2022 | 2021 |
| Cash on hand | 1,758.61 | 2,682.56 |
| Balances with Banks | 5,543.36 | 13,676.30 |
| Cheques, drafts on hand | - | - |
| Fixed deposits with bank (original maturity within a period of three months) | - | - |
| Total | 7,301.97 | 16,358.86 |

Note 5.2: Bank balance other than cash and cash equivalents

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|--|------------------|------------------|
| | 2022 | 2021 |
| Fixed deposits with bank (maturing after a period of three months) (Refer Note 5.2.1) | 26,675.74 | 17,326.83 |
| Balance in other escrow accounts | - | - |
| Unclaimed Auction Surplus | 103.90 | 86.57 |
| Unclaimed interest and redemption proceeds of Non-Convertible debentures-Private Issue | 59.05 | 72.25 |
| Total | 26,838.69 | 17,485.65 |

Note 5.2.1: Fixed deposits with banks

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|-------------------------|-----------------|-----------|
| | 2022 | 2021 |
| Security for borrowings | 26,073.90 | 17,015.37 |
| Security for guarantees | 27.38 | 26.07 |

Note 6: Receivables

Note 6.1: Trade Receivables

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|---|-----------------|-------------|
| | 2022 | 2021 |
| a) Receivables Considered good - secured | - | - |
| b) Receivables Considered good - unsecured | 14.08 | 7.37 |
| c) Receivables which have a significant increase in credit risk | - | - |
| d) Receivables -credit impaired | - | - |
| Total | 14.08 | 7.37 |
| Less: Allowance for impairment loss | - | - |
| Total Net Receivable | 14.08 | 7.37 |

Notes to financial statements

For the Year Ended March 31, 2022

Trade Receivables ageing schedule

Currency: ₹ in Lakhs

| Particulars | As at March 31, 2022 | | | | | |
|------------------------------------|--|--------------------|--------------|--------------|-------------------|--------------|
| | Outstanding for following periods from due date of payment | | | | | Total |
| | Less than six months | 6 months to 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Undisputed Trade Receivable | | | | | | |
| Considered Good | 9.33 | 2.74 | 0.67 | 1.32 | 0.02 | 14.08 |
| Considered doubtful | - | - | - | - | - | - |
| Disputed Trade Receivable | | | | | | |
| Considered Good | - | - | - | - | - | - |
| Considered doubtful | - | - | - | - | - | - |
| Total | 9.33 | 2.74 | 0.67 | 1.32 | 0.02 | 14.08 |

Trade Receivables ageing schedule

Currency: ₹ in Lakhs

| Particulars | As at March 31, 2021 | | | | | |
|------------------------------------|--|--------------------|--------------|--------------|-------------------|-------------|
| | Outstanding for following periods from due date of payment | | | | | Total |
| | Less than six months | 6 months to 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Undisputed Trade Receivable | | | | | | |
| Considered Good | 2.97 | 3.07 | 1.31 | - | 0.02 | 7.37 |
| Considered doubtful | - | - | - | - | - | - |
| Disputed Trade Receivable | | | | | | |
| Considered Good | - | - | - | - | - | - |
| Considered doubtful | - | - | - | - | - | - |
| Total | 2.97 | 3.07 | 1.31 | - | 0.02 | 7.37 |

Note 6.2: Other Receivables

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|---|-----------------|--------------|
| | 2022 | 2021 |
| a) Receivables Considered good - secured | - | - |
| b) Receivables Considered good - unsecured | - | - |
| Receivables from Power Generation - Wind Mill | 22.05 | 22.33 |
| Receivables Others | 47.45 | - |
| c) Receivables which have significant increase in Credit Risk | - | - |
| d) Receivables - credit impaired | - | - |
| Total | 69.50 | 22.33 |
| Less: Allowance for impairment loss | - | - |
| Total Net Receivable | 69.50 | 22.33 |

None of the trade and other receivables is due from directors or other officers of the company either severally or jointly with any other person. Nor other receivables are due from firms or private companies respectively in which any director is a partner, a director, or a member.

These receivables are non-interest bearing, short-term in nature, and do not involve any credit risk hence no ECL provision has been made.

Notes to financial statements

For the Year Ended March 31, 2022

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 |

Notes to financial statements

For the Year Ended March 31, 2022

Currency: ₹ in Lakhs

| Particulars | As at March 31, 2021 | | | | | Total |
|--|----------------------|------------------------------------|------------------------|---|-----------|--------------------|
| | Amortized Cost | At Fair value | | | Sub-total | |
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | |
| (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 |

Notes to financial statements

For the Year Ended March 31, 2022

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 41.

| | As at March 31, | | | | | Currency: ₹ in Lakhs | | |
|--|-----------------------|-----------------------|-----------------------|-------------|-----------------------|-----------------------|-----------------------|-------------|
| Particulars | 2022 | | | 2021 | | | | |
| | Stage 1 Collective | Stage 2 Collective | Stage 3 Collective | Total | Stage 1 Collective | Stage 2 Collective | Stage 3 Collective | Total |
| Internal rating grade | | | | | | | | |
| Performing | | | | | | | | |
| High grade | 3,77,388.05 | - | - | 3,77,388.05 | 3,11,238.13 | - | - | 3,11,238.13 |
| Standard grade | - | 5,667.36 | - | 5,667.36 | - | 8,548.79 | - | 8,548.79 |
| Sub-standard grade | - | 2,305.95 | - | 2,305.95 | - | 17,413.16 | - | 17,413.16 |
| Past due but not impaired | - | 9,329.77 | - | 9,329.77 | - | 5,726.34 | - | 5,726.34 |
| Non - performing | - | - | - | - | - | - | - | - |
| Individually impaired | - | - | 9,650.11 | 9,650.11 | - | - | 8,049.47 | 8,049.47 |
| Total | 3,77,388.05 | 17,303.08 | 9,650.11 | 4,04,341.24 | 3,11,238.13 | 31,688.29 | 8,049.47 | 3,50,975.89 |
| EIR impact of Service charges received | - | - | - | - | - | - | - | - |
| Gross carrying amount closing | | | | | | | | |
| balance net of EIR impact of service charge received | 3,77,388.05 | 17,303.08 | 9,650.11 | 4,04,341.24 | 3,11,238.13 | 31,688.29 | 8,049.47 | 3,50,975.89 |

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

| Particulars | As at March 31, | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|---------------|-----------------------|-----------------------|-----------------------|---------------|
| | 2022 | | | | 2021 | | | |
| | Stage 1 Collective | Stage 2 Collective | Stage 3 Collective | Total | Stage 1 Collective | Stage 2 Collective | Stage 3 Collective | Total |
| Gross carrying amount opening balance | 3,11,238.13 | 31,688.29 | 8,049.47 | 3,50,975.89 | 2,67,791.63 | 25,160.22 | 6,932.66 | 2,99,884.51 |
| New assets originated or purchased | 9,56,108.13 | - | 1,140.12 | 9,57,248.25 | 8,97,760.04 | 32.50 | 1,169.60 | 8,98,962.14 |
| Assets derecognised or repaid(excluding write offs and includes interest accruals adjusted) | (8,70,912.53) | (30,226.03) | (2,743.67) | (9,03,882.23) | (8,20,326.52) | (25,111.94) | (2,432.30) | (8,47,870.76) |
| Transfers to Stage 1 | - | - | - | - | - | - | - | - |
| Transfers to Stage 2 | (19,045.01) | 19,045.01 | - | - | (33,957.26) | 33,957.26 | - | - |
| Transfers to Stage 3 | - | (3,204.19) | 3,204.19 | - | (29.76) | (2,349.75) | 2,379.51 | - |
| Amounts written off | (0.67) | - | - | (0.67) | - | - | - | - |
| Gross carrying amount closing balance | 3,77,388.05 | 17,303.08 | 9,650.11 | 4,04,341.24 | 3,11,238.13 | 31,688.29 | 8,049.47 | 3,50,975.89 |
| EIR impact of Service charges received | - | - | - | - | - | - | - | - |
| Gross carrying amount closing balance net of EIR impact of service charge received | 3,77,388.05 | 17,303.08 | 9,650.11 | 4,04,341.24 | 3,11,238.13 | 31,688.29 | 8,049.47 | 3,50,975.89 |

Notes to financial statements

For the Year Ended March 31, 2022

Reconciliation of ECL balance is given below:

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------|-----------------------|-----------------------|-----------------------|-------------------|
| | 2022 | | | | 2021 | | | |
| | Stage 1 Collective | Stage 2 Collective | Stage 3 Collective | Total | Stage 1 Collective | Stage 2 Collective | Stage 3 Collective | Total |
| ECL allowance - opening balance | 1,085.59 | 397.19 | 1,666.73 | 3,149.51 | 978.92 | 521.29 | 1,137.27 | 2,637.48 |
| New assets originated or purchased | 3,341.11 | 459.47 | 3,314.14 | 7,114.72 | 2,615.83 | - | 572.56 | 3,188.39 |
| Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted) | (2,998.19) | (924.05) | (1,706.57) | (5,628.81) | (2,407.07) | (177.32) | (91.97) | (2,676.36) |
| Transfers to Stage 1 | (53.66) | 71.92 | (1,589.62) | (1,571.36) | - | - | - | 0.00 |
| Transfers to Stage 2 | (48.90) | 349.17 | - | 300.27 | (96.49) | 96.49 | - | 0.00 |
| Transfers to Stage 3 | (2.76) | (36.07) | 290.74 | 251.91 | (5.60) | (43.27) | 48.87 | 0.00 |
| Impact on year end ECL of exposures transferred between stages during the year | 237.60 | (79.56) | 308.69 | 466.73 | 106.67 | (124.10) | 529.46 | 512.03 |
| Amounts written off | - | - | - | - | - | - | - | 0.00 |
| ECL allowance - closing balance | 1,323.19 | 317.63 | 1,975.42 | 3,616.24 | 1,085.59 | 397.19 | 1,666.73 | 3,149.51 |

Note 8: Other financial assets

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|-------------------|-----------------|-----------------|
| | 2022 | 2021 |
| Security deposits | 1,338.45 | 1,259.52 |
| Total | 1,338.45 | 1,259.52 |

Note 9: Current tax assets (net)

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|--|-----------------|-----------------|
| | 2022 | 2021 |
| Income tax refundable (net of provision) | 1,562.56 | 1,095.74 |
| Total | 1,562.56 | 1,095.74 |

Notes to financial statements

For the Year Ended March 31, 2022

Note 10. Property, Plant and Equipment

Currency: ₹ in Lakhs

| Particulars | Land | Building | Furniture & Fixtures | Electrical Fittings | Plant and Machinery | Vehicles | Computer and Accessories | Total | Capital-work-in progress (refer note 10.1) |
|---|----------|----------|----------------------|---------------------|---------------------|----------|--------------------------|-----------|--|
| Gross block- at cost | | | | | | | | | |
| Deemed cost as at April 01, 2020 | 8,507.60 | 683.18 | 7,944.84 | 1,603.26 | 576.00 | 368.54 | 1,587.97 | 21,271.39 | - |
| Additions | - | - | 622.81 | 157.27 | - | 27.63 | 234.31 | 1,042.02 | - |
| Disposals | - | - | 7.33 | - | - | 2.52 | 10.66 | 20.51 | - |
| As at March 31, 2021 | 8,507.60 | 683.18 | 8,560.32 | 1,760.53 | 576.00 | 393.65 | 1,811.62 | 22,292.90 | - |
| Additions | - | - | 607.47 | 169.38 | 4.50 | 9.13 | 128.30 | 918.78 | 36.49 |
| Disposals | - | - | 4.12 | 1.58 | - | - | 13.55 | 19.25 | - |
| As at March 31, 2022 | 8,507.60 | 683.18 | 9,163.67 | 1,928.33 | 580.50 | 402.78 | 1,926.37 | 23,192.43 | 36.49 |
| Accumulated Depreciation | - | - | - | - | - | - | - | - | - |
| As at April 01, 2020 | - | 236.84 | 5,985.33 | 1,080.49 | 139.76 | 243.97 | 1,342.67 | 9,029.06 | - |
| Charge for the year | - | 38.14 | 562.99 | 147.02 | 55.53 | 43.94 | 156.97 | 1,004.59 | - |
| Disposals | - | - | 6.51 | - | - | 2.39 | 10.13 | 19.03 | - |
| As at March 31, 2021 | - | 274.98 | 6,541.81 | 1,227.51 | 195.29 | 285.52 | 1,489.51 | 10,014.62 | - |
| Charge for the year | - | 28.84 | 568.77 | 150.93 | 48.53 | 32.84 | 197.96 | 1,027.87 | - |
| Disposals | - | - | 4.12 | 1.55 | - | - | 12.87 | 18.54 | - |
| As at March 31, 2022 | - | 303.82 | 7,106.46 | 1,376.89 | 243.82 | 318.36 | 1,674.60 | 11,023.95 | - |
| Net Block | - | - | - | - | - | - | - | - | - |
| As at March 31, 2021 | 8,507.60 | 408.20 | 2,018.51 | 533.02 | 380.71 | 108.13 | 322.11 | 12,278.28 | - |
| As at March 31, 2022 | 8,507.60 | 379.36 | 2,057.21 | 551.44 | 336.68 | 84.42 | 251.77 | 12,168.48 | 36.49 |

Note: All title deeds of immovable properties are held in the name of the Company

Note 10.1: CWIP aging schedule

Currency: ₹ in Lakhs

| CWIP | As at March 31, 2022 | | | | |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|--------------|
| | Amount in CWIP for a period of | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 36.49 | - | - | - | 36.49 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 36.49 | - | - | - | 36.49 |

Currency: ₹ in Lakhs

| CWIP | As at March 31, 2021 | | | | |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|----------|
| | Amount in CWIP for a period of | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| Total | - | - | - | - | - |

Notes to financial statements

For the Year Ended March 31, 2022

Leases

Note 11 : Right of use assets

Currency: ₹ in Lakhs

| Particulars | Premises |
|----------------------------------|-----------------|
| Gross block | |
| Deemed cost as at April 01, 2020 | 6,428.44 |
| Additions | 2,294.66 |
| Disposals | 2,691.94 |
| As at March 31, 2021 | 6,031.16 |
| Additions | 1,871.29 |
| Disposals | 1,071.83 |
| As at March 31, 2022 | 6,830.62 |
| Accumulated Depreciation | |
| As at April 01, 2020 | 3,642.75 |
| Charge for the year | 1,430.22 |
| Disposals | 2,691.94 |
| As at March 31, 2021 | 2,381.03 |
| Charge for the year | 1,718.42 |
| Disposals | 989.53 |
| As at March 31, 2022 | 3,109.92 |
| Net Block | |
| As at March 31, 2021 | 3,650.13 |
| As at March 31, 2022 | 3,720.70 |

Note 11.1: Lease Liabilities

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|-------------------|-----------------|-----------------|
| | 2022 | 2021 |
| Lease Liabilities | 3,911.13 | 3,777.99 |
| Total | 3,911.13 | 3,777.99 |

11.1(a) Maturity analysis of lease liabilities

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|------------------|-----------------|-----------------|
| | 2022 | 2021 |
| Less than 1 year | 1,453.66 | 1,366.86 |
| 1 to 2 years | 1,003.78 | 946.78 |
| 2 to 3 years | 620.30 | 564.60 |
| 3 to 4 years | 400.94 | 360.60 |
| 4 to 5 years | 232.94 | 299.54 |
| Above 5 year | 199.51 | 239.61 |
| Total | 3,911.13 | 3,777.99 |

Notes to financial statements

For the Year Ended March 31, 2022

11.2 Amounts recognised in the Statement of Profit and Loss

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|--|-----------------|----------|
| | 2022 | 2021 |
| Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment) | 1,718.42 | 1,430.22 |
| Interest expense (included in finance costs) | 431.51 | 578.02 |
| 11.3 Gains or losses arising from sale and leaseback transactions | - | - |
| 11.4 The total cash outflow for leases during the year | 2,001.38 | 1,707.26 |

11.5 Lease Disclosures

In the statement of profit and loss, operating lease expenses which were recognised as other expenses are now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. For the year ended March 31, 2022 this resulted in reversal of rental expenses of ₹2,001.38 Lakh and a charge of ₹ 1,718.42 Lakh towards depreciation of right-of-use asset and interest charge of ₹431.51 Lakh on lease liability

| Particulars | For lease entered in the year ended March 31, | |
|--|---|--------|
| | 2022 | 2021 |
| The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet is: | 9.88% | 10.72% |

The Company has not availed the option for charging off of rental related to short-term leases and leases of low-value assets. All leases have been considered for the determination of lease liability and Right of use assets.

Note 12: Other Intangible Assets

Currency: ₹ in Lakhs

| Particulars | Licenses & Franchise | Brands/ Trademarks | Computer Software | Total |
|---|----------------------|--------------------|-------------------|---------------|
| Gross block- at cost | | | | |
| Deemed cost as at April 01, 2020 | 122.61 | 2.16 | 286.42 | 411.19 |
| Additions | - | - | 14.23 | 14.23 |
| Disposals | - | - | - | - |
| Net carrying amount as at March 31, 2021 | 122.61 | 2.16 | 300.65 | 425.42 |
| Additions | - | - | 19.00 | 19.00 |
| Disposals | - | 0.26 | - | 0.26 |
| Net carrying amount as at March 31, 2022 | 122.61 | 1.90 | 319.66 | 444.17 |
| Accumulated Depreciation | - | - | - | - |
| As at April 01, 2020 | 34.74 | 1.11 | 89.67 | 125.52 |
| Charge for the year | 8.97 | 0.22 | 29.57 | 38.76 |
| Disposals | - | - | - | - |
| Net carrying amount as at March 31, 2021 | 43.71 | 1.33 | 119.24 | 164.28 |
| Charge for the year | 15.56 | 0.19 | 30.33 | 46.08 |
| Disposals | - | 0.26 | - | 0.26 |
| Net carrying amount as at March 31, 2022 | 59.27 | 1.26 | 149.57 | 210.10 |
| Net Block | - | - | - | - |
| Net carrying amount as at March 31, 2021 | 78.90 | 0.83 | 181.41 | 261.14 |
| Net carrying amount as at March 31, 2022 | 63.34 | 0.64 | 170.09 | 234.07 |

Notes to financial statements

For the Year Ended March 31, 2022

Note 13: Other Non-Financial Assets

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|---|-----------------|-----------------|
| | 2022 | 2021 |
| Security Deposits with government authorities | 250.57 | 247.52 |
| Balances with government authorities | 272.52 | 393.23 |
| Prepaid expenses | 1,075.46 | 514.68 |
| Advance Account and Other Deposits | 348.83 | 299.54 |
| Stock of stamp | 3.02 | 2.63 |
| Other non-financial assets | 12.67 | 9.03 |
| Total | 1,963.07 | 1,466.63 |

Note 14: Payables

Note 14.1 Trade Payables

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|---|-----------------|---------------|
| | 2022 | 2021 |
| Trade Payables | | |
| (i) total outstanding dues of micro-enterprises and small enterprises | 113.61 | - |
| (ii) total outstanding dues of creditors other than micro-enterprises and small enterprises | 127.09 | 165.08 |
| Total | 240.70 | 165.08 |

Based on the information available with the Company, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2021, together with interest paid /payable are required to be furnished.

Trade Payables ageing schedule

Currency: ₹ in Lakhs

| Particulars | As at March 31, 2022 | | | | |
|----------------------------|--------------------------------|-------------|-------------|-------------------|---------------|
| | Trade Payables ageing schedule | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 113.61 | - | - | - | 113.61 |
| (ii) Others | 102.81 | 0.07 | 0.83 | 23.38 | 127.09 |
| (ii) Disputed dues -MSME | - | - | - | - | - |
| (iv) Disputed dues -Others | - | - | - | - | - |
| Total | 216.42 | 0.07 | 0.83 | 23.38 | 240.70 |

Currency: ₹ in Lakhs

| Particulars | As at March 31, 2021 | | | | |
|----------------------------|---|---------------|-----------|-------------------|---------------|
| | Outstanding for following periods from the due date of payments | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 36.90 | 104.80 | - | 23.38 | 165.08 |
| (iii) Disputed dues MSME | - | - | - | - | - |
| (iv) Disputed dues -Others | - | - | - | - | - |
| Total | 36.90 | 104.80 | - | 23.38 | 165.08 |

Notes to financial statements

For the Year Ended March 31, 2022

Note 14.2: Other Payables

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|---|-----------------|---------------|
| | 2022 | 2021 |
| Other Payables | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 1.77 | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 142.90 | 199.32 |
| Total | 144.67 | 199.32 |

Note 15: Debt Securities

Currency: ₹ in Lakhs

| Particulars | As at March 31, 2022 | | | |
|--|----------------------|--------------------------------------|---|--------------------|
| | Amortized Cost | At Fair value through profit or loss | Designated at fair value through profit or loss | Total |
| Secured Non-Convertible Debentures* (Refer note 15.1) | - | - | - | - |
| Secured Non-Convertible Debentures -Listed** (Refer note 15.2) | 2,23,564.73 | - | - | 2,23,564.73 |
| Total (A) | 2,23,564.73 | - | - | 2,23,564.73 |
| Debt securities in India | 2,23,564.73 | - | - | 2,23,564.73 |
| Debt securities outside India | - | - | - | - |
| Total (B) | 2,23,564.73 | - | - | 2,23,564.73 |

Currency: ₹ in Lakhs

| Particulars | As at March 31, 2021 | | | |
|--|----------------------|--------------------------------------|---|--------------------|
| | Amortized Cost | At Fair value through profit or loss | Designated at fair value through profit or loss | Total |
| Secured Non-Convertible Debentures* (Refer note 15.1) | - | - | - | - |
| Secured Non-Convertible Debentures -Listed** (Refer note 15.2) | 2,28,322.99 | - | - | 2,28,322.99 |
| Total (A) | 2,28,322.99 | - | - | 2,28,322.99 |
| Debt securities in India | 2,28,322.99 | - | - | 2,28,322.99 |
| Debt securities outside India | - | - | - | - |
| Total (B) | 2,28,322.99 | - | - | 2,28,322.99 |

Notes to financial statements

For the Year Ended March 31, 2022

Nature of security

The principal amount of the Secured NCDs allotted in terms of various tranches of public issue of NCDs Upto XIIIth tranche, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

The principal amount of the Secured NCDs allotted in terms of XIVth and XVth tranches of public issue of NCDs, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Nagappattinam Dist. Kelvelur Taluk, Velankanni Village, Tamil Nadu-Main Road West, R.S. NO.(OLD No.41/18C) New No.41/18C-1 Full extent in 150 sq. met

The principal amount of the Secured NCDs allotted in terms of XVIth to XXIIIth tranches of public issue of NCDs, together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with the Existing Secured Creditors on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹1,080.92 Lakhs), including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value 1 time of the Secured NCDs outstanding plus interest accrued thereon.

*Excludes unclaimed matured debentures which is shown as a part of other financial liabilities in Note 18

**Includes EIR impact of transaction cost

Note 15.1: Secured Redeemable Non-Convertible Debentures-Unlisted

The Company had privately placed Secured Redeemable Non-Convertible Debentures for a maturity period of 400 days to 72 months with a principal amount outstanding of ₹ 0.00 (March 31, 2021: ₹ 0.00 Lakhs)

Currency: ₹ in Lakhs

| Sl. No | Date of Allotment | Maturity Date | As at March 31, | | Redemption Period | Interest Rate % |
|--|---------------------|---------------------|-----------------|--------------|-------------------|-----------------|
| | | | 2022 | 2021 | | |
| KSB II | Feb 2011 - Jun 2011 | Feb 2015 - Jun 2015 | 2.00 | 3.50 | 48 Months | 12.00% |
| KSB III | Oct 2011 - Mar 2012 | Oct 2015- Mar 2016 | 15.63 | 17.23 | 48 Months | 12.00% |
| KSB IV | Mar 2012- Feb 2013 | Feb 2016- May 2018 | 34.12 | 36.52 | 36- 66 Months | 12%- 12.80% |
| KSB V | Mar 2013- Jun 2013 | Mar 2016- Jun 2016 | 3.90 | 3.90 | 48 Months | 12.00% |
| Sub Total | | | 55.65 | 61.15 | | |
| Less: Unclaimed Matured Non-Convertible Debenture and Interest thereon shown as a part of Other Financial Liabilities | | | 55.65 | 61.15 | | |
| Total | | | - | - | | |

Notes to financial statements

For the Year Ended March 31, 2022

Note 15.2: Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹ 2,01,120.22 Lakhs (March 31, 2021: ₹2,11,646.69 Lakhs).

Currency: ₹ in Lakhs

| NCD | Series | Date of Allotment | Maturity Date | As at March 31, | | Redemption Period | Interest Rate % |
|--------|---------|-------------------|---------------|-----------------|----------|-------------------|-----------------|
| | | | | 2022 | 2021 | | |
| NCD 13 | KFLMS04 | 23/04/2018 | 22/04/2021 | - | 2,748.06 | 36 Months | 9.50% |
| NCD 13 | KFLMS05 | 23/04/2018 | 22/04/2021 | - | 3,184.69 | 36 Months | 9.75% |
| NCD 16 | KFLPS02 | 06/05/2019 | 05/05/2021 | - | 3,026.54 | 24 Months | 9.75% |
| NCD 18 | KFLRS01 | 10/12/2019 | 09/06/2021 | - | 5,948.86 | 18 Months | 9.26% |
| NCD 17 | KFLQS02 | 21/08/2019 | 20/08/2021 | - | 3,027.91 | 24 Months | 9.75% |
| NCD 19 | KFLSS01 | 29/05/2020 | 27/08/2021 | - | 4,884.51 | 15 Months | 9.49% |
| NCD 10 | KFLJS06 | 09/05/2017 | 08/09/2021 | - | 1,261.36 | 52 Months | 9.81% |
| NCD 14 | KFLNS03 | 24/09/2018 | 23/09/2021 | - | 5,564.93 | 36 Months | 10.00% |
| NCD 14 | KFLNS04 | 24/09/2018 | 23/09/2021 | - | 3,880.47 | 36 Months | 10.52% |
| NCD 20 | KFLTS01 | 14/10/2020 | 18/11/2021 | - | 7,816.37 | 400 Days | 8.50% |
| NCD 18 | KFLRS02 | 10/12/2019 | 09/12/2021 | - | 4,197.20 | 24 Months | 9.75% |
| NCD 11 | KFLKS06 | 29/08/2017 | 28/12/2021 | - | 1,331.45 | 52 Months | 9.81% |
| NCD 15 | KFLOS03 | 31/01/2019 | 29/01/2022 | - | 5,943.47 | 36 Months | 10.00% |
| NCD 15 | KFLOS04 | 31/01/2019 | 29/01/2022 | - | 2,782.60 | 36 Months | 10.52% |
| NCD 9 | KFLIS07 | 01/02/2017 | 31/01/2022 | - | 3,148.02 | 60 Months | 10.25% |
| NCD 19 | KFLSS02 | 29/05/2020 | 25/02/2022 | - | 4,468.58 | 21 Months | 9.75% |
| NCD 21 | KFLUS01 | 23/01/2021 | 27/02/2022 | - | 5,363.15 | 400 Days | 8.50% |
| NCD 16 | KFLPS03 | 06/05/2019 | 05/05/2022 | 5,904.42 | 5,904.42 | 36 Months | 10.00% |
| NCD 16 | KFLPS04 | 06/05/2019 | 05/05/2022 | 5,486.26 | 4,964.04 | 36 Months | 10.52% |
| NCD 10 | KFLJS07 | 09/05/2017 | 07/05/2022 | 2,218.20 | 2,218.20 | 60 Months | 10.00% |
| NCD 12 | KFLLS06 | 08/01/2018 | 07/05/2022 | 2,671.28 | 2,432.64 | 52 Months | 9.81% |
| NCD 6 | KFLFS07 | 15/02/2016 | 14/06/2022 | 2,321.49 | 2,321.49 | 76 Months | 11.50% |
| NCD 6 | KFLFS08 | 15/02/2016 | 14/06/2022 | 3,410.29 | 3,056.64 | 76 Months | 11.57% |
| NCD 17 | KFLQS03 | 21/08/2019 | 20/08/2022 | 9,219.49 | 9,219.49 | 36 Months | 10.00% |
| NCD 17 | KFLQS04 | 21/08/2019 | 20/08/2022 | 6,027.84 | 5,454.07 | 36 Months | 10.52% |
| NCD 13 | KFLMS06 | 23/04/2018 | 22/08/2022 | 2,295.85 | 2,090.74 | 52 Months | 9.81% |
| NCD 11 | KFLKS07 | 29/08/2017 | 26/08/2022 | 3,611.75 | 3,611.75 | 60 Months | 10.00% |
| NCD 14 | KFLNS05 | 24/09/2018 | 23/09/2022 | 5,050.48 | 4,563.55 | 48 Months | 10.67% |
| NCD 7 | KFLGS07 | 09/06/2016 | 08/12/2022 | 1,235.37 | 1,235.37 | 78 Months | 11.15% |
| NCD 7 | KFLGS08 | 09/06/2016 | 08/12/2022 | 3,968.49 | 3,567.18 | 78 Months | 11.25% |
| NCD 18 | KFLRS03 | 10/12/2019 | 09/12/2022 | 7,684.29 | 7,684.29 | 36 Months | 10.00% |
| NCD 18 | KFLRS04 | 10/12/2019 | 09/12/2022 | 6,264.70 | 5,668.38 | 36 Months | 10.52% |
| NCD 15 | KFLOS05 | 31/01/2019 | 30/01/2023 | 2,620.52 | 2,367.86 | 48 Months | 10.67% |
| NCD 20 | KFLTS02 | 14/10/2020 | 13/04/2023 | 2,960.56 | 2,960.56 | 30 Months | 9.50% |
| NCD 20 | KFLTS03 | 14/10/2020 | 13/04/2023 | 4,213.55 | 3,853.62 | 30 Months | 9.34% |
| NCD 13 | KFLMS07 | 23/04/2018 | 21/04/2023 | 4,902.47 | 4,902.47 | 60 Months | 10.00% |
| NCD 16 | KFLPS05 | 06/05/2019 | 05/05/2023 | 2,868.78 | 2,592.19 | 48 Months | 10.67% |
| NCD 21 | KFLUS02 | 23/01/2021 | 22/07/2023 | 1,260.07 | 1,260.07 | 30 Months | 9.25% |

Notes to financial statements

For the Year Ended March 31, 2022

| NCD | Series | Date of Allotment | Maturity Date | As at March 31, | | Redemption Period | Interest Rate % |
|--------------------------------------|---------|-------------------|---------------|--------------------|--------------------|-------------------|-----------------|
| | | | | 2022 | 2021 | | |
| NCD 21 | KFLUS03 | 23/01/2021 | 22/07/2023 | 3,847.30 | 3,518.66 | 30 Months | 9.34% |
| NCD 17 | KFLQS05 | 21/08/2019 | 19/08/2023 | 4,447.87 | 4,019.04 | 48 Months | 10.67% |
| NCD 19 | KFLSS03 | 29/05/2020 | 28/08/2023 | 10,367.79 | 10,367.79 | 39 Months | 10.00% |
| NCD 19 | KFLSS04 | 29/05/2020 | 28/08/2023 | 4,389.91 | 3,971.33 | 39 Months | 10.54% |
| NCD 14 | KFLNS06 | 24/09/2018 | 22/09/2023 | 201.56 | 201.56 | 60 Months | 10.25% |
| NCD 18 | KFLRS05 | 10/12/2019 | 09/12/2023 | 3,764.60 | 3,401.65 | 48 Months | 10.67% |
| NCD 20 | KFLTS04 | 14/10/2020 | 12/01/2024 | 9,708.93 | 9,708.93 | 39 Months | 10.00% |
| NCD 15 | KFLOS06 | 31/01/2019 | 30/01/2024 | 439.63 | 439.63 | 60 Months | 10.00% |
| NCD 9 | KFLIS08 | 01/02/2017 | 31/01/2024 | 3,100.53 | 2,808.19 | 84 Months | 10.41% |
| NCD 20 | KFLTS05 | 14/10/2020 | 12/04/2024 | 1,065.36 | 969.65 | 42 Months | 9.87% |
| NCD 21 | KFLUS04 | 23/01/2021 | 22/04/2024 | 14,897.62 | 14,897.62 | 39 Months | 10.00% |
| NCD 16 | KFLPS06 | 06/05/2019 | 04/05/2024 | 383.84 | 383.84 | 60 Months | 10.00% |
| NCD 19 | KFLSS05 | 29/05/2020 | 28/05/2024 | 3,796.33 | 3,430.32 | 48 Months | 10.67% |
| NCD 17 | KFLQS06 | 21/08/2019 | 20/08/2024 | 642.34 | 642.34 | 60 Months | 10.00% |
| NCD 20 | KFLTS06 | 14/10/2020 | 13/12/2024 | 2,349.62 | 2,131.76 | 50 Months | 10.22% |
| NCD 11 | KFLKS08 | 29/08/2017 | 27/12/2024 | 2,061.89 | 1,875.98 | 88 Months | 9.91% |
| NCD 21 | KFLUS05 | 23/01/2021 | 22/01/2025 | 4,150.83 | 3,750.64 | 48 Months | 10.67% |
| NCD 18 | KFLRS06 | 10/12/2019 | 09/06/2025 | 639.14 | 577.31 | 66 Months | 10.71% |
| NCD 13 | KFLMS08 | 23/04/2018 | 22/08/2025 | 2,410.43 | 2,193.10 | 88 Months | 9.91% |
| NCD 19 | KFLSS06 | 29/05/2020 | 28/11/2025 | 1,010.02 | 912.32 | 66 Months | 10.71% |
| NCD 21 | KFLUS06 | 23/01/2021 | 22/07/2026 | 1,332.92 | 1,203.98 | 66 Months | 10.71% |
| NCD 18 | KFLRS07 | 10/12/2019 | 09/12/2026 | 1,029.30 | 1,029.30 | 84 Months | 10.25% |
| NCD 18 | KFLRS08 | 10/12/2019 | 09/12/2026 | 2,938.25 | 2,661.22 | 84 Months | 10.41% |
| NCD 20 | KFLTS07 | 14/10/2020 | 13/10/2027 | 1,330.15 | 1,330.15 | 84 Months | 10.25% |
| NCD 20 | KFLTS08 | 14/10/2020 | 13/10/2027 | 2,092.23 | 1,894.97 | 84 Months | 10.41% |
| NCD 22 | KFLVS01 | 29/04/2021 | 03/06/2022 | 4,651.38 | - | 400 Days | 8.00% |
| NCD 22 | KFLVS02 | 29/04/2021 | 28/04/2023 | 1,259.68 | - | 24 Months | 8.50% |
| NCD 22 | KFLVS03 | 29/04/2021 | 28/04/2024 | 717.97 | - | 36 Months | 9.25% |
| NCD 22 | KFLVS04 | 29/04/2021 | 28/04/2024 | 2,641.54 | - | 36 Months | 9.31% |
| NCD 22 | KFLVS05 | 29/04/2021 | 28/10/2024 | 10,321.87 | - | 42 Months | 10.00% |
| NCD 22 | KFLVS06 | 29/04/2021 | 28/04/2025 | 5,128.95 | - | 48 Months | 10.67% |
| NCD 23 | KFLWS01 | 30/09/2021 | 29/05/2023 | 5,684.10 | - | 20 Months | 8.30% |
| NCD 23 | KFLWS02 | 30/09/2021 | 29/09/2023 | 2,421.67 | - | 24 Months | 8.50% |
| NCD 23 | KFLWS03 | 30/09/2021 | 29/09/2024 | 503.67 | - | 36 Months | 9.00% |
| NCD 23 | KFLWS04 | 30/09/2021 | 29/09/2024 | 3,798.89 | - | 36 Months | 9.50% |
| NCD 23 | KFLWS05 | 30/09/2021 | 29/03/2025 | 13,583.84 | - | 42 Months | 10.00% |
| NCD 23 | KFLWS06 | 30/09/2021 | 29/11/2025 | 2,791.92 | - | 50 Months | 10.22% |
| NCD 23 | KFLWS07 | 30/09/2021 | 29/09/2027 | 31.22 | - | 72 Months | 9.00% |
| NCD 23 | KFLWS08 | 30/09/2021 | 29/09/2028 | 1,796.37 | - | 84 Months | 10.41% |
| Sub Total | | | | 2,23,927.62 | 2,28,828.47 | | |
| Less: EIR impact of transaction cost | | | | (362.89) | (505.48) | | |
| Total | | | | 2,23,564.73 | 2,28,322.99 | | |

Notes to financial statements

For the Year Ended March 31, 2022

Note 16: Borrowings (other than debt securities)

Currency: ₹ in Lakhs

| Particulars | As at March 31, | | | | | |
|---|--------------------|--------------------------------------|---|------------------|--------------------------------------|---|
| | 2022 | | | 2021 | | |
| | Amortised Cost | At Fair value through profit or loss | Designated at fair value through profit or loss | Amortised Cost | At Fair value through profit or loss | Designated at fair value through profit or loss |
| (I) Term loan | | | | | | |
| (i) from banks | 57,588.54 | - | - | 29,996.14 | - | - |
| (ii) from other parties | 7,025.89 | - | - | - | - | - |
| (II) Loans repayable on demand | | | | | | |
| (i) from banks | | | | | | |
| Working Capital Demand Loan from Banks | 42,579.31 | - | - | 39,008.97 | - | - |
| Cash Credit/Overdraft facilities from banks | 24,750.57 | - | - | 16,255.91 | - | - |
| (ii) from other parties | | | | | | |
| Total (A)(I+II) | 1,31,944.31 | - | - | 85,261.02 | - | - |
| (I) Secured | 1,31,944.31 | - | - | 85,261.02 | - | - |
| (II) Unsecured | - | - | - | - | - | - |
| Total (B) | 1,31,944.31 | - | - | 85,261.02 | - | - |
| (I) Borrowings in India | 1,31,944.31 | - | - | 85,261.02 | - | - |
| (II) Borrowings outside India | - | - | - | - | - | - |
| Total (C)(I+II) | 1,31,944.31 | - | - | 85,261.02 | - | - |

Note:

The Term Loans, Cash Credits, and Working Capital Demand Loans of the Company are secured by paripassu floating charge on movable assets, current assets, book debts, loans & advances, including cash and bank balances, and the existing Secured Creditors. The loans are also guaranteed by the personal guarantee of Mr. Mathew K Cherian - Managing Director of the Company, Mrs. Laila Mathew - Whole Time Director of the Company, Mrs. Jilu Saju Varghese - Director of the Company, Mrs. Milu Mathew, and Mrs. Bala Mathew - Relative of the director as per the terms mutually agreed with the respective lender bank. In addition to the properties of the Company, the properties of the Directors of the Company - Mr. Mathew K Cherian, Mrs. Laila Mathew, and Mrs. Jilu Saju Varghese, Properties of relatives of Directors of the Company - Mrs. Milu Mathew and Mrs. Bala Mathew and the properties of Kosamattam Builders - A partnership firm where Mrs. Jilu Saju Varghese and Mrs. Milu Mathew are partners have also been provided to State Bank of India, South Indian Bank, and Dhanlaxmi Bank as collateral security, on the basis of agreement created with the respective banks.

The Quarterly Statements of current assets filed by the Company with banks/financial institutions are in agreement with books of accounts of the Company

Terms of repayment - Term Loan

Currency: ₹ in Lakhs

| Tenure (from the date of Balance Sheet) | Rate of Interest | As at March 31, | |
|---|------------------|------------------|------------------|
| | | 2022 | 2021 |
| Less than 1 year | 9.20% - 11.00% | 28,255.52 | 8,621.60 |
| 1 to 2 years | 9.20% - 11.00% | 22,653.27 | 8,721.15 |
| 2 to 3 years | 9.20% - 11.00% | 9,763.14 | 7,356.00 |
| 3 to 4 years | 9.20% - 11.00% | 3,382.50 | 3,194.89 |
| 4 to 5 years | 9.20% - 11.00% | 560.00 | 2,102.50 |
| Above 5 year | 9.20% - 11.00% | - | - |
| Total | | 64,614.43 | 29,996.14 |

Notes to financial statements

For the Year Ended March 31, 2022

Note 17: Subordinated Liabilities

Currency: ₹ in Lakhs

| Particulars | As at March 31, 2022 | | | |
|---|----------------------|--------------------------------------|---|------------------|
| | Amortized Cost | At Fair value through profit or loss | Designated at fair value through profit or loss | Total |
| Perpetual Debt Instrument (Refer note 17.1) | 675.16 | - | - | 675.16 |
| Preference Share Other than those that qualify as equity | - | - | - | - |
| 1,20,000 3% Compulsorily Convertible Cumulative Preference Shares of ₹1000/- each (Refer note 17.2) | - | - | - | - |
| Subordinated Debt- Listed** (Refer note 17.3) | 29,339.82 | - | - | 29,339.82 |
| Total (A) | 30,014.98 | - | - | 30,014.98 |
| Subordinated Liabilities in India | 30,014.98 | - | - | 30,014.98 |
| Subordinated Liabilities outside India | - | - | - | - |
| Total (B) | 30,014.98 | - | - | 30,014.98 |

Currency: ₹ in Lakhs

| Particulars | As at March 31, 2021 | | | |
|---|----------------------|--------------------------------------|---|------------------|
| | Amortized Cost | At Fair value through profit or loss | Designated at fair value through profit or loss | Total |
| Perpetual Debt Instrument (Refer note 17.1) | 1,381.00 | - | - | 1,381.00 |
| Preference Share Other than those that qualify as equity | - | - | - | - |
| 1,20,000 3% Compulsorily Convertible Cumulative Preference Shares of ₹1000/- each (Refer note 17.2) | 1,200.00 | - | - | 1,200.00 |
| Subordinated Debt- Listed** (Refer note 17.3) | 29,406.38 | - | - | 29,406.38 |
| Total (A) | 31,987.38 | - | - | 31,987.38 |
| Subordinated Liabilities in India | 31,987.38 | - | - | 31,987.38 |
| Subordinated Liabilities outside India | - | - | - | - |
| Total (B) | 31,987.38 | - | - | 31,987.38 |

**Includes EIR impact of transaction cost

Note 17.1: Perpetual Debt Instrument

The Company had privately placed Perpetual Debt Instrument with a principal amount outstanding of ₹565.00 Lakhs (March 31, 2021: ₹1,190.00 Lakhs)

Currency: ₹ in Lakhs

| Issue No | Date of Allotment | As at March 31, | | Interest Rates % |
|--------------|--------------------|-----------------|-----------------|------------------|
| | | 2022 | 2021 | |
| 1 | Oct 2011- Oct 2012 | 24.18 | 761.57 | 13.94%- 14.86% |
| 2 | Oct 2012- Mar 2013 | 173.23 | 159.68 | 13.94%- 14.86% |
| 3 | Jul 2013- Mar 2014 | 477.75 | 459.75 | 13.00%- 14.86% |
| Total | | 675.16 | 1,381.00 | |

Notes to financial statements

For the Year Ended March 31, 2022

Note 17.2: Preference Share

The Compulsorily Convertible Cumulative Preference Shares of the Company were converted during the current year (November 29, 2021). The Company allotted fully paid-up 30,00,000 Equity Shares of face value of ₹10/- each pursuant to conversion of 1,20,000 compulsorily convertible preference shares into equity shares as per the terms of offer letter issued at the time of issue of preference shares to the preference shareholders at an issue price of ₹40/- per Equity Share (including premium of ₹30/- per Equity Share). The fresh allotment of equity shares as stated above has resulted in an increase of equity share capital by ₹300 Lakhs and securities premium reserve by ₹900 Lakhs

Note 17.3: Subordinated Debt - Public & Listed

The principal amount of outstanding Unsecured Redeemable Non- Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued through Public Issue stood at ₹ 23,826.73 Lakhs (March 31, 2021: ₹24,241.47 Lakhs).

Currency: ₹ in Lakhs

| NCD | Series | Date of Allotment | Maturity Date | As at March 31, | | Redemption Period | Interest Rate % |
|--------------------------------------|---------|-------------------|---------------|------------------|------------------|-------------------|-----------------|
| | | | | 2022 | 2021 | | |
| NCD 5 | KFLES07 | 01/12/2015 | 28/02/2022 | - | 982.01 | 75 Months | 11.50% |
| NCD 5 | KFLES08 | 01/12/2015 | 28/02/2022 | - | 3,647.54 | 75 Months | 11.73% |
| NCD 8 | KFLHS07 | 29/09/2016 | 28/03/2023 | 1,059.54 | 1,059.54 | 78 Months | 11.00% |
| NCD 8 | KFLHS08 | 29/09/2016 | 28/03/2023 | 2,552.50 | 2,294.38 | 78 Months | 11.25% |
| NCD 10 | KFLJS08 | 09/05/2017 | 08/07/2024 | 2,006.53 | 1,821.47 | 86 Months | 10.16% |
| NCD 12 | KFLLS08 | 08/01/2018 | 07/05/2025 | 1,692.87 | 1,540.23 | 88 Months | 9.91% |
| NCD 12 | KFLLS07 | 08/01/2018 | 07/05/2025 | 1,864.91 | 1,864.91 | 88 Months | 10.00% |
| NCD 14 | KFLNS07 | 24/09/2018 | 23/09/2025 | 726.82 | 726.82 | 84 Months | 10.25% |
| NCD 14 | KFLNS08 | 24/09/2018 | 23/09/2025 | 2,998.64 | 2,715.92 | 84 Months | 10.41% |
| NCD 15 | KFLOS07 | 31/01/2019 | 30/01/2026 | 499.37 | 499.37 | 84 Months | 10.25% |
| NCD 15 | KFLOS08 | 31/01/2019 | 30/01/2026 | 2,026.27 | 1,835.22 | 84 Months | 10.41% |
| NCD 16 | KFLPS07 | 06/05/2019 | 05/05/2026 | 412.78 | 412.78 | 84 Months | 10.25% |
| NCD 16 | KFLPS08 | 06/05/2019 | 05/05/2026 | 1,737.81 | 1,573.96 | 84 Months | 10.41% |
| NCD 17 | KFLQS07 | 21/08/2019 | 20/08/2026 | 532.89 | 532.89 | 84 Months | 10.25% |
| NCD 17 | KFLQS08 | 21/08/2019 | 20/08/2026 | 2,486.46 | 2,252.02 | 84 Months | 10.41% |
| NCD 19 | KFLSS07 | 29/05/2020 | 28/05/2027 | 930.53 | 930.53 | 84 Months | 10.25% |
| NCD 19 | KFLSS08 | 29/05/2020 | 28/05/2027 | 2,154.25 | 1,951.13 | 85 Months | 10.41% |
| NCD 21 | KFLUS07 | 23/01/2021 | 22/01/2028 | 1,204.37 | 1,204.37 | 86 Months | 10.25% |
| NCD 21 | KFLUS08 | 23/01/2021 | 22/01/2028 | 1,791.10 | 1,622.22 | 87 Months | 10.41% |
| NCD 22 | KFLVS07 | 29/04/2021 | 28/10/2026 | 1,132.18 | - | 66 Months | 10.25% |
| NCD 22 | KFLVS08 | 29/04/2021 | 28/04/2028 | 1,592.20 | - | 84 Months | 10.41% |
| Sub Total | | | | 29,402.02 | 29,467.31 | | |
| Less: EIR impact of transaction cost | | | | (62.20) | (60.93) | | |
| Total | | | | 29,339.82 | 29,406.38 | | |

Notes to financial statements

For the Year Ended March 31, 2022

Note 18: Other Financial Liabilities

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|---|-----------------|---------------|
| | 2022 | 2021 |
| Auction surplus refundable | 103.90 | 86.57 |
| Unclaimed Matured Non-Convertible Debentures and interest thereon | 55.65 | 61.15 |
| Unclaimed Matured Subordinate debt and interest thereon | 3.40 | 11.10 |
| Perpetual Debt Instrument Payable | 238.03 | - |
| Dividend payable on CCPS | - | 36.00 |
| Total | 400.98 | 194.82 |

Note 19: Provisions

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|--|-----------------|---------------|
| | 2022 | 2021 |
| Provision for Employee Benefits – Gratuity (Refer Note 34) | 404.02 | 210.31 |
| Provisions for other assets (Refer Note 19.1) | 322.93 | 220.75 |
| Total | 726.95 | 431.06 |

19.1 The movement in Provisions for other assets during 2021-22 and 2020-21 are as follows

Currency: ₹ in Lakhs

| Particulars | Amount |
|-----------------------------|---------------|
| As at April 01, 2020 | 220.75 |
| Additions | - |
| Reversed | - |
| As at March 31, 2021 | 220.75 |
| Additions | 102.18 |
| Reversed | - |
| As at March 31, 2022 | 322.93 |

Note 20: Other Non-financial liabilities

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|------------------------|-----------------|---------------|
| | 2022 | 2021 |
| Statutory dues payable | 238.25 | 156.65 |
| Total | 238.25 | 156.65 |

Note 21: Equity Share Capital

21.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|--|------------------|------------------|
| | 2022 | 2021 |
| Authorized | | |
| 50,00,00,000 (March 31, 2020: 50,00,00,000) Equity shares of ₹10/- each | 50,000.00 | 50,000.00 |
| Issued, subscribed, and fully paid up | | |
| 21,68,79,302 (March 31, 2021: 20,25,00,547) Equity shares of ₹ 10/- each fully paid up | 21,687.93 | 20,250.05 |
| Total Equity | 21,687.93 | 20,250.05 |

Notes to financial statements

For the Year Ended March 31, 2022

21.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. Upon a show of hands, every member entitled to vote and present in person shall have one vote, and upon a poll, every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

21.3 Details of Equity shareholders holding more than 5% Equity shares in the company

| Particulars | As at March 31, | | | |
|-------------------------------------|--------------------|------------------------|--------------------|------------------------|
| | 2022 | | 2021 | |
| | No. of shares held | % holding in the class | No. of shares held | % holding in the class |
| Mathew K Cherian | 12,84,52,270 | 59.23% | 12,54,52,270 | 61.95% |
| Laila Mathew | 3,01,48,300 | 13.90% | 3,01,48,300 | 14.89% |
| Kosamattam Ventures Private Limited | 3,60,00,200 | 16.60% | 3,60,00,200 | 17.78% |

21.4 Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the year

| Particulars | Currency: ₹ in Lakhs | |
|--|----------------------|------------------|
| | In Numbers | Amount |
| As at April 01, 2020 | 19,16,01,770 | 19,160.18 |
| Add: Shares issued on rights issue basis (June 30, 2020) | 64,12,814 | 641.28 |
| Add: Shares issued on rights issue basis (November 13, 2020) | 23,79,688 | 237.97 |
| Add: Shares issued on rights issue basis (February 23, 2021) | 21,06,275 | 210.62 |
| As at March 31, 2021 | 20,25,00,547 | 20,250.05 |
| Add: Shares issued on rights issue basis (April 30, 2021)* | 10,80,625 | 108.06 |
| Add: Shares issued on rights issue basis (September 17, 2021)* | 1,02,98,130 | 1,029.82 |
| Add: Share issued pursuant to conversion of CCPS (November 29, 2021)** | 30,00,000 | 300.00 |
| As at March 31, 2022 | 21,68,79,302 | 21,687.93 |

* Right Issue

The Company allotted fully paid-up 1,13,78,755 Equity Shares of face value of ₹10/- each to the eligible equity shareholders at an issue price of ₹40/- per Equity Share (including premium of ₹30/- per Equity Share) in the Rights Issue.

The entire proceeds of the Rights Issue have been utilised as per the objects stated in the offer document for the Rights issue. The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by ₹1,137.88 Lakhs and securities premium reserve by ₹3,413.63 Lakhs

**Conversion of CCPS

The Company allotted fully paid-up 30,00,000 Equity Shares of face value of ₹10/- each pursuant to conversion of 1,20,000 compulsorily convertible preference shares into equity shares as per the terms of offer letter issued at the time of issue of

Preference shares to the preference shareholders at an issue price of ₹40/- per Equity Share (including premium of ₹30/- per Equity Share).

The fresh allotment of equity shares as stated above has resulted in an increase of equity share capital by ₹300 Lakhs and securities premium reserve by ₹900 Lakhs

21.5 The Company has not allotted any share pursuant to contracts without payment being received in cash or as bonus shares nor has it bought back any shares during the preceding period of 5 financial years.

Notes to financial statements

For the Year Ended March 31, 2022

21.6 Shareholding of promoters

Shares held by promoters as on March 31, 2022:

| Promoter name | No. of Shares | % of total shares | % Change during the year |
|--------------------|---------------|-------------------|--------------------------|
| Mathew K Cherian | 12,84,52,270 | 59.23% | 2.39% |
| Laila Mathew | 3,01,48,300 | 13.90% | 0.00% |
| Jilu Saju Varghese | 400 | Negligible | Negligible |

Note 22: Other Equity

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|--|------------------|------------------|
| | 2022 | 2021 |
| Statutory Reserve | | |
| Balance at the beginning of the year | 6,679.58 | 5,349.28 |
| Add: Transfer from Retained Earnings | 1,599.94 | 1,330.30 |
| Balance at the end of the year | 8,279.52 | 6,679.58 |
| Capital Reserve | | |
| Balance at the beginning of the year | 9.07 | 9.07 |
| Balance at the end of the year | 9.07 | 9.07 |
| Revaluation Reserve | | |
| Balance at the beginning of the year | 2.86 | 2.86 |
| Balance at the end of the year | 2.86 | 2.86 |
| Securities Premium | | |
| Balance at the beginning of the year | 2,755.03 | 357.30 |
| Add: Shares issued on rights issue basis | 4,313.63 | 2,397.73 |
| Balance at the end of the year | 7,068.66 | 2,755.03 |
| Impairment Reserve | | |
| Balance at the beginning of the year | 3,403.13 | 2,591.42 |
| Add: Amount transferred from Retained Earnings | 685.61 | 811.71 |
| Balance at the end of the year | 4,088.74 | 3,403.13 |
| General Reserve | | |
| Balance at the beginning of the year | 11,660.97 | 11,660.97 |
| Balance at the end of the year | 11,660.97 | 11,660.97 |
| Retained Earnings | | |
| Balance at the beginning of the year | 7,278.25 | 2,888.68 |
| Add: Profit for the year (net of taxes) | 7,999.66 | 6,531.58 |
| Less: Appropriation: - | | |
| Transfer to Statutory Reserve | 1,599.94 | 1,330.30 |
| Transfer to Impairment Reserve | 685.61 | 811.71 |
| Total appropriations | 2,285.55 | 2,142.01 |
| Balance at the end of the year | 12,992.36 | 7,278.25 |
| Other Comprehensive Income | | |
| Balance at the beginning of the year | 19.91 | 26.88 |
| Add: Addition during the year | (107.60) | (6.97) |
| Balance at the end of the year | (87.69) | 19.91 |
| Total | 44,014.49 | 31,808.80 |

Notes to financial statements

For the Year Ended March 31, 2022

Note 22.1: Nature and purpose of reserve

Statutory reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount of ₹1,599.94 Lakhs (March 31, 2021 ₹1,330.30 Lakhs) representing 20% of Profit for the period is transferred to the fund for the year.

Securities Premium

This Reserve represents the premium on the issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Debenture Redemption Reserve

In terms of Section 71 of the Companies Act, 2013 read with Rule 18 (7) of Companies (Share Capital and Debentures) Rules 2014, the Company has created Debenture Redemption Reserve in respect of Secured Redeemable Non-Convertible Debentures and Unsecured Redeemable Non-Convertible Debentures issued through public issue as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

In accordance with The Companies (Share Capital and Debentures) Amendment Rules, 2020, any non-banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. Also the exceptions as available to NBFCs earlier have been retained in terms of creation of DRR for privately placed debentures.

Further, the Company shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in the manner mentioned in Rule 18(7)(c). Accordingly the Company has deposited ₹9,853.14 Lakhs in deposit account for debenture redemption

Impairment Reserve

In accordance with RBI circular no. RBI/2019-20/170 dated March 13, 2020, the company has provided for impairment allowances as required by Ind AS. In parallel, the company has also determined the asset classification and computed the impairment provisions as per extant prudential norms on Income Recognition, Asset Classification, and Provisioning (IRACP). A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 has been disclosed in Note No. 46.

Further, since impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP the difference has been appropriated from net profit after tax to 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital.

No withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI. The requirement for 'Impairment Reserve' shall be reviewed, going forward as per further instructions from RBI

General Reserve

Under the erstwhile Companies Act 1956, the general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to the general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilized only in accordance with the specific requirements of the Companies Act, 2013.

Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Other Comprehensive Income

Remeasurement of defined benefit plans

It represents the gain/(loss) on re-measurement of Defined Benefit Obligation and Plan assets

Notes to financial statements

For the Year Ended March 31, 2022

Note 23: Interest Income

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | | | | 2021 | |
|-----------------------------------|--|--|---|--|--|---|
| | 2022 | | | | | |
| | On Financial assets measured at fair value through OCI | On Financial assets measured at amortized cost | Interest income on financial assets classified at fair value through profit or loss | On Financial assets measured at fair value through OCI | On Financial assets measured at amortized cost | Interest income on financial assets classified at fair value through profit or loss |
| Interest on Loans | | | | | | |
| Gold loans | - | 60,216.73 | - | - | 51,413.21 | - |
| Other loans | - | 382.32 | - | - | 1,390.56 | - |
| Interest on deposits with banks | - | 1,425.23 | - | - | 900.58 | - |
| Interest on fair value of deposit | - | 102.11 | - | - | 94.87 | - |
| Total | - | 62,126.39 | - | - | 53,799.22 | - |

Note 24: Fees and commission Income

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | |
|---------------------------|----------------------|---------------|
| | 2022 | 2021 |
| Commissions | 15.80 | 12.44 |
| Demat Services | 13.85 | 13.75 |
| Insurance Services | 4.90 | 13.57 |
| Money Transfer Services | 21.67 | 23.55 |
| Ancillary Charges on Loan | 278.87 | 308.80 |
| Others | 3.17 | 3.70 |
| Total | 338.26 | 375.81 |

Note 25: Other Income

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | |
|---|----------------------|-------------|
| | 2022 | 2021 |
| Net gain / (loss) on derecognition of property, plant and equipment | 0.78 | 2.14 |
| Net gain on foreign currency transaction and translation | 13.30 | 7.00 |
| Total | 14.08 | 9.14 |

Notes to financial statements

For the Year Ended March 31, 2022

Note 26: Finance Cost

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | | | |
|---|--|---|--|---|
| | 2022 | | 2021 | |
| | On financial liabilities measured at fair value through profit or loss | On financial liabilities measured at amortized cost | On financial liabilities measured at fair value through profit or loss | On financial liabilities measured at amortized cost |
| Interest on debt securities | - | 23,880.19 | - | 21,636.58 |
| Interest on borrowings (other than debt securities) | - | 8,561.07 | - | 5,959.38 |
| Interest on subordinated liabilities | - | 3,538.55 | - | 3,074.20 |
| Interest on lease liability | - | 431.51 | - | 578.02 |
| Bank charges | - | 480.10 | - | 333.16 |
| Dividend on CCPS | - | 23.87 | - | 11.22 |
| Total | - | 36,915.29 | - | 31,592.56 |

Note 27: Impairment on financial instruments

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | | | |
|-----------------------|---|---|---|---|
| | 2022 | | 2021 | |
| | On financial instruments measured at fair value through OCI | On financial instruments measured at amortized cost | On financial instruments measured at fair value through OCI | On financial instruments measured at amortized cost |
| Loan Assets | - | 466.73 | - | 512.03 |
| Bad Debts Written Off | - | 0.67 | - | - |
| Other Assets | - | 102.19 | - | 220.75 |
| Total | - | 569.59 | - | 732.78 |

Note 28: Employee Benefits Expenses

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | |
|---|----------------------|-----------------|
| | 2022 | 2021 |
| Salaries and Wages | 7,709.22 | 6,656.56 |
| Contribution to Provident and Other Funds | 433.94 | 301.00 |
| Provision for Gratuity(Refer Note 34) | 61.33 | 64.83 |
| Staff Welfare Expense | 154.39 | 377.14 |
| Total | 8,358.88 | 7,399.53 |

Notes to financial statements

For the Year Ended March 31, 2022

Note 29: Depreciation, amortization and impairment

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | |
|---|----------------------|-----------------|
| | 2022 | 2021 |
| Depreciation of property, plant and equipment | 1,027.87 | 1,004.59 |
| Depreciation on Right of use assets | 1,718.42 | 1,430.22 |
| Amortization of intangible assets | 46.08 | 38.76 |
| Less: Depreciation adjusted against Windmill Income | (61.43) | (55.53) |
| Less: Depreciation adjusted against Estate Income | (7.67) | (8.73) |
| Total | 2,723.27 | 2,409.31 |

Note 30: Other Expenses

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | |
|--|----------------------|-----------------|
| | 2022 | 2021 |
| Advertisement and publicity | 543.92 | 323.52 |
| Annual Maintenance Charges | 189.00 | 44.93 |
| Auditors' fees and expenses (Refer note 30.1) | 31.85 | 27.74 |
| CSR Expenses (Refer note 30.2) | 172.73 | 162.17 |
| Donation | 10.67 | 75.58 |
| Electricity & Water Charges | 175.13 | 176.92 |
| GST | 301.68 | 244.04 |
| Insurance | 31.80 | 30.00 |
| Office Expenses | 164.36 | 96.02 |
| Printing and Stationery | 214.36 | 213.21 |
| Legal & Professional Charges | 273.43 | 249.67 |
| Rates and Taxes | 25.29 | 30.24 |
| Rating Fee | 107.90 | 72.70 |
| Repairs & Maintenance | 211.38 | 127.33 |
| Remuneration to Non-executive Directors | 4.30 | 3.10 |
| Security Charges | 153.01 | 105.65 |
| Communication Costs | 185.35 | 161.02 |
| Travelling Expenses | 211.71 | 149.19 |
| Trustee Remuneration | 24.28 | 21.84 |
| Vehicle Expenses | 28.66 | 13.81 |
| Windmill (income) / expenses (Refer note 30.3) | 25.73 | 20.30 |
| Estate (Income) / Expenses (Refer note 30.4) | 99.93 | 101.65 |
| Total | 3,186.47 | 2,450.63 |

Note 30.1: Auditor's fees and expenses

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | |
|-------------------------------|----------------------|--------------|
| | 2022 | 2021 |
| For Statutory Audit | 19.47 | 19.47 |
| For Taxation Matters | 2.60 | 2.60 |
| For Other Services | 7.78 | 5.67 |
| For Reimbursement of Expenses | 2.00 | - |
| Total | 31.85 | 27.74 |

Notes to financial statements

For the Year Ended March 31, 2022

Note 30.2: Expenditure on Corporate Social Responsibility

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | |
|---|----------------------|---------------|
| | 2022 | 2021 |
| a) Gross amount required to be spent by the Company during the year | 172.34 | 162.17 |
| b) Amount spent during the period | 172.73 | 162.17 |
| c) Shortfall (Excess) at the end of the year | (0.39) | |
| d) Total of previous years shortfalls | - | - |
| e) Reason for shortfall | - | - |
| f) Nature of CSR activities | Refer Note 30.2(a) | |
| g) Details of related party transactions | - | 51.90 |
| h) Provision made during the year | - | - |
| Total | 172.73 | 162.17 |

The Company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII of the Companies Act, 2013.

Note 30.2(a)

Promoting health care including preventive health care, Training to promote rural sports, Setting up of homes for women, Eradicating hunger, Promoting education, Empowering women

Note 30.3: Windmill Income / (Expenses), net

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | |
|-------------------------|----------------------|----------------|
| | 2022 | 2021 |
| Income from Windmill | 47.72 | 46.68 |
| Depreciation - Windmill | (61.43) | (55.53) |
| AMC Charges | (12.02) | (11.45) |
| Total | (25.73) | (20.30) |

Note 30.4: Estate Income / (Expenses), net

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | |
|-----------------------|----------------------|-----------------|
| | 2022 | 2021 |
| Income from Estate | 108.94 | 114.65 |
| Depreciation - Estate | (7.67) | (8.73) |
| Estate Expense | (201.20) | (207.57) |
| Total | (99.93) | (101.65) |

Notes to financial statements

For the Year Ended March 31, 2022

Note 31: Tax Expenses

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | |
|--|----------------------|-----------------|
| | 2022 | 2021 |
| Current tax | 2,762.33 | 2,529.52 |
| Adjustment in respect of income tax of earlier year | - | 309.73 |
| Deferred tax relating to origination and reversal of temporary differences | (36.76) | 228.53 |
| Income tax expense reported in statement of profit and loss | 2,725.57 | 3,067.78 |
| Income tax recognized in other comprehensive income (OCI) | - | - |
| Deferred tax related to items recognized in OCI during the period: | - | - |
| - Actuarial (gain)/loss moved from Profit and Loss | 36.19 | 2.35 |
| - Remeasurement of defined benefit plans | - | - |
| Income tax charged to OCI | 36.19 | 2.35 |

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all the profits had been charged at India's corporate tax rate.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2022, and the year ended March 31, 2021, is, as follows:

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | |
|--|----------------------|-----------------|
| | 2022 | 2021 |
| Accounting profit before tax | 10,725.23 | 9,599.36 |
| Applicable tax rate | 25.168% | 25.168% |
| Computed tax for the year | 2,699.33 | 2,415.97 |
| Rate Difference | - | - |
| Tax paid for earlier periods | - | 309.73 |
| DTA not recognised earlier | (51.56) | 274.08 |
| Dividend on CCPS | 6.01 | 2.82 |
| Exempt income | 25.83 | 23.39 |
| Donation and CSR | 46.16 | 40.72 |
| Others | (0.20) | 1.07 |
| Income tax expense reported in the Statement of Profit and Loss | 2,725.57 | 3,067.78 |
| Effective Income Tax Rate | 25.41% | 31.96% |

As per amendment u/s 115BAA of Income Tax Act 1961, existing Domestic Companies are provided with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The Company, vide the provisions of this section, has irreversibly opted for the new tax rate of 25.168% inclusive of surcharge @ 10% and cess @ 4%.

Notes to financial statements

For the Year Ended March 31, 2022

Note 31.1: Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income-tax expense:

Currency: ₹ in Lakhs

| Deferred Tax Assets/(Liabilities) | As at March 31, | |
|---|-----------------|---------------|
| | 2022 | 2021 |
| Depreciation and Amortisation | 715.49 | 679.01 |
| Provision against loans | 294.22 | 294.16 |
| Fair value gain/(loss) on security deposits | 51.20 | 55.26 |
| Right of use assets / (liability) | 47.93 | 32.18 |
| Provision for retirement benefits | 101.68 | 52.93 |
| Provision Others | 81.28 | - |
| Amortisation of processing fees expenses as per EIR | (375.74) | (270.41) |
| Deferred Tax Assets (net) | 916.06 | 843.13 |

Reconciliation of deferred tax assets/(liabilities)

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | |
|---|----------------------|---------------|
| | 2022 | 2021 |
| Opening balance | 843.13 | 1,069.31 |
| Tax income/(expense) during the year recognized in Statement of Profit and Loss | 36.76 | (228.53) |
| MAT utilized for tax payment | - | - |
| Tax income/(expense) during the year recognized in OCI | 36.19 | 2.35 |
| Closing balance | 916.06 | 843.13 |

Notes 31.2 Turnover for Goods & Services Tax

Currency: ₹ in Lakhs

| Particulars | Andhra Pradesh | Delhi | Gujarat | Karnataka | Kerala | Maharashtra | Puducherry | Tamil Nadu | Telangana | Total |
|---------------------------------|-----------------|-----------------|--------------|------------------|------------------|-----------------|---------------|------------------|-----------------|------------------|
| Interest Income | 4,595.48 | 721.15 | 9.67 | 10,303.29 | 10,758.57 | 717.64 | 237.34 | 28,112.23 | 780.83 | 56,236.20 |
| Auction Proceeds of Gold * | 2,678.26 | 398.35 | 65.03 | 8,550.51 | 2,738.18 | 594.02 | 111.20 | 12,847.80 | 486.02 | 28,469.37 |
| Commissions | 0.93 | 0.43 | 0.01 | 2.75 | 6.99 | 0.35 | 0.15 | 3.97 | 0.21 | 15.79 |
| Demat Services | - | - | - | 0.06 | 13.52 | 0.01 | 0.01 | 0.24 | 0.01 | 13.85 |
| Insurance Services | - | - | - | - | 4.90 | - | - | - | - | 4.90 |
| Money Transfer Services | - | - | - | - | 21.66 | - | - | - | - | 21.66 |
| PAN Card Services** | - | - | - | 0.16 | 3.59 | - | - | 0.34 | - | 4.09 |
| Ticket Booking Services** | - | - | - | - | 21.10 | - | - | - | - | 21.10 |
| Ancillary Charges on Loan | 23.25 | 2.13 | 0.11 | 52.86 | 65.61 | 2.10 | 1.08 | 129.24 | 2.50 | 278.88 |
| Interest on Bank Deposit | - | - | - | - | 1,425.23 | - | - | - | - | 1,425.23 |
| Foreign Exchange Services*** | - | - | - | - | 4.03 | - | - | - | - | 4.03 |
| Income from Power Generation** | - | - | - | - | 47.72 | - | - | - | - | 47.72 |
| Agriculture Income** | - | - | - | - | 108.94 | - | - | - | - | 108.94 |
| Sale / Transfer of Fixed Assets | 0.06 | - | - | 0.11 | 48.20 | - | 0.02 | 0.94 | - | 49.33 |
| Total | 7,297.98 | 1,122.06 | 74.82 | 18,909.74 | 15,268.24 | 1,314.12 | 349.80 | 41,094.76 | 1,269.57 | 86,701.09 |

Note:

*Auction proceeds of Gold has been netted off with the outstanding value of such loan and shown as Interest Income in the Profit and Loss A/c

**Costs related to the particular income has been netted off in the Profit and Loss A/c

***Taxable value is taken as 1% of the gross amount of Indian Rupees provided/received (transactions with authorized dealers are excluded as it is exempted) while foreign exchange gain has been shown in the Profit and Loss A/c

Notes to financial statements

For the Year Ended March 31, 2022

Note 32: Earnings per share

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | |
|---|----------------------|--------------|
| | 2022 | 2021 |
| Net profit attributable to ordinary equity holders | 7,999.66 | 6,531.58 |
| Weighted average number of equity shares for basic earnings per share | 20,88,58,528 | 19,75,23,233 |
| Earnings per share: | | |
| Basic earnings per share (₹) | 3.83 | 3.31 |

| Particulars | Year ended March 31, | |
|--|----------------------|---------------------|
| | 2022 | 2021 |
| Net profit attributable to ordinary equity holders | 7,999.66 | 6,531.58 |
| Add: Dividend on CCPS | 23.87 | 11.22 |
| Adjusted profit for diluted earnings per share | 8,023.53 | 6,542.80 |
| Weighted average number of equity shares for basic earnings per share | 20,88,58,528 | 19,75,23,233 |
| Effect of dilution: | - | 1,20,00,000 |
| Weighted average number of equity shares for diluted earnings per share | 20,88,58,528 | 20,95,23,233 |
| Earnings per share: | | |
| Diluted earnings per share (₹) | 3.83 | 3.12 |

Note 33: Assets pledged as security

The carrying amounts of assets pledged as security for debt securities as well as secured borrowings are as below

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|-------------------------------|--------------------|--------------------|
| | 2022 | 2021 |
| Financial assets | | |
| Cash and cash equivalents | 7,301.97 | 16,358.86 |
| Bank Balance other than above | 26,675.74 | 17,326.83 |
| Receivables | 83.58 | 29.70 |
| Loans | 4,00,725.00 | 3,47,826.38 |
| Other Financial assets | 543.07 | 473.20 |
| Non-financial Assets | | |
| Other non-financial assets | 913.53 | 971.18 |
| Total | 4,36,242.89 | 3,82,986.15 |

Above assets have been provided as security on first pari-passu floating charge basis for secured debt securities as well as for secured borrowings other than debt securities.

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|----------------------------|-----------------|-----------------|
| | 2022 | 2021 |
| Land | 5,347.16 | 5,347.16 |
| Building | 156.13 | 164.06 |
| Vehicle * | 84.42 | 108.13 |
| Furniture & Fixtures * | 2,057.21 | 2,018.51 |
| Electrical Fittings* | 551.45 | 533.02 |
| Computer and Accessories * | 251.77 | 322.11 |
| Total | 8,448.14 | 8,492.99 |

Notes to financial statements

For the Year Ended March 31, 2022

Land and Building as above have been provided as collateral Security to the South Indian bank Ltd. for the limit provided as Cash credit to the company and to Vistra ITCL (India) Limited for the Public issue of Non-Convertible Debentures by the Company.

Furniture & Fixtures include an amount of ₹1080.92 Lakhs, with respect to which the Income Tax Department has first charge u/s 281 of the Income Tax Act, 1961.

*These assets (Excluding Furniture & Fixtures amounts to ₹1080.92 Lakhs) have been provided as security on first pari-passu floating charge basis for secured debt securities as well as for secured bank borrowings.

Note 34: Retirement Benefit Plan

Defined Contribution Plan

The Company makes contributions to Provident Fund which is a defined contribution plan for qualifying employees. The Company recognized ₹ 317.71 Lakhs (March 31, 2021: ₹ 210.37 Lakhs) for Provident Fund contributions in the statement of profit and loss.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service. Gratuity liability is unfunded.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Net liability/(assets) recognized in the Balance Sheet

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | |
|---|----------------------|---------------|
| | 2022 | 2021 |
| Present value of obligations | 404.02 | 210.31 |
| Fair value of plan assets | - | - |
| Defined Benefit obligation/(asset) | 404.02 | 210.31 |

Net benefit expense recognized in the statement of profit and loss

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | |
|--|----------------------|--------------|
| | 2022 | 2021 |
| Current service cost | 45.99 | 52.33 |
| Past service cost | - | - |
| Net Interest on net defined benefit liability/ (asset) | 15.35 | 12.50 |
| Net benefit expense | 61.34 | 64.83 |

Details of changes in the present value of defined benefit obligations as follows:

Currency: ₹ in Lakhs

| Particulars | Year ended March 31, | |
|---|----------------------|---------------|
| | 2022 | 2021 |
| Present value of defined benefit obligation at the beginning of the year | 210.31 | 140.52 |
| Current service cost | 45.98 | 52.33 |
| Past Service Cost | - | - |
| Interest cost on benefit obligations | 15.35 | 12.50 |
| Re-measurements: | | |
| a. Actuarial loss/(gain) arising from changes in demographic assumptions | 27.22 | - |
| b. Actuarial loss/ (gain) arising from changes in financial assumptions | 8.82 | - |
| c. Actuarial gain/(loss) arising due to plan experience | 107.74 | 9.32 |
| Benefits paid | (11.40) | (4.36) |
| Present value of defined benefit obligation at the end of the year | 404.02 | 210.31 |

Notes to financial statements

For the Year Ended March 31, 2022

Remeasurement gain/ (loss) in other comprehensive income (OCI)

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|---|-----------------|-------------|
| | 2022 | 2021 |
| Re-measurements on defined benefit obligation | | |
| Actuarial loss/(gain) arising from changes in demographic assumptions | 27.22 | - |
| Actuarial gain/(loss) arising from changes in financial assumptions | 8.82 | - |
| Actuarial gain/(loss) arising due to plan experience | 107.74 | 9.32 |
| Re-measurements on plan assets | | |
| Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset) | - | - |
| Actuarial gain /(loss) (through OCI) | 143.78 | 9.32 |

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

| Particulars | As at March 31, | |
|--------------------------------------|---|---|
| | 2022 | 2021 |
| Salary Growth Rate | 5.00% | 5.00% |
| Discount Rate | 7.28% | 7.50% |
| Mortality | Indian Lives Mortality (2012-14) Ultimate Table | Indian Lives Mortality (2006-08) Ultimate Table |
| Attrition Rate | Modified q(x) values as per above Mortality Table | |
| Withdrawal Rate | Modified version of above Table | |
| Estimated term of liability in years | 12.83 | 24.60 |

A quantitative sensitivity analysis for significant assumptions as at March 31, 2022, and March 31, 2021, are as shown below:

Currency: ₹ in Lakhs

| Assumptions | Sensitivity Level | As at March 31, | |
|-------------------|-------------------|-----------------|--------|
| | | 2022 | 2021 |
| Discount Rate | Increase by 1% | 365.71 | 176.59 |
| Discount Rate | Decrease by 1% | 448.38 | 252.44 |
| Salary Increase | Increase by 1% | 449.01 | 250.72 |
| Salary Increase | Decrease by 1% | 365.25 | 177.26 |
| Employee Turnover | Increase by 1% | 411.15 | 319.84 |
| Employee Turnover | Decrease by 1% | 395.09 | 100.77 |

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis. The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

The principal assumptions used in determining retirement benefit obligations for the Company's plans are shown below:

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments, mortality, withdrawals, and other relevant factors.

Notes to financial statements

For the Year Ended March 31, 2022

Note 35: Maturity analysis of assets and liabilities

Currency: ₹ in Lakhs

| Particulars | As at March 31, | | | | | |
|-------------------------------------|--------------------|------------------|--------------------|--------------------|------------------|--------------------|
| | 2022 | | | 2021 | | |
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| Assets | | | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | 7,301.97 | - | 7,301.97 | 16,358.86 | - | 16,358.86 |
| Bank Balance other than above | 19,310.59 | 7,528.10 | 26,838.69 | 12,863.30 | 4,622.35 | 17,485.65 |
| Trade receivables | 14.08 | - | 14.08 | 7.37 | - | 7.37 |
| Other receivables | 69.50 | - | 69.50 | 22.33 | - | 22.33 |
| Loans | 4,03,387.65 | 953.59 | 4,04,341.24 | 3,50,371.01 | 604.88 | 3,50,975.89 |
| - Adjustment on account of EIR/ ECL | - | - | (3,616.24) | - | - | (3,149.51) |
| Other financial assets | 543.07 | 795.38 | 1,338.45 | 473.20 | 786.32 | 1,259.52 |
| Non-financial Assets | - | - | - | - | - | - |
| Current tax assets (net) | - | 1,562.56 | 1,562.56 | - | 1,095.74 | 1,095.74 |
| Deferred tax assets (net) | - | 916.06 | 916.06 | - | 843.13 | 843.13 |
| Property, plant, and equipment | - | 12,168.48 | 12,168.48 | - | 12,278.28 | 12,278.28 |
| Capital Work in Progress | - | 36.49 | 36.49 | - | - | - |
| Right of use assets | - | 3,720.70 | 3,720.70 | - | 3,650.13 | 3,650.13 |
| Other intangible assets | - | 234.07 | 234.07 | - | 261.14 | 261.14 |
| Other non-financial assets | 913.53 | 1,049.54 | 1,963.07 | 971.30 | 495.33 | 1,466.63 |
| Total Assets | 4,31,540.39 | 28,964.97 | 4,56,889.12 | 3,81,067.37 | 24,637.30 | 4,02,555.16 |

Currency: ₹ in Lakhs

| Particulars | As at March 31, | | | | | |
|--|--------------------|----------------------|--------------------|--------------------|----------------------|--------------------|
| | 2022 | | | 2021 | | |
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| Liabilities | | | | | | |
| Financial Liabilities | | | | | | |
| Trade payables | 385.37 | - | 385.37 | 364.40 | - | 364.40 |
| Debt Securities | 74,642.09 | 1,49,285.53 | 2,23,927.62 | 68,578.18 | 1,60,250.29 | 2,28,828.47 |
| - Adjustment on account of EIR | - | - | (362.89) | - | - | (505.48) |
| Borrowings (other than debt securities) | 95,585.40 | 36,358.91 | 1,31,944.31 | 63,886.48 | 21,374.54 | 85,261.02 |
| Subordinated Liabilities | 3,872.19 | 26,204.99 | 30,077.18 | 6,568.97 | 25,479.34 | 32,048.31 |
| - Adjustment on account of EIR | - | - | (62.20) | - | - | (60.93) |
| Lease Liabilities | 1,453.65 | 2,457.48 | 3,911.13 | 1,366.85 | 2,411.14 | 3,777.99 |
| Other Financial liabilities | 400.98 | - | 400.98 | 194.82 | - | 194.82 |
| Non-financial Liabilities | - | - | - | - | - | - |
| Provisions | 125.58 | 601.37 | 726.95 | 3.97 | 427.09 | 431.06 |
| Other non-financial liabilities | 238.25 | - | 238.25 | 156.65 | - | 156.65 |
| Total Liabilities | 1,76,703.51 | 2,14,908.28 | 3,91,186.70 | 1,41,120.32 | 2,09,942.40 | 3,50,496.31 |
| Net | 2,54,836.88 | (1,85,943.31) | 65,702.42 | 2,39,947.05 | (1,85,305.10) | 52,058.85 |

Notes to financial statements

For the Year Ended March 31, 2022

Note 36: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement

Currency: ₹ in Lakhs

| Particulars | As at March 31, | | | 2022 |
|--|--------------------|------------------|-----------------|--------------------|
| | 2021 | Cash Flows | Others | |
| Debt Securities | 2,28,322.99 | (10,765.88) | 6,007.62 | 2,23,564.73 |
| Borrowings other than debt securities | 85,261.02 | 46,683.28 | - | 1,31,944.31 |
| Subordinated Liabilities | 31,987.38 | (1,837.92) | (134.48) | 30,014.98 |
| Lease Liabilities | 3,777.99 | 2,001.37 | (1,868.23) | 3,911.13 |
| Total liabilities from financing activities | 3,49,349.38 | 36,080.86 | 4,004.91 | 3,89,435.15 |

Currency: ₹ in Lakhs

| Particulars | As at April 01, 2020 | Cash Flows | Others | As at March 31, 2021 |
|--|-------------------------|------------------|-----------------|-------------------------|
| | | | | |
| Debt Securities | 2,04,104.16 | 24,089.48 | 129.35 | 2,28,322.99 |
| Borrowings other than debt securities | 52,188.37 | 33,072.65 | - | 85,261.02 |
| Subordinated Liabilities | 29,752.86 | 1,997.12 | 237.40 | 31,987.38 |
| Lease Liabilities | 2,737.50 | 1,707.26 | (666.77) | 3,777.99 |
| Total liabilities from financing activities | 2,88,782.89 | 60,866.51 | (300.02) | 3,49,349.38 |

Note 37: Contingent liabilities, commitments, and leasing arrangements

Contingent Liabilities

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|--|-----------------|-----------------|
| | 2022 | 2021 |
| (i) Contingent Liabilities | | |
| (a) Claims against the company not acknowledged as debt | | |
| (i) Income Tax Demands | 1,698.84 | 2,166.86 |
| (ii) Service Tax Demands | - | 4,279.62 |
| (iii) Sales Tax Demands | 83.36 | 83.36 |
| Total | 1,782.20 | 6,529.84 |

Notes to financial statements

For the Year Ended March 31, 2022

Note 38: Related Party Disclosures

| | Names of Related parties | |
|---|--|--|
| | (A) Subsidiaries | |
| 1 | NIL | |
| | (B) Key Managerial Personnel | Designation |
| 1 | Mathew K Cherian | Chairman cum Managing Director |
| 2 | Laila Mathew | Whole time Director |
| 3 | Jilu Saju Varghese d/o Mathew K Cherian | Non - Executive Director |
| 4 | C. Thomas John | Independent Director |
| 5 | Paul Jose Maliakal | Independent Director |
| 6 | Kavil Viswambharan Raveendravilasam | Independent Director (Ceased to be the independent Director on September 17, 2021 due to demise) |
| 7 | Sebastian Kurian | Independent Director (w.e.f December 14, 2021) |
| 8 | Annamma Varghese C | Chief Financial Officer |
| 9 | Sreenath Palakkattillam | Company Secretary |
| | (C) Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives | |
| 1 | Kosamattam Builders Private Limited | |
| 2 | Kosamattam Ventures Private Limited | |
| 3 | Kosamattam Builders | |
| 4 | Kosamattam Security Systems | |
| 5 | Velampadikkal Enterprises LLP | |
| 6 | Kosamattam Cherian Foundation | |
| 7 | Kosamattam Nidhi Limited | |
| | (D) Relatives of Key Managerial Personnel (The parties with whom transactions were entered) | |
| 1 | Milu Mathew D/o Mathew K Cherian | |
| 2 | Saju Varghese John H/o Jilu Saju Varghese | |
| 3 | George Thomas h/o Milu Mathew | |
| 4 | Sreekanth P B/o Sreenath Palakkattillam | |
| 5 | Krishnan P F/o Sreenath Palakkattillam | |

Notes to financial statements

For the Year Ended March 31, 2022

Related Party transactions during the year:

Currency: ₹ in Lakhs

| Particulars | Key Managerial Personnel | | Relatives of Key Managerial Personnel | |
|--|--------------------------|----------|---------------------------------------|-------|
| | Year ended March 31, | | | |
| | 2022 | 2021 | 2022 | 2021 |
| Interest paid on Subordinated debts | - | - | 3.61 | 2.23 |
| Interest paid on NCD - Listed | 0.23 | 0.18 | 14.65 | 7.31 |
| Director's Remuneration | 811.00 | 757.00 | - | - |
| Salaries and Allowances | 26.03 | 21.10 | 15.18 | 14.54 |
| Loans given | - | - | 1,250.00 | - |
| Loans repaid | - | 1,269.00 | 357.34 | - |
| Subordinated debts repaid | - | - | 15.00 | - |
| Purchase of Equity Shares of the Company | 300.00 | - | - | 12.50 |
| Purchases of CCPS of the Company | - | 270.00 | - | - |
| Purchase of Listed NCD of the Company | - | 1.18 | 21.26 | 31.21 |
| Redemption of Listed NCD of the Company | 1.70 | - | 10.00 | 2.05 |
| Interest received on Loan | - | 177.66 | 136.90 | - |
| Rent paid | 135.75 | 47.58 | - | - |
| Rent Deposit given | 2.14 | 55.27 | - | - |

The Company has not granted any loan/advance to promoters, directors, KMPs nor related parties either severally or jointly with any other person which is repayable on demand or without specifying any terms or period of payment

Currency: ₹ in Lakhs

| Particulars | Entities over which Key Management Personnel and their relatives are able to exercise significant influence | | Subsidiaries | |
|---------------------------|---|-------|--------------|------|
| | Year ended March 31, | | | |
| | 2022 | 2021 | 2022 | 2021 |
| CSR Expenses | - | 51.90 | - | - |
| Purchase of Fixed Asset | 81.11 | 42.37 | - | - |
| Rendering of Service | 176.60 | | | |
| Loan &Advances | 600.00 | - | - | - |
| Loans repaid | 600.00 | - | - | - |
| Interest received on Loan | 55.23 | - | - | |

Balance outstanding as at the year-end: Asset/ (Liability)

Currency: ₹ in Lakhs

| Particulars | Key Managerial Personnel | | Relatives of Key Managerial Personnel | |
|---|--------------------------|-------------|---------------------------------------|----------|
| | As at March 31, | | | |
| | 2022 | 2021 | 2022 | 2021 |
| Investments in Equity Shares | (15,860.10) | (15,560.10) | (12.54) | (12.54) |
| Investments in CCPS | - | (270.00) | - | - |
| NCD – Listed | (1.00) | (2.70) | (99.64) | (88.38) |
| Rent Deposit | 78.41 | 76.27 | - | - |
| Subordinated Liabilities | - | - | - | (15.00) |
| Loans | - | - | 892.66 | - |
| Amounts (payable)/receivable (Net) to related parties | (15,782.69) | (15,756.53) | 780.48 | (115.92) |

Note: a) Related parties have been identified based on the declaration received by the management and other records available.

Notes to financial statements

For the Year Ended March 31, 2022

Balance outstanding as at the year-end: Asset/ (Liability)

Currency: ₹ in Lakhs

| Particulars | Entities over which Key Management Personnel and their relatives are able to exercise significant influence | | Subsidiaries | |
|--|---|------------|--------------|------|
| | As at March 31, | | | |
| | 2022 | 2021 | 2022 | 2021 |
| Investments in Equity Shares | (3,600.02) | (3,600.02) | - | - |
| Advance for purchase of Goods & Services | 18.04 | 6.17 | - | - |
| Amounts payable (Net) to related parties | (3,581.98) | (3,593.85) | - | - |

Note:

a) Related parties have been identified based on the declaration received by the management and other records available.

Compensation of Key Managerial Personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

Note 39: Capital Management

Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and requirements of the financial covenants. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Currency: ₹ in Lakhs

| Ratio | Numerator | Denominator | Current Period | Previous Period | % Variance | Reason for Variance (if above 25%) |
|--|-----------|-------------|----------------|-----------------|------------|------------------------------------|
| Capital to risk-weighted assets ratio (CRAR) | 78,759.61 | 4,22,250.06 | 18.65% | 18.60% | 0.05% | - |
| Tier I CRAR | 61,025.69 | 4,22,250.06 | 14.45% | 13.58% | 0.87% | - |
| Tier II CRAR | 17,733.92 | 4,22,250.06 | 4.20% | 5.02% | -0.82% | - |
| Liquidity Ratio | - | - | - | - | - | - |

Regulatory capital consists of Tier1 capital which comprises share capital, share premium, and retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is Tier 2 capital instruments.

Notes to financial statements

For the Year Ended March 31, 2022

Note 40: Fair Value Measurement

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are initially measured at fair value and subsequently carried at amortized cost in the financial statements.

Currency: ₹ in Lakhs

| Particulars | Level | Carrying Value | | Fair Value | |
|---|-------|-----------------|-------------|-------------|-------------|
| | | As at March 31, | | | |
| | | 2022 | 2021 | 2022 | 2021 |
| Financial assets | | | | | |
| Cash and cash equivalents | 1 | 7,301.97 | 16,358.86 | 7,301.97 | 16,358.86 |
| Bank Balance other than Above | 1 | 26,838.69 | 17,485.65 | 26,838.69 | 17,485.65 |
| Receivable | 3 | 83.58 | 29.70 | 83.58 | 29.70 |
| Loans | 3 | 4,00,725.00 | 3,47,826.38 | 4,00,725.00 | 3,47,826.38 |
| Other Financial assets | 3 | 1,338.45 | 1,259.52 | 1,338.45 | 1,259.52 |
| Financial assets | | 4,36,287.69 | 3,82,960.11 | 4,36,287.69 | 3,82,960.11 |
| Financial Liabilities | | | | | |
| Payable | 3 | 385.37 | 364.40 | 385.37 | 364.40 |
| Debt securities | 2 | 2,23,564.73 | 2,28,322.99 | 2,23,564.73 | 2,28,322.99 |
| Borrowings (other than debt securities) | 2 | 1,31,944.31 | 85,261.02 | 1,31,944.31 | 85,261.02 |
| Subordinated liabilities | 2 | 30,014.98 | 31,987.38 | 30,014.98 | 31,987.38 |
| Other financial liabilities | 3 | 400.98 | 194.82 | 400.98 | 194.82 |
| Financial Liabilities | | 3,86,310.37 | 3,46,130.61 | 3,86,310.37 | 3,46,130.61 |

Valuation techniques

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include cash and cash equivalents, trade receivables, balances other than cash and cash equivalents, and trade payables without a specific maturity. Such amounts have been classified as Level 2/Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default, and loss has given default estimates. Since comparable data is not available, credit risk is derived using historical experience, management view, and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using an Effective interest rate model that incorporates interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating the probability of defaults and loss given defaults.

Financial liability at amortized cost

The fair values of financial liability held to maturity are estimated using an effective interest rate model based on contractual cash flows using actual yields.

Note 41: Risk Management

The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the company's operations. The Company's principal financial assets include loans, cash, and cash equivalents, and other receivables that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to the lending business and the operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

Notes to financial statements

For the Year Ended March 31, 2022

The Company's Risk Management Committee of the Board of directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee for review.

Risk Management Committee shall be responsible for the following:

- Identifying the various risks associated with the activities of the Company and assessing their impact on the business.
- Measuring the risks and suggesting measures to effectively mitigate the risks. However, the primary responsibility for managing the various risks on a day-to-day basis will be with the heads of the respective business units of the Company.

The Company is generally exposed to credit risk, liquidity risk, and market risk

I) Credit Risk

Credit Risk arises from the risk of loss that may occur from the default of the Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses.

The Company addresses credit risk through the following processes:

- Credit risk on a Gold loan is considerably reduced as collateral in the form of Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to the adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the Credit risk is normally low.
- Sanctioning powers for Gold Loans are delegated to various authorities at branches/controlling offices. Sanctioning powers is used only for granting loans for legally permitted purposes. The maximum Loan to Value stipulated by the Reserve Bank of India does not exceed under any circumstances.
- Gold ornaments brought for the pledge is the primary responsibility of the Branch Manager. Extra care is taken if the gold jewellery brought for a pledge by any customer at any one time or cumulatively is more than 20 gm.
- Auctions are conducted as per the Auction Policy of the Company and the guidelines issued by the Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds the realizable value of gold. After the reasonable time is given to the customers for release after the loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

Impairment Assessment

The Company is mainly engaged in the business of providing gold loans. The tenure of the loans generally is up to 9 months. The Company also provides other secured and unsecured loans. The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies.

Definition of default and cure

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2, as appropriate.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for loans are as follows:

| Rating | Loans Days past due (DPD) | Stages |
|---------------------------|---------------------------|---------|
| High grade | Not yet due | Stage 1 |
| Standard grade | 1-30 DPD | Stage 2 |
| Sub-standard grade | 31-60 DPD | Stage 2 |
| Past due but not impaired | 61- 90 DPD | Stage 2 |
| Individually impaired | 91 DPD or More | Stage 3 |

Notes to financial statements

For the Year Ended March 31, 2022

Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD. PD is calculated using the Incremental 91 DPD approach considering fresh slippage using historical information.

| Particulars | As at March 31, | | | | | |
|-------------------------|-----------------|---------|---------|---------|---------|---------|
| | 2022 | | | 2021 | | |
| | Stage 1 | Stage 2 | Stage 3 | Stage 1 | Stage 2 | Stage 3 |
| i) Gold Loan | 1.92% | 13.71% | 100.00% | 1.89% | 9.49% | 100.00% |
| ii) Business Loans | 11.10% | 15.27% | 100.00% | 14.51% | 14.51% | 100.00% |
| iii) Kisan Credit | 10.00% | 30.00% | 100.00% | - | - | - |
| iv) Micro Finance Loans | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| v) Mortgaged Loan | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| vi) Rental Loan | 100.00% | 100.00% | 100.00% | 14.51% | 14.51% | 100.00% |
| vii) Staff Loan | - | - | - | 100.00% | 100.00% | 100.00% |
| viii) Other Loans | 100.00% | 100.00% | 100.00% | 14.51% | 14.51% | 100.00% |

Based on the review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine the qualitative impact on its PD's as at March 31, 2022, and March 31, 2021.

Loss Given Default (LGD)

LGD is the estimated loss that the Company might bear if the borrower defaults. The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value, and expected proceeds from the sale of an asset.

| Particulars | As at March 31, | | | | | |
|-------------------------|-----------------|---------|---------|---------|---------|---------|
| | 2022 | | | 2021 | | |
| | Stage 1 | Stage 2 | Stage 3 | Stage 1 | Stage 2 | Stage 3 |
| i) Gold Loan | 13.39% | 13.39% | 13.39% | 12.95% | 12.95% | 12.95% |
| ii) Business Loans | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| iii) Kisan Credit | 100.00% | 100.00% | 100.00% | | | |
| iv) Micro Finance Loans | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| v) Mortgaged Loan | 21.72% | 21.72% | 21.72% | 19.36% | 19.36% | 19.36% |
| vi) Rental Loan | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| vii) Staff Loan | - | - | - | 100.00% | 100.00% | 100.00% |
| viii) Other Loans | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Notes to financial statements

For the Year Ended March 31, 2022

Collateral and other credit enhancements

The amount and type of collateral required to depend on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also show the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

The main types of collateral are as follows: -

Management provides gold loans against the security of gold. The gold is pledged with the company and based on the company policy of loan to value ratio, the loan is provided.

Fair value of collateral and credit enhancements held

Currency: ₹ in Lakhs

| As at March 31, 2022 | Maximum exposure to credit risk | Cash | Securities | Bank and government guarantees | Household used Gold Ornaments | Book debts, Inventory, and other working capital items | Surplus collateral | Total collateral | Net exposure | Associated ECLs |
|--|---------------------------------|------------------|-----------------|--------------------------------|-------------------------------|--|--------------------|--------------------|-----------------|-----------------|
| Financial assets | | | | | | | | | | |
| Cash and cash equivalents | 7,301.97 | 7,301.97 | - | - | - | - | - | 7,301.97 | - | - |
| Bank Balance other than Cash and cash equivalents | 26,838.69 | 26,838.69 | - | - | - | - | - | 26,838.69 | - | - |
| Loans (Gross): | | | | | | | | | | |
| i) Gold Loan | 3,96,680.71 | - | - | - | 3,96,680.71 | - | 1,23,005.09 | 5,19,685.81 | - | 1,840.49 |
| ii) Business Loan | 507.35 | - | - | - | - | - | - | - | 507.35 | 64.86 |
| iii) Kisan Credit | 528.56 | - | - | - | - | - | - | - | - | 52.86 |
| iv) Micro Finance Loans | 116.33 | - | - | - | - | - | - | - | 116.33 | 116.33 |
| v) Mortgage Loan | 6,344.64 | - | 6,344.64 | - | - | - | 7,642.27 | 13,986.91 | - | 1,378.06 |
| vi) Rental Loan | 16.13 | - | - | - | - | - | - | - | 16.13 | 16.13 |
| vii) Other Loans | 147.52 | - | - | - | - | - | - | - | 147.52 | 147.52 |
| Trade receivables | 14.08 | - | - | - | - | - | - | - | 14.08 | - |
| Other receivables | 69.50 | - | - | - | - | - | - | - | 69.50 | - |
| Other financial assets | 1,338.45 | - | - | - | - | - | - | - | 1,338.45 | - |
| Total financial assets at amortised cost | 4,39,903.93 | 34,140.66 | 6,344.64 | - | 3,96,680.71 | - | 1,30,647.36 | 5,67,813.38 | 2,209.36 | 3,616.25 |
| Financial assets at FVTPL* | - | - | - | - | - | - | - | - | - | - |
| Total financial instruments at fair value through profit or loss* | - | - | - | - | - | - | - | - | - | - |
| Equity instrument at fair value through OCI | - | - | - | - | - | - | - | - | - | - |
| Total equity instrument at fair value through OCI | - | - | - | - | - | - | - | - | - | - |
| | 4,39,903.93 | 34,140.66 | 6,344.64 | - | 3,96,680.71 | - | 1,30,647.36 | 5,67,813.38 | 2,209.36 | 3,616.25 |
| Other commitments | - | - | - | - | - | - | - | - | - | - |
| | 4,39,903.93 | 34,140.66 | 6,344.64 | - | 3,96,680.71 | - | 1,30,647.36 | 5,67,813.38 | 2,209.36 | 3,616.25 |

* Including Equity Instruments

Notes to financial statements

For the Year Ended March 31, 2022

| Fair value of collateral and credit enhancements held | | | | | | | Currency: ₹ in Lakhs | | | |
|--|---------------------------------|------------------|-----------------|--------------------------------|-------------------------------|--|----------------------|--------------------|-----------------|-----------------|
| As at March 31, 2021 | Maximum exposure to credit risk | Cash | Securities | Bank and government guarantees | Household used Gold Ornaments | Book debts, Inventory, and other working capital items | Surplus collateral | Total collateral | Net exposure | Associated ECLs |
| Financial assets | | | | | | | | | | |
| Cash and cash equivalents | 16,358.86 | 16,358.86 | - | - | - | - | - | 16,358.86 | - | - |
| Bank Balance other than Cash and cash equivalents | 17,485.65 | 17,485.65 | - | - | - | - | - | 17,485.65 | - | - |
| Loans (Gross): | | | | | | | | | | |
| i) Gold Loan | 3,43,218.54 | - | - | - | 3,43,218.54 | - | 1,13,778.86 | 4,56,997.40 | - | 1,459.80 |
| ii) Business Loan | 1,634.99 | - | - | - | - | - | - | - | 1,634.99 | 249.94 |
| iii) Micro Finance Loans | 147.57 | - | - | - | - | - | - | - | 147.57 | 147.57 |
| iv) Mortgage Loan | 5,806.26 | - | 5,806.26 | - | - | - | 7,748.78 | 13,555.04 | - | 1,124.04 |
| vi) Rental Loan | 20.33 | - | - | - | - | - | - | - | 20.33 | 19.96 |
| vii) Other Loans | 148.20 | - | - | - | - | - | - | - | 148.20 | 148.20 |
| Trade receivables | 7.37 | - | - | - | - | - | - | - | 7.37 | - |
| Other receivables | 22.33 | - | - | - | - | - | - | - | 22.33 | - |
| Other financial assets | 1,259.52 | - | - | - | - | - | - | - | 1,259.52 | - |
| Total financial assets at amortised cost | 3,86,109.62 | 33,844.51 | 5,806.26 | - | 3,43,218.54 | - | 1,21,527.64 | 5,04,396.95 | 3,240.31 | 3,149.51 |
| Financial assets at FVTPL * | | | | | | | | | | |
| Total financial instruments at fair value through profit or loss* | - | - | - | - | - | - | - | - | - | - |
| Equity instrument at fair value through OCI | | | | | | | | | | |
| Total equity instrument at fair value through OCI | - | - | - | - | - | - | - | - | - | - |
| Other commitments | - | - | - | - | - | - | - | - | - | - |
| * Including Equity Instruments | 3,86,109.62 | 33,844.51 | 5,806.26 | - | 3,43,218.54 | - | 1,21,527.64 | 5,04,396.95 | 3,240.31 | 3,149.51 |

Notes to financial statements

For the Year Ended March 31, 2022

II) Liquidity risk

Asset Liability Management (ALM)

The table below shows the maturity pattern of the assets and liabilities. In the case of loans, the contracted tenure of the gold loan is a maximum of 9 months. However, on account of a high incidence of prepayment before contracted maturity, the below maturity profile has been prepared by the management on the basis of the historical pattern of repayments. In the case of loans other than gold loans, the maturity profile is based on contracted maturity.

Maturity pattern of assets and liabilities as on March 31, 2022:

| Particulars | Up to 1 month | 1 to 2 months | 2 to 3 months | 3 to 6 months | 6 months to 1 year | 1 to 3 years | 3 to 5 years | Over 5 years | Currency: ₹ in Lakhs | |
|---|------------------|------------------|------------------|--------------------|--------------------|--------------------|------------------|------------------|------------------------|--------------------|
| | | | | | | | | | Not sensitive to ALM * | Total |
| Financial assets | | | | | | | | | | |
| Cash and cash equivalents | 7,301.97 | - | - | - | - | - | - | - | - | 7,301.97 |
| Bank Balance other than Cash and cash equivalents | 1,073.24 | 2,290.10 | 1,708.68 | 4,044.46 | 10,194.11 | 6,601.94 | 926.14 | 0.02 | - | 26,838.69 |
| Loans | 38,845.51 | 29,795.75 | 60,265.11 | 1,38,402.93 | 1,36,078.35 | 953.59 | - | - | (3,616.24) | 4,00,725.00 |
| Total | 47,220.72 | 32,085.85 | 61,973.79 | 1,42,447.39 | 1,46,272.46 | 7,555.53 | 926.14 | 0.02 | (3,616.24) | 4,34,865.66 |
| Financial Liabilities | | | | | | | | | | |
| Debt Securities | - | 16,280.16 | 10,383.17 | 26,205.40 | 21,773.36 | 1,26,754.61 | 17,280.94 | 5,249.98 | (362.89) | 2,23,564.73 |
| Borrowings (other than Debt Securities) | 14,554.97 | 8,432.07 | 30,799.89 | 25,349.15 | 16,449.32 | 32,416.41 | 3,942.50 | - | - | 1,31,944.31 |
| Subordinated Liabilities | 110.15 | - | - | - | 3,762.04 | 2,421.53 | 16,111.01 | 7,672.45 | (62.20) | 30,014.98 |
| Total | 14,665.12 | 24,712.23 | 41,183.06 | 51,554.55 | 41,984.72 | 1,61,592.55 | 37,334.45 | 12,922.43 | (425.09) | 3,85,524.02 |

*represents adjustments on account of EIR/ECL

Maturity pattern of assets and liabilities as on March 31, 2021:

| Particulars | Up to 1 month | 1 to 2 months | 2 to 3 months | 3 to 6 months | 6 months to 1 year | 1 to 3 years | 3 to 5 years | Over 5 years | Currency: ₹ in Lakhs | |
|---|------------------|------------------|------------------|--------------------|--------------------|--------------------|------------------|------------------|------------------------|--------------------|
| | | | | | | | | | Not sensitive to ALM * | Total |
| Financial assets | | | | | | | | | | |
| Cash and cash equivalents | 16,358.86 | - | - | - | - | - | - | - | - | 16,358.86 |
| Bank Balance other than Cash and cash equivalents | 532.76 | 1,921.53 | 981.91 | 1,573.43 | 7,853.67 | 3,288.24 | 1,334.11 | - | - | 17,485.65 |
| Loans | 77,668.92 | 43,272.69 | 29,312.29 | 1,12,812.82 | 87,304.29 | 602.37 | 2.51 | - | (3,149.51) | 3,47,826.38 |
| Total | 94,560.54 | 45,194.22 | 30,294.20 | 1,14,386.25 | 95,157.96 | 3,890.61 | 1,336.62 | - | (3,149.51) | 3,81,670.89 |
| Financial Liabilities | | | | | | | | | | |
| Debt Securities | 5,932.75 | 3,026.54 | 5,948.86 | 18,619.18 | 35,050.84 | 1,20,365.82 | 31,764.86 | 8,119.62 | (505.48) | 2,28,322.99 |
| Borrowings (other than Debt Securities) | 13,558.45 | 731.06 | 19,245.98 | 14,226.08 | 16,124.91 | 16,077.15 | 5,297.39 | - | - | 85,261.02 |
| Subordinated Liabilities | - | - | - | - | 6,568.98 | 3,995.48 | 11,003.94 | 10,479.91 | (60.93) | 31,987.38 |
| Total | 19,491.20 | 3,757.60 | 25,194.84 | 32,845.26 | 57,744.73 | 1,40,438.45 | 48,066.19 | 18,599.53 | (566.42) | 3,45,626.59 |

*represents adjustments on account of EIR/ECL

Notes to financial statements

For the Year Ended March 31, 2022

III) Market risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factors. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Company is exposed to two types of market risk as follows:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. The majority of our borrowings are at fixed rates. However, borrowings at floating rates give rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation, and other factors. In order to manage interest rate risk, the company seeks to optimize the borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize the stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and the Asset Liability Management Committee supervises an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenures.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Currency: ₹ in Lakhs

| Impact on Profit before taxes | As at March 31, | |
|------------------------------------|-----------------|----------|
| | 2022 | 2021 |
| On Floating Rate Borrowings | | |
| 0.5 % increase in interest rates | 433.04 | 292.41 |
| 0.5 % decrease in interest rates | (433.04) | (292.41) |

Price risk

The Company's exposure to price risk is not material.

Note 42: Segment reporting

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the management to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by Ind AS 108 on "Operating Segment".

Note 43: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The company has during the year raised through public issue ₹ 53,735.62 Lakhs of Secured Redeemable Non-Convertible Debentures and ₹ 2,585.26 Lakhs of Subordinated Debt. As at March 31, 2022, the company has utilized the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

Note 44: Disclosure required as per Reserve Bank of India Notification No. DNBS.CC.PD.NO. 265/03.10.01/2011-12 dated March 21, 2012

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|---|-----------------|-------------|
| | 2022 | 2021 |
| Gold Loans granted against collateral of gold jewellery (principal portion) | 3,96,680.71 | 3,43,218.54 |
| Total assets of the Company | 4,56,889.12 | 4,02,555.16 |
| Percentage of Gold Loans to Total Assets | 86.82% | 85.26% |

Notes to financial statements

For the Year Ended March 31, 2022

Note 45: Disclosures required as per Reserve Bank of India Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Currency: ₹ in Lakhs

| SI No. | Particulars | Amount Outstanding | Amount Overdue | Amount Outstanding | Amount Overdue |
|----------|---|------------------------|----------------|--------------------|----------------|
| 1 | Liabilities: | | | | |
| | Loans and advances* availed by the non-banking financial company inclusive of interest accrued thereon but not paid: - | As at March 31, | | | |
| | | | 2022 | | 2021 |
| | (a) Debentures | 2,23,927.62 | - | 2,28,828.47 | - |
| | : Secured | | | | |
| | : Unsecured | - | - | - | - |
| | (other than falling within the meaning of public deposits) | - | - | - | - |
| | : Perpetual Debt Instrument | 675.16 | - | 1,381.00 | - |
| | (b) Deferred credits | - | - | - | - |
| | (c) Term Loans | 64,614.43 | - | 29,996.14 | - |
| | (d) Inter-corporate loans and borrowing | - | - | - | - |
| | (e) Commercial Paper | - | - | - | - |
| | (f) Other Loans (specify nature) | - | - | - | - |
| | Loan from Directors/ Relatives of Directors | - | - | - | - |
| | Subordinated Debt | 29,402.02 | - | 29,467.31 | - |
| | Borrowings from Banks/FI | 67,329.88 | - | 55,264.88 | - |
| | Overdraft against Deposit with Banks | - | - | - | - |

*Principal amounts of loans and advances availed

Currency: ₹ in Lakhs

| SI No. | Assets | As at March 31, | |
|----------|---|------------------------|-------------|
| | | 2022 | 2021 |
| 2 | Break-up of Loans and Advances including bills receivables (other than those included in (3) below): - | | |
| | (including interest accrued) | | |
| | (a) Secured | 4,03,025.35 | 3,49,024.80 |
| | (b) Unsecured | 1,315.89 | 1,951.09 |

Notes to financial statements

For the Year Ended March 31, 2022

Currency: ₹ in Lakhs

| SL No | Assets | As at March 31, | |
|----------|---------------------------------|-----------------|------|
| | | 2022 | 2021 |
| 3 | Break up of Investments: | | |
| | Current Investments: | | |
| 1. | Quoted: | | |
| | (i) Shares (a) Equity | - | - |
| | (b) Preference | - | - |
| | (ii) Debentures and Bonds | - | - |
| | (iii) Units of mutual funds | - | - |
| | (iv) Government Securities | - | - |
| | (v) Others (specify) | - | - |
| 2. | Unquoted: | | |
| | (i) Shares (a) Equity | - | - |
| | (b) Preference | - | - |
| | (ii) Debentures and Bonds | - | - |
| | (iii) Units of mutual funds | - | - |
| | (iv) Government Securities | - | - |
| | (v) Others (specify) | - | - |
| | Long Term Investments | | |
| 1. | Quoted: | | |
| | (i) Shares (a) Equity | - | - |
| | (b) Preference | - | - |
| | (ii) Debentures and Bonds | - | - |
| | (iii) Units of mutual funds | - | - |
| | (iv) Government Securities | - | - |
| | (v) Others (specify) | - | - |
| 2. | Unquoted: | | |
| | (i) Shares (a) Equity | - | - |
| | (b) Preference | - | - |
| | (ii) Debentures and Bonds | - | - |
| | (iii) Units of mutual funds | - | - |
| | (iv) Government Securities | - | - |
| | (v) Others (specify) | - | - |

Notes to financial statements

For the Year Ended March 31, 2022

Currency: ₹ in Lakhs

| SL No | Assets | As at March 31, | |
|-------|--|-----------------|------|
| | | 2022 | 2021 |
| 4 | Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities: - | | |
| | (i) Lease assets including lease rentals under sundry debtors: - | | |
| | (a) Financial lease | - | - |
| | (b) Operating lease | - | - |
| | (ii) Stock on hire including hire charges under sundry debtors | | |
| | (a) Assets on hire | - | - |
| | (b) Repossessed Assets | - | - |
| | (iii) Other loans counting towards AFC activities | | |
| | (a) Loans where assets have been repossessed | - | - |
| | (b) Loans other than (a) above | - | - |

5 Borrower Group-wise Classification of Assets Financed* as in SI No. (2) and (3) above:-

Currency: ₹ in Lakhs

| Category | As at March 31, 2022 | | |
|---------------------------------|---|---------------|--------------------|
| | Amount (Principal, Net of provisioning) | | |
| | Secured | Unsecured | Total |
| 1. Related Parties | | | |
| (a) Subsidiaries | - | - | - |
| (b) Companies in the same group | - | - | - |
| (c) Other related parties | 698.77 | - | 698.77 |
| 2. Other than related parties | 3,99,108.04 | 918.19 | 4,00,026.23 |
| Total | 3,99,806.81 | 918.19 | 4,00,725.00 |

Currency: ₹ in Lakhs

| Category | As at March 31, 2021 | | |
|---------------------------------|---|-----------------|--------------------|
| | Amount (Principal, Net of provisioning) | | |
| | Secured | Unsecured | Total |
| 1. Related Parties | | | |
| (a) Subsidiaries | - | - | - |
| (b) Companies in the same group | - | - | - |
| (c) Other related parties | - | - | - |
| 2. Other than related parties | 3,46,440.96 | 1,385.42 | 3,47,826.38 |
| Total | 3,46,440.96 | 1,385.42 | 3,47,826.38 |

Notes to financial statements

For the Year Ended March 31, 2022

6 Other Information

Currency: ₹ in Lakhs

| Particulars | Amount Outstanding | |
|---|--------------------|---------|
| | As at March 31, | |
| | 2022 | 2021 |
| (i) Gross Non-Performing Assets | | |
| (a) With Related parties | - | - |
| (b) With Others | 5742.29 | 4642.11 |
| (ii) Net Non-Performing Assets | | |
| (a) With Related parties | - | - |
| (b) With Others | 3523.88 | 2757.91 |
| (iii) Assets acquired in satisfaction of the debt | | |
| (a) With Related parties | - | - |
| (b) With Others | - | - |

7 Details of the Auctions conducted with respect to Gold Loan

The Company auctioned 64,167 loan accounts (March 31, 2021: 1,087 accounts) during the financial year. The outstanding dues on these loan accounts were ₹ 31,398.25 Lakhs (March 31, 2021: ₹ 614.34 Lakhs) till the respective date of auction. The Company realised ₹ 28,469.38 Lakhs. (March 31, 2021: ₹ 432.80 Lakhs.) on auctioning of gold jewellery taken as collateral security on these loans. Company confirms that none of its sister concerns participated in the above auctions.

8 a) Capital

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|---|-----------------|-----------|
| | As at March 31, | |
| | 2022 | 2021 |
| i) CRAR (%) | 18.65% | 18.60% |
| ii) CRAR-Tier I capital (%) | 14.45% | 13.58% |
| iii) CRAR-Tier II capital (%) | 4.20% | 5.02% |
| iv) Amount of subordinated debt raised as Tier-II capital | 16409.45 | 17,194.38 |
| v) Amount raised by the issue of Perpetual Debt Instruments during the year | | - |
| vi) Amount raised by the issue of Perpetual Debt Instruments | 565.00 | 1,190.00 |
| vii) Percentage of PDI to Tier I Capital | 0.93% | 2.38% |

8 b) Derivatives

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|---|-----------------|------|
| | As at March 31, | |
| | 2022 | 2021 |
| (i) The notional principal of swap agreements | - | - |
| (ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements | - | - |
| (iii) Collateral required by the NBFC upon entering into swaps | - | - |
| (iv) Concentration of credit risk arising from swaps | - | - |
| (v) The fair value of the swap book | - | - |

Notes to financial statements

For the Year Ended March 31, 2022

Exchange-traded interest rate (IR) derivatives

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|--|-----------------|------|
| | 2022 | 2021 |
| Exchange-traded interest rate (IR) derivatives | - | - |

8 c) Disclosure relating to securitization

Currency: ₹ in Lakhs

| Particulars | As at March 31, | |
|--|-----------------|------|
| | 2022 | 2021 |
| i) Disclosure relating to securitization | - | - |

Asset Liability Management

8 d) Maturity pattern of certain items of assets and liabilities

Currency: ₹ in Lakhs

| As at 31.03.2022 | 1 to 30/ 31 days (one month) | Over one month to 2 months | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 Year to 3 year | Over 3 to 5 years | Over 5 years | Non-sensitive to ALM ** | Total |
|--|------------------------------------|-------------------------------|------------------------------|------------------------------|----------------------------|--------------------------|----------------------|-----------------|----------------------------|-------------|
| Liabilities | | | | | | | | | | |
| Debt Securities | - | 16,280.16 | 10,383.17 | 26,205.40 | 21,773.36 | 1,26,754.61 | 17,280.94 | 5,249.98 | (362.89) | 2,23,564.73 |
| Subordinated Liabilities | 110.15 | - | - | - | 3,762.04 | 2,421.53 | 16,111.01 | 7,672.45 | (62.20) | 30,014.98 |
| Borrowings (other than debt securities) | 14,554.97 | 8,432.07 | 30,799.89 | 25,349.15 | 16,449.32 | 32,416.41 | 3,942.50 | - | - | 1,31,944.31 |
| Foreign Currency Liabilities | - | - | - | - | - | - | - | - | - | - |
| Assets | | | | | | | | | | |
| Advances* | 38,845.51 | 29,795.75 | 60,265.11 | 1,38,402.93 | 1,36,078.35 | 953.59 | - | - | -3,616.24 | 4,00,725.00 |
| Investments (other than investment in the foreign subsidiary) | - | - | - | - | - | - | - | - | - | - |
| Foreign Currency Assets (Investment in the foreign subsidiary) | - | - | - | - | - | - | - | - | - | - |

*Contracted tenure of the gold loan is a maximum of 9 months. However, on account of the high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of a historical pattern of repayments. In the case of loans other than gold loans, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

Notes to financial statements

For the Year Ended March 31, 2022

Currency: ₹ in Lakhs

| As at 31.03.2021 | 1 to 30/ 31 days (one month) | Over one month to 2 months | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 Year to 3 year | Over 3 to 5 years | Over 5 years | Non-sensitive to ALM ** | Total |
|--|---------------------------------|-------------------------------|------------------------------|------------------------------|----------------------------|--------------------------|----------------------|-----------------|-------------------------|--------------------|
| Liabilities | | | | | | | | | | |
| Debt Securities | 5,932.75 | 3,026.54 | 5,948.86 | 18,619.18 | 35,050.84 | 1,20,365.82 | 31,764.86 | 8,119.62 | (505.48) | 2,28,322.99 |
| Subordinated Liabilities | - | - | - | - | 6,568.98 | 3,995.48 | 11,003.94 | 10,479.91 | (60.93) | 31,987.38 |
| Borrowings (other than debt securities) | 13,558.45 | 731.06 | 19,245.98 | 14,226.08 | 16,124.91 | 16,077.15 | 5,297.39 | - | - | 85,261.02 |
| Foreign Currency Liabilities | - | - | - | - | - | - | - | - | - | - |
| Assets | | | | | | | | | | |
| Advances* | 77,668.92 | 43,272.69 | 29,312.29 | 1,12,812.82 | 87,304.29 | 602.37 | 2.51 | - | (3,149.51) | 3,47,826.38 |
| Investments (other than investment in the foreign subsidiary) | - | - | - | - | - | - | - | - | - | - |
| Foreign Currency Assets (Investment in the foreign subsidiary) | - | - | - | - | - | - | - | - | - | - |

*Contracted tenure of the gold loan is maximum of 9 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of a historical pattern of repayments. In the case of loans other than gold loans, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

8 e) Exposure

i) Exposure to Real Estate Sector

Currency: ₹ in Lakhs

| Category | As at March 31, | |
|--|-----------------|-------------|
| | 2022 | 2021 |
| a) Direct exposure (Net of Advances from Customers) | | |
| (i) Residential Mortgages - | | |
| Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: | - | - |
| (ii) Commercial Real Estate - | | |
| Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development, and construction, etc.). Exposure would also include non-fund based (NFB) limits; | - | - |
| (iii) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures - | | |
| a. Residential | - | - |
| b. Commercial Real Estate | - | - |
| Total Exposure to Real Estate Sector | 0.00 | 0.00 |

Notes to financial statements

For the Year Ended March 31, 2022

ii) Exposure to Capital Market

Currency: ₹ in Lakhs

| | | As at March 31, | |
|--|--|-----------------------|-------------|
| | | 2022 | 2021 |
| i) | Direct investment in equity shares, convertible bonds, convertible debentures, and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt | - | - |
| ii) | Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds | - | - |
| iii) | Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds are taken as a primary security | - | - |
| iv) | Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds i.e. where the primary security other than shares / convertible bonds /convertible debentures/units of equity-oriented mutual funds does not fully cover the advances | - | - |
| v) | Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers | - | - |
| vi) | Loans sanctioned to corporates against the security of shares /bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources | - | - |
| vii) | Bridge loans to companies against expected equity flows /issues | - | - |
| viii) | All exposures to Venture Capital Funds (both registered and unregistered) | - | - |
| Total Exposure to Capital Markets | | 0.00 | 0.00 |
| iii) Details of financing of parent company products | | Not Applicable | |
| iv) Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the Company | | - | - |
| v) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken and which is to be classified as Unsecured Advances | | - | - |

Notes to financial statements

For the Year Ended March 31, 2022

8 f) Registration obtained from financial sector regulators

The company has obtained a certificate of registration dated December 19, 2013, bearing registration no. B-16.00117 issued by the Reserve Bank of India ("RBI") to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934.

The company holds a full-fledged money changers license bearing license number FE. CHN.FFMC.40/2006 dated February 7, 2006, issued by the RBI which is valid up to February 28, 2023. Currently, Company has 62 authorized service centers.

The company holds a Certificate of Registration dated March 30, 2016, bearing Registration Number - CA0179 issued by IRDA to commence/carry business in the capacity of a Corporate Agent (Composite) under the Insurance Regulatory and Development Authority Act, 1999, renewed up to 31, March 2025

The company holds a Certificate of Registration dated May 22, 2019, bearing registration number IN-DP-415-2019 issued by the SEBI to act as Depository Participant in terms of Regulation 20 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.

The company has obtained registration with Financial Intelligence Unit – India (FIU-IND) and was assigned registration No FINBF12988.

Our Company has obtained registration with Legal Entity Identifier India Limited (LEIL) and was assigned a LEI

Code - 335800F7BYBNG38B4A84.

The company has obtained registration under the Goods and Service Tax Act, 2017 for various States as below.

| SL No | STATE | GSTIN |
|-------|--------------|-----------------|
| 1 | ANDRAPRADESH | 37AACCK4277A1ZQ |
| 2 | DELHI | 07AACCK4277A1ZT |
| 3 | GUJARAT | 24AACCK4277A1ZX |
| 4 | KARNATAKA | 29AACCK4277A1ZN |
| 5 | KERALA | 32AACCK4277A2ZZ |
| 6 | KERALA (ISD) | 32AACCK4277A3ZY |
| 7 | MAHARASHTRA | 27AACCK4277A1ZR |
| 8 | PUDUCHERRY | 34AACCK4277A1ZW |
| 9 | TAMILNADU | 33AACCK4277A1ZY |
| 10 | TELANGANA | 36AACCK4277A1ZS |

Notes to financial statements

For the Year Ended March 31, 2022

8 g) Penalties levied by the above Regulators

Nil

8 h) Ratings assigned by Credit rating agencies

Currency: ₹ in Lakhs

| Rating Agency | Facilities | Amount Rated | Outstanding as on March 31, 2022 | Rating as on | | Rating Definition |
|--------------------------|---------------------------|--------------|----------------------------------|----------------------------|--------------------------|---|
| | | | | March 31, 2022 | March 31, 2021 | |
| CARE | Non-Convertible Debenture | 62,500.00 | 7,435.47 | CARE BBB+ [CARE Triple B+] | CARE BBB [ARE Triple B] | Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. Modifiers {"+" (plus) / "-"(minus)} reflect the comparative standing within the category. |
| | Subordinated Debt | 2,500.00 | 2,478.59 | | | |
| India Ratings & Research | Non-Convertible Debenture | 3,19,500.00 | 1,15,469.00 | IND BBB+[IND Triple B+] | IND BBB[IND Triple B] | |
| | Subordinated Debt | 20,500.00 | 15,965.94 | | | |
| | Bank Facilities | 1,00,000.00 | | | | |
| BrickWork Ratings | Non-Convertible Debenture | 83,000.00 | 78,215.75 | BWR BBB+ [BWR Triple B+] | BWR BBB+ [BWR Triple B+] | |
| | Subordinated Debt | 7,000.00 | 5,382.20 | | | |
| | Bank Facilities | 1,50,000.00 | 1,31,944.31 | | | |

8 i) Provisions and Contingencies

Currency: ₹ in Lakhs

| SI No. | Break up of Provisions and Contingencies shown under the head Expenses in the Statement of Profit and Loss | As at March 31, | |
|--------|--|-----------------|----------|
| | | 2022 | 2021 |
| 1 | Provisions for depreciation on Investment | - | - |
| 2 | Provision towards NPA (Expected Credit Loss) | 466.73 | 512.03 |
| 3 | Provision made towards Income Tax | 2725.57 | 3,070.13 |
| 4 | Other Provision and Contingencies (with details) | | |
| | Provision for Gratuity | 61.33 | 64.83 |
| | Provision for Other Assets | 102.18 | 220.75 |
| 5 | Provision for Leave Encashment | - | - |

8 j) Concentration of Advances

Currency: ₹ in Lakhs

| SI No. | Particulars | As at March 31, | |
|--------|--|-----------------|----------|
| | | 2022 | 2021 |
| 1 | Total Advances to twenty largest borrowers | 6,739.49 | 6,990.81 |
| 2 | Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC | 1.67% | 1.99% |

8 k) Concentration of Exposures

Currency: ₹ in Lakhs

| SI No. | Particulars | As at March 31, | |
|--------|--|-----------------|----------|
| | | 2022 | 2021 |
| 1 | Total Exposures to twenty largest borrowers/customers | 6,739.49 | 6,990.81 |
| 2 | Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/Customers. | 1.67% | 1.99% |

Notes to financial statements

For the Year Ended March 31, 2022

8 l) Concentration of NPAs

Currency: ₹ in Lakhs

| SI No. | Particulars | As at March 31, | |
|--------|--|-----------------|----------|
| | | 2022 | 2021 |
| 1 | Total Exposures to top four NPA accounts | 3,033.72 | 2,635.48 |

8 m) Sector-wise NPAs

Currency: ₹ in Lakhs

| SI No. | Sector | Percentage of NPAs to Total Advances in that sector as on March 31, 2022 | Percentage of NPAs to Total Advances in that sector as on March 31, 2021 |
|--------|----------------------------------|--|--|
| 1 | Agriculture & allied activities | - | - |
| 2 | MSME | - | - |
| 3 | Corporate borrowers | 94.93% | 66.47% |
| 4 | Services | - | - |
| 5 | Unsecured personal loans | - | - |
| 6 | Auto loans (commercial vehicles) | - | - |
| 7 | Other loans | 1.79% | 1.62% |

8 n) Movement of NPAs

Currency: ₹ in Lakhs

| SI No. | Particulars | Year ended March 31, | |
|--------|--|----------------------|----------|
| | | 2022 | 2021 |
| | (i) Net NPAs to Net Advances (%) | 0.95% | 0.86% |
| | (ii) Movement of NPAs (Gross) | | |
| | (a) Opening balance | 4,642.11 | 4,330.32 |
| | (b) Additions during the year | 2,008.29 | 1362.28 |
| | (c) Reductions during the year | 908.11 | 1050.49 |
| | (d) Closing balance | 5,742.29 | 4642.11 |
| | (iii) Movement of Net NPAs | | |
| | (a) Opening balance | 2,757.91 | 2,880.76 |
| | (b) Additions during the year | 1,465.10 | 668.58 |
| | (c) Reductions during the year | 699.13 | 791.43 |
| | (d) Closing balance | 3,523.88 | 2,757.91 |
| | (iv) Movement of provisions for NPAs (excluding Provisions on Standard Assets) | | |
| | (a) Opening balance | 1,884.20 | 1,449.56 |
| | (b) Provisions made during the year | 543.19 | 693.70 |
| | (c) Write-off / write -back of excess provisions | 208.98 | 259.06 |
| | (d) Closing balance | 2,218.41 | 1,884.20 |

Additions/ Reductions to NPA (Gross and Net) stated above during the year are based on year-end figures.

8 o) Overseas Assets as at March 31, 2022

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

8 p) Off-balance Sheet SPVs sponsored

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms

Notes to financial statements

For the Year Ended March 31, 2022

8 q) Customer Complaints

| Sl No. | Particulars | Year ended March 31, | |
|--------|---|----------------------|------|
| | | 2022 | 2021 |
| 1 | No. of complaints pending as at the beginning of the year | 3 | 3 |
| 2 | No. of complaints received during the year | 8 | 12 |
| 3 | No. of complaints redressed during the year | 6 | 12 |
| 4 | No. of complaints pending as at the end of the year | 5 | 3 |

Note 46: Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD. No.109 /22.10.106/2019-20 dated 13 March 2020 pertaining to Asset Classification as per RBI Norms

Currency: ₹ in Lakhs

| Appendix Template for Disclosure in Notes to Financial Statements As at March 31, 2022 | | | | | | |
|--|--|-------------------------------------|---|---------------------|--|--|
| Asset Classification as per RBI Norms | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7) = (4)-(6) |
| Performing Assets | | | | | | |
| Standard | Stage 1 | 3,77,388.05 | 1,323.19 | 3,76,064.86 | 1,509.55 | (186.36) |
| | Stage 2 | 17,303.08 | 317.63 | 16,985.45 | 69.21 | 248.42 |
| Subtotal | | 3,94,691.13 | 1,640.82 | 3,93,050.31 | 1,578.76 | 62.06 |
| | | - | - | - | - | - |
| Non-Performing Assets (NPA) | | | | | | |
| Substandard | Stage 3 | 1,870.56 | 269.74 | 1,600.82 | 187.05 | 82.69 |
| | | - | - | - | - | - |
| Doubtful - up to 1 year | Stage 3 | 540.78 | 109.16 | 431.62 | 116.51 | (7.35) |
| 1 to 3 years | Stage 3 | 941.14 | 275.75 | 665.39 | 347.55 | (71.80) |
| More than 3 years | Stage 3 | 1,683.51 | 395.78 | 1,287.73 | 860.99 | (465.21) |
| Subtotal for doubtful | | 3,165.43 | 780.69 | 2,384.74 | 1,325.05 | (544.36) |
| | | - | - | - | - | - |
| Loss | Stage 3 | 4,614.12 | 924.99 | 3,689.13 | 4,614.12 | (3,689.13) |
| Subtotal for NPA | | 9,650.11 | 1,975.42 | 7,674.69 | 6,126.22 | (4,150.80) |
| | | - | - | - | - | - |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification, and Provisioning (IRACP) norms | Stage 1 | - | - | - | - | - |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| Subtotal | | - | - | - | - | - |
| Total | Stage 1 | 3,77,388.05 | 1,323.19 | 3,76,064.86 | 1,509.55 | (186.36) |
| | Stage 2 | 17,303.08 | 317.63 | 16,985.45 | 69.21 | 248.42 |
| | Stage 3 | 9,650.11 | 1,975.42 | 7,674.69 | 6,126.22 | (4,150.80) |
| | Total | 4,04,341.24 | 3,616.24 | 4,00,725.00 | 7,704.98 | (4,088.74) |

Notes to financial statements

For the Year Ended March 31, 2022

Currency: ₹ in Lakhs

| Appendix Template for Disclosure in Notes to Financial Statements As at March 31, 2021 | | | | | | |
|--|--|-------------------------------------|---|---------------------|--|--|
| Asset Classification as per RBI Norms | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7) = (4)-(6) |
| Performing Assets | | | | | | |
| Standard | Stage 1 | 3,11,238.13 | 1,085.59 | 3,10,152.54 | 1,154.77 | (69.18) |
| | Stage 2 | 31,688.29 | 397.19 | 31,291.10 | 106.32 | 290.87 |
| Subtotal | | 3,42,926.42 | 1,482.78 | 3,41,443.64 | 1,261.09 | 221.69 |
| Non-Performing Assets (NPA) | | | | | | |
| Substandard | Stage 3 | 2,021.35 | 339.81 | 1,681.54 | 206.26 | 133.55 |
| Doubtful - up to 1 year | Stage 3 | 206.70 | 101.89 | 104.81 | 104.91 | (3.02) |
| 1 to 3 years | Stage 3 | 126.68 | 83.89 | 42.79 | 89.69 | (5.80) |
| More than 3 years | Stage 3 | 1,612.60 | 315.82 | 1,296.78 | 808.55 | (492.73) |
| Subtotal for doubtful | | 1,945.98 | 501.60 | 1,444.38 | 1,003.15 | (501.55) |
| Loss | Stage 3 | 4,082.14 | 825.32 | 3,256.82 | 4,082.14 | (3,256.82) |
| Subtotal for NPA | | 8,049.47 | 1,666.73 | 6,382.74 | 5,291.55 | (3,624.82) |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification, and Provisioning (IRACP) norms | Stage 1 | - | - | - | - | - |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| Subtotal | | - | - | - | - | - |
| Total | Stage 1 | 3,11,238.13 | 1,085.59 | 3,10,152.54 | 1,154.77 | (69.18) |
| | Stage 2 | 31,688.29 | 397.19 | 31,291.10 | 106.32 | 290.87 |
| | Stage 3 | 8,049.47 | 1,666.73 | 6,382.74 | 5,291.55 | (3,624.82) |
| | Total | 3,50,975.89 | 3,149.51 | 3,47,826.38 | 6,552.64 | (3,403.13) |

IND AS ECL Provisioning is lower compared to RBI IRACP Norms and hence there is a transfer made to impairment reserve of ₹ 685.61 Lakhs (March 31, 2021: ₹ 811.71 Lakhs)

The Board of Director's of the Company has approved the ECL Policy in its meeting held on May 21, 2022

Notes to financial statements

For the Year Ended March 31, 2022

Note 47: Provision for the impact of COVID-19

The 'severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)', generally known as COVID-19, which was declared as a global pandemic by the World Health Organisation on 11 March 2020, continues to spread across the globe and in India. Globally countries and businesses are under lockdown.

India entered the second year of the pandemic together with the rest of the globe. The beginning of the year rang in positivity, with declining daily cases, the hope of the vaccines around the corner, and the successful management of the first wave of Covid-19. Businesses started picking up, and across sectors, reports started coming in from companies touching Pre-Covid levels. However, the much-dreaded second wave of the coronavirus came in, bringing with it more deadly variants as compared to the previous cycle. While the country felt it was geared to tackle this, this could not be further from the truth on the ground. However, since the majority of our loan book consists of gold loans there has no significant impact on the operations and financial position of the Company on account of the outbreak of the COVID-19 pandemic, during the period.

Reserve Bank of India has announced certain regulatory measures in the wake of the disruptions on account of the COVID-19 pandemic. In accordance with the RBI guidelines relating to the COVID-19 Regulatory Package, the lending institutions have been permitted to grant a moratorium on payment of all instalments and/or interest, as applicable, to eligible borrowers in accordance with the Board approved policy. The company has not availed any moratorium from the lenders. In accordance with the regulatory package announced by the Reserve Bank of India, the company has offered an optional moratorium to eligible customers. As per the guidelines issued by the Reserve bank of India on August 06, 2020 & May 05, 2021 regarding the Resolution framework for Covid-19-related stress, the lending institutions have been permitted to implement a resolution plan in respect of eligible borrowers in accordance with the Board approved policy. Since the majority of our customers are short-term-gold loan customers and other eligible customers also were not there, the number of accounts where the resolution plan has been implemented under this window is 'NIL'.

Note 48: Previous Year Figures

Previous year figures have been regrouped/reclassified/readjusted, wherever necessary, to conform to the current year's classification

For and on behalf of the Board of Directors

Sd/-

Mathew K Cherian

Chairman cum Managing Director

DIN: 01286073

Sd/-

Annamma Varghese C

Chief Financial Officer

Sd/-

Laila Mathew

Whole-time Director

DIN: 01286176

Sd/-

Sreenath Palakkattillam

Company Secretary

As per our report of even date attached

For SGS & Company

Chartered Accountants

Firm Reg No. 009889S

Sd/-

CA Sanjo N.G, F.C.A., D.I.S.A. (ICAI)

Partner

Membership No. 211952

UDIN: 22211952AJZBSF9021

Place: Kottayam

Date: May 21, 2022



Kosamattam Finance Limited,
Kosamattam City Centre,
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Kottayam - 686001, Kerala, India,
Tel: +91 481 258 6400

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