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Prospectus
August 13, 2026

KLM AXIVA FINVEST LIMITED

*KLM Axiva Finvest Limited (**"our Company"** or **"the Company"** or **"the Issuer"** or **"KLM"**) was incorporated on April 28, 1997, as 'Needs Finvest Limited', a public limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. Our Company also obtained the certificate of commencement of business dated May 6, 1997, from the Registrar of Companies, Andhra Pradesh at Hyderabad. The name of our Company was changed to 'KLM Axiva Finvest Limited' pursuant to a resolution passed by the shareholders of our Company at the EGM held on January 25, 2016, and a fresh certificate of incorporation dated February 29, 2016, was issued by the Registrar of Companies, Telangana at Hyderabad ("**RoC**"). Our Company has obtained a certificate of registration dated March 15, 2016, bearing registration no. 09.00006 issued by the Reserve Bank of India ("**RBI**") to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934. For more information about the issuer, please refer "General Information"and "History and Certain Other Corporate Matters" on pages 43 and 152.*

Registered Office: Door No. 8-13, Plot No. 39, First Floor, Ashoka Complex, above Indian Bank, Mythripuram Colony, Gayathrinagar X Road, Vaishalinagar P.O., Hyderabad, Telangana-500 079; **Telephone:** +91 40 3516 2071; **E-mail:** secretarial@klmaxiva.com
Corporate Office: KLM Grand Estate, Bypass Road, Edappally, Ernakulam, Kerala -682024 **Telephone**: +91 484 4281 111;
Corporate Identity Number: U65910TG1997PLC026983; **Permanent Account Number**: AAACN7976P; **Website**: www.klmaxiva.com;
Company Secretary and Compliance Officer: Naveena P. Thampi; **E-mail:** cs@klmaxiva.com; **Telephone:** +91 484 4281 182;
Chief Financial Officer: Thanish Dalee; **E-mail**: cfo@klmaxiva.com; **Telephone**: +91 484 4281 118;

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

OUR PROMOTER

Our Promoter is Biji Shibu; **Email:** bshibu@yahoo.co.in; **Telephone:** +91 484 4281199. For further details, see "*Our Promoter*" on page 171.

GENERAL RISKS

Investment in non-convertible securities is risky and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, the investors must rely on their own examination of our Company and the Issue, including the risks involved. Specific attention of the investors is invited to "*Risk Factors*" on page 20 and "*Material Developments*" on page 175, before making an investment in the Issue. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities. This Prospectus has not been and will not be approved by any regulatory authority in India, including the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("**SEBI**"), the RoC or any stock exchange in India, nor do they guarantee the accuracy or adequacy of this Prospectus.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated "ACUITE BBB- (Negative)", (pronounced as ACUITE triple B minus rating with Negative outlook) by Acuité Ratings & Research Limited **("Acuité Ratings")** for an amount up to ₹ 10,000 lakhs, *vide* its letter dated July 31, 2026, and press release for rating rationale dated July 31, 2026. The rating of NCDs by Acuité Ratings indicates that the instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations and carry moderate credit risk. The ratings are not a recommendation or suggestion, directly or indirectly, to buy, sell, make or hold securities and investors should take their own decisions. The rating assigned by Acuité Ratings is valid as on the date of this Prospectus and shall remain valid as on the date of issue, allotment and listing of the NCDs on BSE. These ratings may be suspended, withdrawn or revised at any time by the assigning rating agency on the basis of new information etc., and should be evaluated accordingly. For the rating letter and the rating rationale, please refer to "*Annexure II*" on page 384 of this Prospectus.

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

For details relating to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, see "*Issue Structure – Terms of the NCDs"* on page 211 "*Annexure I - Illustrative Cashflow*" on page 374 and for eligible investors of the NCDs, please see "*Issue Structure*" on page 206. For details relating to Debenture Trustee, see "*General Information – Debenture Trustee*" on page 46.

LISTING

The NCDs offered through this Prospectus and the Draft Prospectus are proposed to be listed on the BSE Limited ("**BSE**"). Our Company has obtained 'in-principle' approval for this Issue from BSE *vide* their letter bearing reference number DCS/BM/PI-Bond/09/26-27 dated August 11, 2026. BSE shall be the Designated Stock Exchange for this Issue.

PUBLIC COMMENTS

The Draft Prospectus dated August 03, 2026, was filed with the BSE, pursuant to the provisions of the SEBI NCS Regulations and was kept open for public comments for a period of 5 (five) Days i.e., until 5 pm from the date of filing of the Draft Prospectus with the Designated Stock Exchange. No comments were received on the Draft Prospectus until 05:00 pm on August 10, 2026.

LEAD MANAGER TO THE ISSUE	DEBENTURE TRUSTEE
VIVRO FINANCIAL SERVICES PRIVATE LIMITED Vivro House 11, Shashi Colony, Opposite Suvidha Shopping Center, Paldi, Ahmedabad – 380 007, Gujarat, India **Telephone:** +91 7940404242/40/41 **Email:** investors@vivro.net **Website:** www.vivro.net **Contact Person:** Jay Dodiya / Megha Kella	**VISTRA ITCL (INDIA) LIMITED*** The Qube, 2nd Floor, A Wing, 202, Hasan Pada Road, Mittal Industrial Estate, Marol, Andheri (East), Mumbai – 400 059, Maharashtra, India. **Telephone:** 022- 2659 3333 **Email:** itclcomplianceofficer@vistra.com **Investor grievance mail:** itclcomplianceofficer@vistra.com **Website:** www.vistraitcl.com **Contact Person:** Jatin Chonani – Compliance Officer **SEBI registration Number:** IND00000578

CREDIT RATING AGENCY	REGISTRAR TO THE ISSUE	STATUTORY AUDITOR
ACUITÉ RATINGS & RESEARCH LIMITED 708, Lodha Supremus, Lodha iThink Techno Campus, Kanjurmarg East- 400 042, Maharashtra, India **Telephone:** +91 99698 98000 **Website:** https://www.acuite.in/ **Email:** chitra.mohan@acuite.in **Contact Person:** Chitra Mohan	**KFIN TECHNOLOGIES LIMITED** 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West) Kurla, Mumbai- 400 070, Maharashtra, India **Telephone:** +91 40 6716 2222 **Fax Number**: 040-6716 1563 **Email:** klmaxiva.ncd@kfintech.com **Website:** www.kfintech.com **Contact Person:** M Murali Krishna	**A JOHN MORIS & CO., CHARTERED ACCOUNTANTS** 2nd Floor, Building No. G308, Shan Apartment, Near Avenue Centre, Panampilly Nagar, Kochi – 682 036 Kerala, India **Telephone**: +91 99958 32342 **Email**: ajmkochi@ajohnmoris.com **Website**: www.ajohnmoris.com **Contact Person**: Jobin George, FCA

ISSUE PROGRAMME

ISSUE OPENS ON: MONDAY, AUGUST 17, 2026	ISSUE CLOSES ON: MONDAY, AUGUST 31, 2026 **

**Vistra ITCL (India) Limited, by its letter dated July 23, 2026, has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus, the Draft Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue. For further details, see "General Information" on page 43.*

***This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a minimum period of two Working Days and a maximum period of ten Working Days from the date of opening of the Issue and subject to not exceeding thirty days from filing the Prospectus with ROC) as may be decided by the Board of Directors of our Company ("**Board**") or Debenture Committee of the Board subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of such an early closure of or extension to this Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue Closure. Application Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, on Working Days during the Issue Period. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on Issue Closing Date. For further details, please see "General Information" on page 43. A copy of the Prospectus has been delivered for filing with the RoC, in terms of Section 26 of the Companies Act, 2013, along with the requisite endorsed/certified copies of all requisite documents. For further details, please see "Material Contracts and Documents for Inspection" beginning on page 366.*

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Prospectus to "*Issuer*", "*Our Company*", "*the Company*" are to KLM Axiva Finvest Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 having its registered office at Door No. 8-13, Plot No. 39, First Floor, Ashoka Complex, Above Indian Bank, Mythripuram Colony, Gayathrinagar X Road, Vaishalinagar P.O., Hyderabad, Telangana-500 079 and its corporate office at KLM Grand Estate, Bypass Road, Edappally, Kochi-682024.

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

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

General Terms

Term	Description
"Company" / "Issuer" / "KLM"	KLM Axiva Finvest Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 having its registered office at Door No. 8-13, Plot No. 39, First Floor, Ashoka Complex, Above Indian Bank, Mythripuram Colony, Gayathrinagar X Road, Vaishalinagar P.O., Hyderabad, Telangana-500 079 and its corporate office at KLM Grand Estate, Bypass Road Edappally, Ernakulam, Kerala-682 024
"We" / "us" / "our"	Unless the context otherwise requires, KLM Axiva Finvest Limited for the relevant financial year/period as applicable.

Company Related Terms

Term	Description
"AoA" / "Articles" / "Articles of Association"	Articles of Association of our Company, as amended.
"Asset Under Management" / "AUM"	For the years ended March 31, 2026, March 31, 2025, and March 31, 2024, AUM represents gross loans including interest receivables without considering the impact of impairment loss allowance and impact of effective interest rate in accordance with Ind AS.
Audited Financial Statements	The audited financial statements of our Company comprises of balance sheet as at March 31, 2026, March 31, 2025 and March 31, 2024, the statement of profit and loss (including other comprehensive income) for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024, statements of changes in equity for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024, the statement of cash flows for the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information prepared in accordance with Ind AS.
"Board" / "Board of Directors" / "BoD"	The Board of Directors of our Company and includes any duly constituted committee thereof.
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company appointed in relation to this Issue i.e. Naveena P. Thampi
Corporate Office	KLM Grand Estate, Bypass Road Edappally, Ernakulam, Kerala-682024
Debenture Committee	The committee re-constituted by the Board of Directors of our Company by a board resolution dated April 9, 2021. For further details, see "*Our Management*" on page 155.
Equity Shares	Equity shares of face value of ₹ 10 each of our Company.
Group Companies	Group Companies as defined in terms of Regulation 2(1)(r) of SEBI NCS Regulations, KLM Tiana Gold & Diamonds Private Limited, Ente Naadu Nidhi Limited and Carbomix Polymers (India) Private Limited

Term	Description
Key Managerial Personnel	The key managerial personnel of the Company as defined under Regulation 2(1)(sa) of the SEBI NCS Regulations.
Loan Assets	Assets under financing activities.
"Memorandum" / "MoA" / "Memorandum of Association"	Memorandum of Association of our Company, as amended.
Net Loan Assets	Assets under financing activities net of provision for non-performing assets.
Networth	As defined in Section 2(57) of the Companies Act, 2013, as follows: "*Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation."*
Previous Statutory Auditor(s)	The previous statutory auditor of our Company, RB Jain & Associates, Chartered Accountants
Promoter	Biji Shibu
Promoter Group	Includes the individuals and entities covered by the definition under Regulation 2(1)(ff) of the SEBI NCS Regulations
Registered Office	Door No. 8-13, Plot No. 39, First Floor, Ashoka Complex, Above Indian Bank, Mythripuram Colony, Gayathrinagar X Road, Vaishalinagar P.O., Hyderabad, Telangana-500 079
"RoC" / "Registrar of Companies"	The Registrar of Companies, Telangana at Hyderabad.
"Senior Management" / "Senior Management Personnel"	Senior management of our Company in accordance with definition in Regulation 2 (iia) of the SEBI NCS Regulations, as described in "*Our Management*" on page 155.
Shareholders	Equity Shareholders of our Company from time to time.
"Statutory Auditor(s)" / "Auditor(s)"	The current statutory auditor of our Company, being A John Moris & Co Chartered Accountants.

Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum accompanying the Application Form for Public Issue containing the salient features of the Prospectus as specified by SEBI.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
"Allot" / "Allotment" / "Allotted"	The issue and allotment of the NCDs to successful Applicants pursuant to the Issue.
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
Allottee(s)	The successful Applicant to whom the NCDs are being/have been Allotted pursuant to the Issue.
"Applicant" / "Investor"	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of this Prospectus, the Draft Prospectus and the Application Form for the Issue.
Application Amount	The aggregate value of NCDs applied for, as indicated in the Application Form for the Issue.
"Application Form" / "ASBA Form"	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs and in terms of this Prospectus.
"Application Supported by Blocked Amount" / "ASBA"	The Application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorising the SCSB to block the bid amount in the specified bank account maintained with such SCSB.

Term	Description
"Application" / "ASBA Application"	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the relevant ASBA Account and will include application made by UPI Investors using UPI where the Application Amount will be blocked upon acceptance of UPI Mandate Request by UPI Investors, which will be considered as the application for Allotment in terms of this Prospectus.
ASBA Account	A bank account maintained by an ASBA Bidder with an SCSB, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form, and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value up to UPI Application Limit
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process.
Banker to the Issue	Collectively Public Issue Account Bank, Refund Bank and Sponsor Bank.
Base Issue	₹ 5,000 lakhs.
Basis of Allotment	The basis on which NCDs will be allotted to successful applicants under the Issue and which is described in "*Issue Procedure*" on page 243.
Broker Centres	Broker centres notified by the Stock Exchange, where Applicants can submit the Application Forms (including ASBA Forms under UPI in case of UPI Investors) to a Trading Member. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchange.
Business Days	All days excluding Saturdays, Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.
Category I Investor (Institutional Investors)	• Public financial institutions, statutory corporations including state industrial development Corporations, scheduled commercial banks, co-operative banks and regional rural banks, Indian multilateral and bilateral development financial institution which are authorised to invest in the NCDs; • Provident Funds of minimum corpus of ₹2,500 lakhs, pension funds of minimum corpus of ₹ 2,500 lakh, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs; • Alternative Investment Funds registered with SEBI; subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance Companies registered with the IRDA; • State industrial development corporations; • Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important NBFC registered with RBI and having a net-worth of more than ₹ 50,000 lakh as per the last audited financial statements; • National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India); and • Mutual Funds registered with SEBI.
Category II Investor (Non-Institutional Investors)	• Companies falling within the meaning of Section 2(20) of the Companies Act 2013; • Statutory bodies/ corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorized to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners;

Term	Description
	• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons.
Category III Investor (High Net-Worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families (through their Karta) applying for an amount aggregating to above ₹2,00,000 across all options of NCDs in this Issue and including Resident Indian individuals or Hindu Undivided Families (through their Karta) who have submitted a bid between ₹2,00,000 and ₹5,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and excluding NRIs) through the UPI Mechanism.
Category IV Investor (Retail Individual Investors)	Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹2 lakhs across all series of NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than ₹2 Lakhs in any of the bidding options in the Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
"Collecting Depository Participants" / "CDPs"	A depository participant, as defined under the Depositories Act, and registered with the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI NCS Master Circular.
"Collecting Registrar and Share Transfer Agents" / "CRTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of the SEBI NCS Master Circular.
Collection Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs.
"Coupon Rate" / "Interest Rate"	The aggregate rate of interest payable in connection with the NCDs in accordance with this Prospectus. For further details, see "*Issue Structure*" on page 206.
"Credit Rating Agency" / Acuité Ratings"	For the present Issue, the credit rating agency being Acuité Ratings & Research Limited.
CRISIL	CRISIL Limited
Cut-off Date	Shall mean August 05, 2026.
"Debenture Trust cum Hypothecation Deed" / "Debenture Trust Deed"	The Debenture Trust cum Hypothecation Deed to be executed by our Company and the Debenture Trustee for creating the security over the NCDs issued under the Issue.
Debenture Trustee Agreement	Debenture Trustee Agreement dated July 23, 2026, entered into between our Company and the Debenture Trustee.
"Debenture Trustee" / "Trustee"	Trustees for the NCD Holders in this case being Vistra ITCL (India) Limited
"Debentures" / "NCDs"	Secured, redeemable, non-convertible debentures issued pursuant to this Issue
Deemed Date of Allotment	The date on which the Board or the Debenture Committee of the Board approves the Allotment of the NCDs or such date as may be determined by the Board or the Debenture Committee and notified to the Designated Stock Exchange. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture holders from the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment.
Demographic Details	The demographic details of an Applicant such as his address, bank account details, category, PAN, UPI ID etc. for printing on refund/interest orders or used for refunding through electronic mode as applicable.
Depositories Act	The Depositories Act, 1996
Depository(ies)	National Securities Depository Limited (NSDL) and/or Central Depository Services (India) Limited (CDSL)

Term	Description
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such centres of the Collecting Depository Participants where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the website of the Stock Exchange and updated from time to time.
Designated Date	The date on which the Registrar to the Issue issues the instruction to SCSBs for unblocking of funds from the ASBA Accounts to the Public Issue Account in terms of this Prospectus and the Public Issue Account and Sponsor Bank Agreement and following which the Board, shall Allot the NCDs to the successful Applicants.
Designated Intermediaries	Collectively, the Lead Manager, the Syndicate Members/Lead Brokers, Trading Members, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Manager, Members of the Syndicate, Trading Members and Stock Exchange where applications have been submitted through the app/Web Interface as provided in the SEBI NCS Master Circular
Designated RTA Locations	Such centres of the CRTAs where Applicants can submit the Application Forms (including Application Forms by UPI Investors under the UPI Mechanism). The details of such Designated RTA Locations, along with the names and contact details of the CRTAs are available on the website of the Stock Exchange (www.bseindia.com) and updated from time to time.
"Designated Stock Exchange" / "Stock Exchange" / "BSE"	BSE Limited.
Direct Online Application	An online interface enabling direct applications through UPI by an app based/Web Interface, by investors to a public issue of debt securities with an online payment facility
"DP" / "Depository Participant"	A depository participant as defined under the Depositories Act.
"Draft Prospectus" / "Draft Offer Document"	The draft prospectus dated August 03, 2026 filed by our Company with the Designated Stock Exchange and with SEBI for receiving public comments, in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations.
Existing Secured Creditors	The South Indian Bank Limited, State Bank of India, Dhanlaxmi Bank Limited, Indian Overseas Bank, HDFC Bank Limited, Jana Small Finance Bank Limited debenture holders of the privately placed secured redeemable non-convertible debentures represented by Abhijith Satheesh, and debenture holders of secured redeemable non-convertible debentures issued by way of public issue represented by Vistra ITCL India Limited.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
"Interest Payment Date" / "Coupon Payment Date"	The dates on which interest/coupon on the NCDs shall fall due for payment. Please see the section titled "*Issue Structure – Interest and Payment of Interest*" on page 213.
Issue Agreement	The Issue Agreement dated August 03, 2026, entered between the Company and the Lead Manager to the Issue
Issue Closing Date	Monday, August 31, 2026
Issue Opening Date	Monday, August 17, 2026

Term	Description
"Issue" / "Issue Size"	Public issue by our Company of NCDs amounting to ₹5,000 lakhs ("**Base Issue Size**"), with an option to retain over-subscription up to ₹5,000 lakhs, cumulatively aggregating up to ₹10,000 lakhs on the terms and in the manner set forth therein. The Issue is being made pursuant to the provisions of SEBI NCS Regulations, the Companies Act, 2013 and rules made thereunder as amended to the extent notified and the SEBI NCS Master Circular.
Lead Manager	Vivro Financial Services Private Limited
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchange in connection with the listing of debt securities of our Company
Market Lot	1 (one) NCD.
Maturity Amount	In respect of NCDs Allotted to NCD Holders, the repayment of the face value of the NCD along with interest that may have accrued as on the redemption date.
Mobile App(s)	The mobile applications listed on the website of Stock Exchange as may be updated from time to time, which may be used by Applicants to submit Bids using the UPI Mechanism
"NCD Holder" / "Debenture Holder"	Any debenture holder who holds the NCDs issued in this Issue and whose name appears on the beneficial owners list provided by the Depositories.
Offer Document(s)	This Prospectus, the Draft Prospectus, Application Form and abridged Prospectus.
Prospectus	The prospectus dated August 13, 2026, filed with the RoC in accordance with the SEBI NCS Regulations, containing *inter alia* the Coupon Rate for the NCDs and certain other information.
Public Issue Account	Account(s) opened with the Public Issue Account Bank to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI Mechanism) on the Designated Date.
Public Issue Account and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Registrar to the Issue, the Lead Manager, the Public Issue Account Bank and the Sponsor Bank for the appointment of the Sponsor Bank in accordance with the SEBI NCS Master Circular for collection of the Application Amount from ASBA Accounts under the UPI Mechanism and the Refund Bank for remitting the and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof.
Public Issue Account Bank	HDFC Bank Limited
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 Days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be.
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made.
Refund Bank	HDFC Bank Limited
Register of NCD Holders	The statutory register in connection with any NCDs which are held in physical form on account of rematerialisation, containing name and prescribed details of the relevant NCD Holders, which will be prepared and maintained by our Company/Registrar in terms of the applicable provisions of the Act.
Registrar Agreement	Agreement dated July 23, 2026, entered into between the Issuer and the Registrar under the terms of which the Registrar has agreed to act as the Registrar to the Issue
"Registrar to the Issue" / "Registrar"	KFin Technologies Limited
"Retail Individual Investors" / "RIIs"	An individual investor who applies or bids for debt securities for a value of not more than two lakh rupees.
"RTAs" / "Registrar and Share Transfer Agent"	The registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue at the Designated RTA Locations.
"SCSBs" / "Self Certified Syndicate Banks"	The banks registered with SEBI, offering services in relation to ASBA and UPI, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes for

Term	Description
	ASBA and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
SEBI Delisting Regulations	Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended from time to time.
SEBI Debenture Trustees Regulations	Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time.
"SEBI Listing Regulations" / "Listing Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
SEBI Master Circular for Debenture Trustees	SEBI master circular no. SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated August 13, 2025, as amended from time to time.
SEBI NCS Master Circular	SEBI master circular no. SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137 dated October 15, 2025, as amended from time to time.
Security	The principal amount of the secured NCDs to be issued in terms of this Prospectus and Draft Prospectus 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 Existing Secured Creditors, on all movable assets, including book debts and receivables, cash and bank balances, other movable assets, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon.
Specified Locations	Collection centres where the Members of the Syndicate shall accept Application Forms, a list of which is included in the Application Form.
Sponsor Bank	The Banker to the Issue registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/Web Interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value up to ₹ 5,00,000 and carry out any other responsibilities in terms of the SEBI NCS Master Circular. (In this Issue, HDFC Bank Limited)
Syndicate Agreement	Syndicate Agreement to be entered between the Company and Syndicate Member
Syndicate ASBA	Applications through the Designated Intermediaries.
Syndicate ASBA Application Locations	Collection centers where the Designated Intermediaries shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at https://www.sebi.gov.in and at such other websites as may be prescribed by SEBI from time to time.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on https://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Tenor	Tenor shall mean the tenor of the NCDs as specified in this Prospectus.
Trading Member(s)	Individuals or companies registered with SEBI as "trading member(s)" under the Securities and Exchange Board of India (Stock Brokers) Regulations, 2026, and who hold the right to trade in stocks listed on stock exchanges, through which investors can buy or sell securities listed on stock exchanges whose list is available on stock exchanges.
"Transaction Registration Slip" / "TRS"	The Acknowledgement Slip or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of upload of the Application on the application platform of the Stock Exchange.
Tripartite Agreement(s)	Agreements as entered into between our Company, Registrar and each of the Depositories under the terms of which the Depositories shall act as depositories for the securities issued by our Company.

Term	Description
"Trustees" / "Debenture Trustee"	Trustees for the holders of the NCDs allotted pursuant to Public Issue I, II, III, IV, V, VI, VII, VIII, IX, X, XI, XII, XIII and in this issue being Vistra ITCL (India) Limited.
UPI	Unified Payments Interface is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing and merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank account.
UPI Application Limit	Maximum limit to utilize the UPI Mechanism to block the funds for application value up to ₹5,00,000 for issues of debt securities pursuant to SEBI NCS Master Circular or any other investment limit, as applicable and prescribed by SEBI from time to time.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI.
UPI Investor	An Applicant who applies with a UPI number whose Application Amount for NCDs in the Issue is up to ₹ 5,00,000.
UPI Mandate Request	A request (intimating the UPI Investors, by way of a notification on the UPI application and by way of an SMS directing the UPI Investors to such UPI application) to the UPI Investors using the UPI Mechanism initiated by the Sponsor Bank to authorise blocking of funds equivalent to the Application Amount in the relevant ASBA Account through the UPI, and the subsequent debit of funds in case of Allotment.
UPI Mechanism	Unified Payments Interface mechanism in accordance with SEBI NCS Master Circular as amended from time to time, to block funds for application value up to UPI Application Limit submitted through intermediaries.
UPI PIN	Password to authenticate UPI transaction.
Web Interface	Web interface developed by Designated Stock Exchange wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism
Wilful Defaulter	Includes wilful defaulters as defined under Regulation 2(1)(lll) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which includes a Person or a company categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorised a Wilful defaulter.
Working Days	All days excluding Sundays or a holiday of commercial banks in Mumbai and/or Kochi, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in Mumbai. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closure to listing of the NCDs on the Stock Exchange, Working Days shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays in Mumbai, as per the SEBI NCS Regulations, however, with reference to payment of interest/redemption of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai.

Business / Industry Related Terms

Term	Description
AFC	Asset Finance Companies
ALCO	Asset Liability Committee
ALM	Asset and Liability Management
ANW	Adjusted Net Worth
AUM	Assets Under Management
Average Cost of Borrowing	Amount that is calculated by dividing the interest paid during the period by average of the monthly outstanding
Basis Points	bps
CAD	Current Account Deficit

Term	Description
CAGR	Compound Annual Growth Rate
Capex	Capital Expenditure
CIBIL	Credit Information Bureau (India) Limited
CIC-ND-SI	Systemically Important Core Investment Company
CPI	Consumer Price Index
CRAR	Capital to Risk Weighted Assets Ratio
DPD	Days Past Due
DSA	Direct Sales Agent
ECLGS	Emergency Credit Line Guarantee Scheme
EMI	Equated Monthly Instalment
ETB	Existing to Bank
GDP	Gross Domestic Product
GDS	Gross Domestic Savings
GLP	Gross Loan Portfolio
GNPAs	Gross Non-Performing Assets
Gross Spread	Yield on the average minus the cost of funds
HFC	Housing Finance Company
HNFS	Household Net Savings
ICs	Investment Companies
IDF-NBFC	Infrastructure Debt Fund
IFC	Infrastructure Finance Company
IMF	International Monetary Fund
IND AS	Indian Accounting Standards
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IRR	Interest Rate Risk
JLG	Joint Liability Group
"KYC" / "KYC Norms"	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
LAP	Loan against property
LCs	Loan Companies
Loan Book	Outstanding loans net of provisions made for NPAs
LTV	Loan to value
MFIN	Microfinance Institutions Network
MGC	Mortgage Guarantee Companies
MIS	Management Information Systems
MPC	Monetary Policy Committee
MSME	Micro, Small and Medium Enterprises
NABARD	National Bank for Agriculture and Rural Development
NAV	Net Asset Value
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934
NBFC – AA	NBFC-Account Aggregator
NBFC - TL	NBFC-UL which in the opinion of RBI has substantial increase in the potential systemic risk
NBFC – UL	NBFCs which are specifically identified by the RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in RBI Scale Based Master Directions
"NBFC-BL" / "NBFC – Base Layer"	(a) Non-deposit taking NBFCs below the asset size of ₹ 1,00,000 lakh and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFCP2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-ICC	NBFC registered as an Investment and Credit Company
NBFC-MFI	NBFC – Microfinance Institutions

Term	Description
"NBFC-ML" / "NBFC – Middle Layer"	(a) all deposit taking NBFCs (NBFC-Ds), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 1,00,000 lakh and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFC)
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-ND-NSI	Non-Systemically Important NBFC-ND, i.e. a non-banking financial company not accepting / holding public deposits and which is not systemically important i.e. having total assets of less than ₹ 50,000 lakhs as per the last audited balance sheet
NBFC-ND-SI	Systemically Important NBFC-ND, i.e. a non-banking financial company not accepting / holding public deposits and which is systemically important i.e. having total assets of ₹ 50,000 lakhs and above as per the last audited balance sheet
NBFC-P2P	NBFC–Peer to Peer Lending Platform
NBFIs	Non-banking Financial Institutions
NHAI	National Highways Authority of India
NII	Net Interest Income
NNPA	Net Non-Performing Assets
NOF	Net Owned Fund
NOFHC	Non-Operative Financial Holding Company
NPA	Non-Performing Asset
NPCI	National Payments Corporation of India
OLC	Overdue Loan Cell
OPEC	Organization of the Petroleum Exporting Countries
PCA	Prompt Corrective Action
PLI	Production Linked Incentive
PMJDY	Pradhan Mantri Jan Dhan Yojana
PMJJY	Pradhan Mantri Jeevan Jyoti Bima Yojana
PMSJY	Pradhan Mantri Suraksha Bima Yojana
Public Issue I	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹10,000.00 lakhs pursuant to the prospectus dated September 18, 2018
Public Issue II	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹9,383.38 lakhs pursuant to the prospectus dated August 19, 2019
Public Issue III	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹12,428.93 lakhs pursuant to the prospectus dated May 27, 2020
Public Issue IV	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹15,000.00 lakhs pursuant to the prospectus dated June 30, 2021
Public Issue V	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹16,210.77 lakhs pursuant to the prospectus dated September 28, 2021
Public Issue VI	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹17,765.22 lakhs pursuant to the prospectus dated February 11, 2022
Public Issue VII	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹ 18,798.56 lakhs pursuant to the prospectus dated September 13, 2022
Public Issue VIII	Public issue of secured non-convertible debentures of face value of ₹ 1,000 each aggregating to ₹ 13,612.96 lakhs pursuant to the prospectus dated February 7, 2023
Public Issue IX	Public issue of secured non-convertible debenture of face value of ₹ 1,000 each aggregating to ₹ 8,678.38 lakhs pursuant to the prospectus dated August 22, 2023
Public Issue X	Public issue of secured non-convertible debenture of face value of ₹ 1,000 each aggregating to ₹12,500.00 lakhs pursuant to the prospectus dated July, 18, 2024
Public Issue XI	Public issue of secured non-convertible debenture of face value of ₹ 1,000 each aggregating to ₹9,633.07 lakhs pursuant to the prospectus dated November 13,

Term	Description
	2024
Public Issue XII	Public issue of secured non-convertible debenture of face value of ₹ 1,000 each aggregating to ₹12,386.61 lakhs pursuant to the prospectus dated July 04, 2025
Public Issue XIII	Public issue of secured non-convertible debenture of face value of ₹ 1,000 each aggregating to ₹10,000.00 lakhs pursuant to the prospectus dated November 13, 2025.
RBI	Reserve Bank of India
RBI Scale Based Master Directions	Master Direction – Reserve Bank of India (Non-Banking Financial Company – Registration, Exemption and Framework for Scale Based Regulation) Directions, 2025, as amended from time to time.
RBI Stressed Assets Directions	Reserve Bank of India (Non-Banking Financial Companies - Resolution of Stressed Assets) Directions, 2025 dated November 28, 2025, as amended from time to time including any circular, notifications issued thereunder;
ROA	Return on Assets
ROI	Return on Investment
SFBs	Small Finance Banks
SIDBI	Small Industries Development Bank of India
SME	Small and Medium Enterprises
STPLs	Small Ticket Size Loans
TAT	Turnaround Time
Tier 1 Capital	"Tier 1 capital" for NBFCs (except NBFCs-BL) is the sum of (i) Owned fund as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund; and (ii) Perpetual debt instruments issued by a non-deposit taking NBFCs in each year to the extent it does not exceed 15 percent of the aggregate Tier 1 capital of such company as on March 31 of the previous accounting year. Note – NBFCs-BL are not eligible to include perpetual debt instruments in their Tier 1 capital
Tier 2 Capital	"Tier 2 capital" for NBFCs (except NBFCs-BL) is the sum of (i) Preference shares other than those which are compulsorily convertible into equity; (ii) Revaluation reserves at discounted rate of 55 percent; (iii) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (iv) Hybrid debt capital instruments; (v) Subordinated debt; and (vi) Perpetual debt instruments issued by a non-deposit taking NBFC which is in excess of what qualifies for Tier 1 capital; to the extent the aggregate does not exceed Tier 1 capital. Note – NBFCs-BL are not eligible to include perpetual debt instruments in their Tier 2
TLTRO	Targeted Long-Term Repo Operations
TNPL	Travel Now – Pay Later
WEO	World Economic Outlook

Conventional and General Terms or Abbreviations

Term	Description
AGM	Annual General Meeting
AML	Anti-Money Laundering
ASBA	Application supported by blocked amounts
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CGST Act	Central Goods and Services Tax Act, 2017
"Companies Act" / "Companies Act 2013"	The Companies Act, 2013 read with rules framed by the Government of India from time to time
DIN	Director Identification Number
DRR	Debenture Redemption Reserve
ECLGS	Emergency Credit Line Guarantee Scheme
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ETB	Existing to Bank
FDI	Foreign Direct Investment
FDI Policy	FDI in an Indian company is governed by the provisions of the FEMA read with the FEMA Regulations and the Foreign Direct Investment Policy
FEMA	Foreign Exchange Management Act, 1999
FEMA Debt Regulations	Foreign Exchange Management (Debt Instruments) Rules, 2019
FEMA Non-Debt Regulations	Foreign Exchange Management (Non-Debt Instruments) Rules, 2019
FFMC	Full Fledged Money Changer
"FII" / "FPI"	Foreign Institutional Investors defined under the SEBI (Foreign Portfolio Investors) Regulations, 2019
"Financial Year" / "FY"	Financial Year ending March 31
GDP	Gross Domestic Product
GFCE	Government First Consumption Expenditure
GFCF	Gross Fixed Capital Formation
GoI	Government of India
G-Sec	Government Securities
GST	Goods and services tax
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India established by an Act of Parliament, viz. The Chartered Accountants Act, 1949 (Act No. XXXVIII of 1949)
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IGST Act	Integrated Goods and Services Tax Act, 2017
Income Tax Act, 1961	Income Tax Act, 1961 and the rules made thereunder, as amended, supplemented, modified or re-enacted from time to time.
Income Tax Act, 2025	Income Tax Act, 2025 and the rules made thereunder, as amended, supplemented, modified or re-enacted from time to time.
IND AS	The Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.
Indian GAAP	Accounting Standards as per the Companies (Accounting standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act.
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information Technology
IT Act	Unless the context otherwise requires, (i) the Income-tax Act, 1961 in relation to any period until or prior to Tax Year 2025-26; and (ii) the Income-tax Act, 2025 in relation to Tax Year 2026-27 onwards.
KYC	Know Your Customer
LAP	Loan against property
LTV	Loan to Value
MCA	Ministry of Corporate Affairs, Government of India
MFIN	Microfinance Institutions Network

Term	Description
MICR	Magnetic Ink Character Recognition
MIS	Management Information System
MoU	Memorandum of Understanding
NA	Not Applicable
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NII(s)	Non-Institutional Investor(s)
NIM	Net Interest Margin
NPCI	National Payments Corporation of India
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NTC	New to Credit
PAN	Permanent Account Number
PCA	Prompt Corrective Actions
PDI	Perpetual Debt Instrument
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended, from time to time
RIIs	Retail Individual Investors
RM	Relationship Manager
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended, from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended, from time to time
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992, as amended, from time to time
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended, from time to time
SEBI Delisting Regulations	SEBI (Delisting of Equity Shares) Regulations, 2021, as amended, from time to time
"SEBI Listing Regulations" / "Listing Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time
"SEBI NCS Regulations" / "SEBI Regulations"	Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021, as amended, from time to time
SGST Act	State Goods and Services Tax Act, 2017, as enacted by various state governments.
TDS	Tax Deducted at Source
TLTRO	Targeted long-term repo operations
WDM	Wholesale Debt Market

Notwithstanding anything contained herein, capitalised terms that have been defined in the chapters titled *"Capital Structure", "History and Certain Other Corporate Matters", "Our Management", "Financial Statements", "Financial Indebtedness", "Issue Procedure", "Outstanding Litigations", "Key Regulations and Policies",* and *"Summary of Main Provisions of the Articles of Association"* and on pages 52, 152, 155, 174, 176 243, 278, 334, and 354 respectively will have the meanings ascribed to them in such chapters.

PRESENTATION OF FINANCIAL, INDUSTRY AND OTHER INFORMATION

Certain Conventions

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

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

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

Financial Data

Our Company publishes its financial statements in Rupees.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Prospectus are to a calendar year and references to a Fiscal/Fiscal Year/Financial Year/FY are to the year ended on March 31, of that calendar year.

Our Company's audited financial statements for the year ended March 31, 2026, and March 31, 2025 along with the audit report, have been prepared by our current Statutory Auditor, A John Moris & Co., Chartered Accountants, in accordance with Ind AS, as applicable, and the standards and guidance notes specified by the ICAI, including the applicable provisions of the Companies Act, 2013, and other applicable statutory and/or regulatory requirements. The audited financial statements for the years ended March 31, 2024 along with the respective audit reports, were prepared by our Previous Statutory Auditor, M/s. RB Jain and Associates, Chartered Accountants, in compliance with the same applicable standards and regulatory framework.

The Ministry of Corporate Affairs ("**MCA**"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. The notification further explains that NBFCs whose equity and/or debt securities are listed or in the process of listing on any stock exchange in India or outside India and having a net worth of less than ₹50,000 lakh, shall comply with Ind AS for accounting periods beginning from April 1, 2019 onwards with comparatives for the periods ending on March 31, 2019 or thereafter. Accordingly, Ind AS is applicable to our Company with effect from April 1, 2019. The Audited Financial Statements and the report issued thereon, is included in this Prospectus, in the chapter titled "*Financial Statements*" beginning on page 174.

Unless stated otherwise, the financial data used in this Prospectus is derived from our Audited Financial Statements for the financial years prepared in accordance with the recognition and measurement principles as laid down in IND AS, applicable standards and guidance notes prescribed by ICAI, Companies Act, 2013 and other applicable statutory and/or regulatory requirements.

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

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

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

Currency and units of Presentation

In this Prospectus, all references to 'Rupees'/ 'Rs.'/ 'INR'/ '₹' are to Indian Rupees, the official currency of the Republic of India. Except where stated otherwise in this Prospectus, all figures have been expressed in 'lakhs'. All references to 'lakh/lakhs' means 'one hundred thousand' and 'crore' means 'ten million' and 'billion /billions' means 'one hundred crores'.

Industry and Market Data

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

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Certain information and statistics in relation to the industry in which we operate, which has been included in this Prospectus has been extracted from an industry report titled "***Industry report on gold loans, personal loans, MSME loans, and microfinance loans"*** released in July, 2026 prepared and issued by CRISIL Limited ("**CRISIL Report**"). Please refer to "*Industry Overview*" on page 74 for further details. Following is the disclaimer of CRISIL Limited in relation to the CRISIL Report:

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

General Risk

Investment in NCDs involve a degree of risk and investors should not invest any funds in NCDs unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under section "Risk Factors" on page 20. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCDs or Investor's decision to purchase such securities.

FORWARD LOOKING STATEMENTS

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

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

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

Important factors that could cause actual results to differ materially from our expectations including, without limitation, the following:

1. We have received Show-Cause Notices from RBI and any adverse action taken could affect our business, financial condition and operations;

2. We are subject to supervision by regulatory authorities and non-compliance with their observationsduring their periodic inspections may result in penalties, operational restrictions, and reputional risks, which could adversely affect our business, financial conditions and results of operations;

3. Our Company, Promoter and Directors and certain other companies had been subject to search and seizure operations conducted by the Indian income tax authorities;

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

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

6. Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition;

7. High levels of customer defaults or delays in repayment of loans could adversely affect our business, financial condition and results of operations;

8. If we are unable to manage the level of NPAs in our Loan Assets, our financial position and results of operations may suffer;

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

10. Our credit rating has been downgraded and any further downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and lending markets and could also affect our interest margins, business, results of operations and financial condition.

Other factors discussed in this Prospectus, including under the chapter titled "*Risk Factors*" beginning on page 20.

For further discussion of factors that could cause our actual results to differ from our expectations, please refer to the chapters titled "*Risk Factors*", "*Industry Overview*" and "*Our Business*" beginning on pages 20, 74 and 134, respectively.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward looking statements speak only as on the date of this Prospectus. The forward-looking statements contained in this Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Lead Manager, our Company, its Directors and its officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI NCS Regulations, our Company, the Lead Manager will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II - RISK FACTORS

An investment in NCDs involves a certain degree of risk. You should carefully consider all the information contained in this Prospectus, including the risks and uncertainties described below, and the information provided in the sections titled "Our Business" on page 134 and "Financial Statements" on page 174, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown or now deemed immaterial, if materialise, may have a material adverse effect on our business, financial condition and results of operations in the future. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment including interest thereon.

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

In relation to the financial information derived from the audited financial statements of our Company for the financial year ended March 31, 2026, readers should note that, as disclosed in Note 5.6 and Note 49 thereto, appearing on pages F-166 and F-200, respectively, the comparative figures for the financial year ended March 31, 2025 have been regrouped, reclassified and/or rearranged, wherever necessary, to conform to the presentation, classification and disclosure requirements adopted for the financial year ended March 31, 2026. Accordingly, financial information for prior periods included in this section should be read together with the notes to the Audited Financial Statements.

Risks relating to our Business and our Company

1. We have received show-cause notices from the RBI, and any adverse action taken could affect our business, financial condition and operations.

On July 31, 2026, the RBI issued a show-cause notice to our Company under Sections 45JA, 45L, 58B(5)(aa) and 58G of the RBI Act, 1934, in relation to alleged non-compliances observed during the statutory inspection of our Company with reference to its financial position as on March 31, 2025. The notice alleged, inter alia, non-compliance with applicable KYC directions in relation to software-based alerts for suspicious transaction monitoring, and non-compliance with RBI directions on auction of pledged gold articles, including alleged non-payment of surplus auction amounts to borrowers in 6,789 cases aggregating to ₹3 crore as on March 13, 2026. The RBI has called upon our Company to show cause why penalty under Section 58G(1)(b) read with Section 58B(5)(aa) of the RBI Act, 1934 should not be imposed. Our Company acknowledged receipt of the show-cause notice on August 3, 2026, and is in the process of reviewing the notice and compiling its response within the stipulated timeframe.

On October 04, 2023, the RBI issued a show-cause notice to our Company under Section 45-IA(6) of the RBI Act, 1934, alleging certain violations and instances of non-compliance that could potentially be detrimental to public interest. The RBI alleged that our Company failed to accurately report the Net Owned Funds as of March 31, 2022, and did not maintain the Tier 1 capital above the prescribed minimum Capital to Risk-weighted Assets Ratio ("**CRAR**") of 12%. Further, the RBI alleged incorrect reporting of the outstanding subordinate debt, gross loans and advances, and gross and net non-performing assets as of March 31, 2022, contrary to applicable RBI instructions. The RBI also noted non-disclosure of a related entity with a common director in the annual report. Additionally, RBI alleged that our Company is in non-compliance with Section 67(2) of the Companies Act, 2013. In response, our Company submitted detailed replies on October 31, 2023, and December 31, 2023. After reviewing our submissions, the RBI issued a letter dated April 04, 2024, advising our Company to implement specific corrective measures by June 30, 2024 and to desist from any further expansion of its balance sheet until such corrective measures were implemented. Our Company, *vide* communication dated June 30, 2024, informed the RBI about the implementation of the corrective measures. Subsequently, the RBI issued a follow-up letter dated September 13, 2024, requesting additional details concerning the implementation of the corrective measures

and informing that compliance testing would be conducted after three months. Our Company submitted a comprehensive update on the adoption and implementation of corrective measures on December 13, 2024, followed by an additional status update on May 24, 2025. Since May 24, 2025, the Company and the RBI have been engaged in ongoing email correspondence regarding certain pending corrective measures. RBI *vide* email dated October 3, 2025, in response to the Company's compliance update submitted on September 22, 2025, wherein the RBI provided further observations along with proposed actions to be undertaken by the Company, wherever necessary. The Company submitted its response to the RBI's observations on November 01, 2025. Thereafter, by email dated February 16, 2026, our Company submitted a further status update to the RBI in relation to the status of insurance premium refunds and death claim payments, including amounts transferred to the escrow bank account, payments successfully made to customers and residual pending refunds. As of the date of this Prospectus, our Company continues to take steps towards implementation of the corrective measures and remains engaged with the RBI in relation to the pending matters.

RBI issued a show cause notice ("**SCN**") dated March 16, 2018 under sections 45-IA(6) and 58(B) of the RBI Act, against our Company, in relation to alleged non-compliance with regulatory directions. The RBI alleged that our Company failed to communicate the name, designation and address of the Principal Officer to the Financial Intelligence Unit-India ("**FIU-IND**") as directed by RBI by its various directions including Master Circular - Know Your Customer Guidelines DNBR (PD) CC No. 051/03.10.19/2015-16 dated July 1, 2015 and the Know Your Customer (Directions), 2016 ("**KYC Directions**"). Further, RBI alleges that it had issued several reminders, namely, letter No. DNBS (H) CMS/1713/04.08.025/2016-17 dated May 10, 2017 and email dated February 28, 2018. Furthermore, RBI also alleges that our Company has been included by the FIU-IND in its list of "High Risk Financial Institutions" for non-compliance with the provisions of Prevention of Money Laundering Act, 2002 and Prevention of Money Laundering (Maintenance of Records) Rules, 2005 ("**PML Rules**") and the directions and guidelines issued by RBI under Rule 9 (14) of the PML Rules. In the SCN, the RBI asked our Company to show cause on or before March 28, 2018 as to why the Certificate of Registration issued to our Company should not be cancelled under Section 45-IA(6) of the RBI Act and penal action should not be initiated against our Company for the offences punishable under Section 58 B of the RBI Act.

Our Company *vide* its letter dated March 23, 2018 ("**Reply**") with its reference to DNBS (H) CMS/1297/00.00.056/2016-17 dated March 16, 2018, responded to the SCN and submitted that our Company has applied for reporting entity registration with FIU-IND on February 26, 2018, and received the FIUREID on March 22, 2018. Our Company has since received the certificate of registration from FIU-IND.

While our Company has taken steps to address the RBI's observations and submitted the required information, we cannot assure that future inspections or regulatory reviews will not result in further findings or actions. Any inability to satisfactorily resolve such matters may result in penalties, operational restrictions, or reputational impact, which could adversely affect our business, financial condition, and results of operations.

2. We are subject to supervision by regulatory authorities, and non-compliance with their observations during periodic inspections may result in penalties, operational restrictions, and reputational risks, which could adversely affect our business, financial condition, and results of operations.

As a NBFC, our Company is subject to periodic inspections by the RBI under Section 45N of the Reserve Bank of India Act, 1934 (the "**RBI Act**"), pursuant to which the RBI inspects our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI. Any irregularities found during such inspections could, expose us to penalties and restrictions. In the past, the RBI imposed a monetary penalty of ₹10 lakhs on our Company for non-compliance with paragraph 33 of the RBI Scale-Based Master Directions regarding dividend declarations by NBFCs, which was remitted on April 11, 2025.

Further, an onsite supervisory inspection for the financial position as on March 31, 2025 was conducted by the RBI during February–March 2026. Pursuant to such inspection, the RBI issued an Inspection and Risk Assessment Report ("**IRAR**") identifying, inter alia, certain supervisory concerns and control gaps across governance, financial reporting, credit underwriting, compliance and operational processes. Our Company submitted its first compliance report to the RBI by email dated June 13, 2026, setting out responses, clarifications and action taken / proposed to be taken in relation to the observations contained in the IRAR. As of the date of this Prospectus, our Company continues to take steps towards implementation of the corrective measures suggested by the RBI and remains engaged with the RBI in relation to pending matters.

The IRAR, inter alia, included observations relating to governance and oversight, financial reporting and data integrity (including certain reconciliation gaps and divergences), asset classification and provisioning practices, credit processes, and gaps in compliance, internal controls, KYC/AML, IT systems and customer grievance redressal mechanisms. The IRAR also noted certain divergences between reported and assessed financial parameters, including higher assessed NPAs and lower assessed capital adequacy arising from supervisory adjustments.

While our Company is in the process of taking steps to address the RBI's observations, we cannot assure that future inspections will not result in additional findings or regulatory actions. If we are unable to satisfactorily address any deficiencies, irregularities or instances of non-compliance, we may face penalties, restrictions on our operations, or other supervisory actions, which could adversely impact our business, financial condition and results of operations and reputation.

3. Our Company, Promoter, Directors and certain other companies had been subject to search and seizure operations conducted by the Indian income tax authorities.

Search and seizure proceedings were initiated by the Income Tax Department under Section 132 of the Income Tax Act, 1961 on January 11, 2024, at the business premises of our Company located in Kothamangalam and Palarivattom. Simultaneously, a search was also conducted at the residential premises of Shibu Theckumpurath Varghese, Director of the Company. During the search, certain documents and items were seized by the officials of the income tax department, and sworn statements were recorded from Shibu Theckumpurath Varghese and other employees of our Company. Subsequently, on March 21, 2025, our Company received a notice under Section 148 of the Income-tax Act from the office of the Deputy Commissioner of Income Tax, Central Circle, Kochi, directing the Company to file its income tax return for the assessment year 2021-2022 within three months from the end of the month in which the notice was issued. In compliance with the said notice, the Company filed its income tax return on June 11, 2025. On September 17, 2025, our Company received a communication from the income tax department stating that the income tax return filed by our Company had been selected for scrutiny, and requested for furnishing of certain information, documents, and accounts, on or before September 29, 2025. In response, our Company submitted the requisite information and documents on September 29, 2025. For details of this matter, please see section entitled "*Outstanding Litigation*" on page 278.

Search and seizure proceedings were initiated by the Income Tax Department under Section 132 of the Income-Tax Act, 1961, on October 5, 2015 at Kothamangalam. It was alleged that our Company has generated undisclosed income and utilized the same over the period. Pursuant to the IT Search and Seizure Proceedings, our Company received notices on November 30, 2017, under section 148 of the IT Act issued by the Deputy Commissioner of Income Tax, Centre Circle, Kochi, stating that income tax returns should be filed in 30 days for assessment of income. In response to these notices received above, our Company, KMLM Chits India Limited and KLM Fincorp Limited and Shibu Theckumpurath Varghese, Director of the Company and Josekutty Xavier, erstwhile Director of the Company (collectively referred as "**Applicants**") have filed income tax returns and subsequently approached Income tax Settlement Commission, Chennai Bench. The Settlement Commission through its order dated December 28, 2017, allowed the settlement applications of Applicants to be proceeded with further and KLM Fincorp Limited and KMLM Chits India Limited have outstanding tax liabilities of ₹ 238.65 lakhs and ₹ 239.86 lakhs, respectively. KLM Fincorp Limited and KMLM Chits India Limited have also made payments of their respective tax liabilities. Apart from this there are no further updates on this matter. For details of this matter, please see section entitled "*Outstanding Litigation*" on page 278.

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

Our results of operations are substantially dependent upon the level of our Net Interest Margins. Interest income from our financing activities is the largest component of our total income and constituted 96.33%, 95.84%, and 95.85% of our total income as at Fiscal 2026, Fiscal 2025, and Fiscal 2024, respectively. As of March 31, 2026, March 31, 2025, and March 31, 2024, our loan books before impairment loss allowances were ₹ 163,622.85 lakhs, ₹ 162,588.76 lakhs, and ₹1,67,600.28 lakhs, respectively. We borrow and lend funds on both fixed and floating rates. Volatility in interest rates can materially and adversely affect our financial performance. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted.

Accordingly, our operations are susceptible to fluctuations in interest rates. Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions, inflation and other factors. Rise in inflation, and consequent changes in bank rates, repo rates and reverse repo rates by the RBI have led to an increase in interest rates on loans provided by banks and financial institutions, and market interest rates in India have been volatile in recent periods.

We do not hedge our exposure to interest rate changes. We cannot assure you that we can adequately manage our interest rate risk in the future. Further, changes in interest rates could affect the interest rates charged on interest earning assets and the interest rates paid on interest bearing liabilities in different ways. Thus, our results of operations could be affected by changes in interest rates and the timing of any re-pricing of our liabilities compared with the re-pricing of our assets.

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

We have had negative net cash flows from our operating and investing activities during our last three fiscal years, on standalone basis the details of which are summarised below:

(in ₹ lakhs)

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Net cash generated from/ (used in) operating activities	20,163.86	20,046.39	(2,714.93)
Net cash generated from/ (used in) investing activities	(43.71)	(1,739.85)	(4,224.51)
Net cash generated from/ (used in) financing activities	(21,787.15)	(18,412.29)	1,241.34

Any negative cash flows in the future may adversely affect our results of operations and financial condition. For further details, please see the sections titled "*Financial Statements*" on page 174.

6. Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.

As an NBFC, our liquidity and on-going profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from issuance of redeemable non-convertible debentures, the issue of subordinated debts, perpetual debt instruments and equity shares. Thus, our business depends and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. While our borrowing costs have been competitive in the past, if we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. This may adversely impact our business, prospects, cash flow, results of operations and financial condition.

Restrictive or penal order may be passed against us by the RBI in future proceedings that could hamper our operations or services, or a part thereof, or levy penalties in connection therewith, which may in turn adversely affect our operations and profitability. Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. Such conditions may lead to a disruption in our primary funding sources at competitive costs and would have a material adverse effect on our liquidity and financial condition.

7. High levels of customer defaults or delays in repayment of loans could adversely affect our business, financial condition and results of operations.

Our business involves lending money and accordingly we are subject to customer default risks including default or delay in repayment of principal and/or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If

borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted.

In addition, our customer portfolio consists of individuals, small and medium enterprises and other group of the under banked community, who do not typically have easy access to financing from commercial banks or other organized lenders and often have limited credit history. Such borrowers generally are less financially resilient than larger corporate borrowers, and, as a result, they can be more adversely affected by declining economic conditions. In addition, we may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation on the part of our customers. Furthermore, unlike several developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial information available about the creditworthiness of our customers. It is therefore difficult to carry out precise credit risk analyses on our clients.

Our Company has in the past faced various instances of customers having defaulted and/or failed to repay dues in connection with loans and/or finance provided by our Company and has also initiated various legal proceedings in connection therewith. Further our Company also in certain cases restructured the terms and conditions of loans and/or finance provided by us, subject to applicable statutory and/or regulatory requirements. Further, another source of funding is repayment of loans by our customers. Any delays in repayment of loans by our customers in a timely manner or at all, could impact our funding plans.

Customer defaults could also adversely affect our levels of NPAs and provisioning of the same, which could in turn adversely affect our operations, cash flows and profitability. Our Gross NPAs have increased from ₹ 2,753.15 lakhs as at March 31, 2024 to ₹ 5,194.07 lakhs as at March 31, 2026, and our Net NPAs have increased from ₹ 1,144.16 lakhs as at March 31, 2024 to ₹ 3,570.07 lakhs as at March 31, 2026. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor the loan contracts, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

8. If we are unable to manage the level of NPAs in our Loan Assets, our financial position and results of operations may suffer.

Our Gross NPAs have increased from ₹ 2,753.15 lakhs as at March 31, 2024 to ₹ 5,194.07 lakhs as at March 31, 2026 and our Net NPAs have increased from ₹ 1,144.16 lakhs as at March 31, 2024 to ₹ 3,570.07 lakhs as at March 31, 2026. As on March 31, 2026, our Gross NPAs and Net NPAs were ₹ 5,194.07 lakhs and ₹ 3,570.07 lakhs, respectively. Our Gross NPAs as a percentage of total loan assets were 3.17%, 2.04%, and 1.64% as of March 31, 2026, March 31, 2025, and March 31, 2024, respectively, while our Net NPAs as a percentage of total loan assets were 2.18%, 0.95%, and 0.68%, as of March 31, 2026, March 31, 2025, and March 31, 2024, respectively. We cannot ensure that we will be able to improve our collections and recoveries in relation to our NPAs or otherwise adequately control our level of NPAs in future. Moreover, as our loan portfolio matures, we may experience greater defaults in principal and/or interest repayments. Thus, if we are not able to control or reduce our level of NPAs, the overall quality of our loan portfolio may deteriorate, and our results of operations may be adversely affected. Furthermore, our current provisions may not be adequate when compared to the loan portfolios of other financial institutions, currently as of March 31, 2026, our total provisioning for NPAs is ₹ 1,624.00 lakhs. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of Gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. In the event of any further deterioration in our NPA portfolio, there could be an even greater, adverse impact on our results of operations.

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

As of July 01, 2026, we had an outstanding total borrowing (including debt securities and subordinate liabilities) of ₹ 1,65,870.93 lakhs. We may incur additional indebtedness in the future. Many of our financing agreements include various restrictive conditions and covenants restricting certain corporate actions, and our Company is required to take the prior approval of the lender before carrying out such activities. For instance, our Company, *inter alia*, is required to obtain the prior written consent in the following instances:

(i) To declare/pay any dividend to the shareholders/stake holders.

(ii) To repay monies brought in by the promoters / directors/principal shareholders and friends and relatives by way of deposits / loans / advances.
(iii) Effect any change in the constitution of the organisation.
(iv) Effect any change in the Unit's Capital Structure where shareholding of existing promoter(s) is diluted.
(v) Implement any scheme of expansion / modernization / diversification / renovation or acquire any fixed assets during any accounting year, except such schemes which have already been approved by the Bank.
(vi) Formulate any scheme of amalgamation or reconstruction or merger or demerger.
(vii) Invest by way of share capital or lend or advance funds to or place deposits with any other concern (including group companies). However, normal trade credit or security deposits in the normal course of business or advances to employees can be excluded.
(viii) Enter into borrowing arrangements either secured or unsecured with any other bank, Financial Institution, company or person.
(ix) Undertake guarantee obligations on behalf of any other company, firm, director or person.
(x) Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations.
(xi) Transfer of controlling interest or effect any drastic change in their management setup including resignation of directors, promoters, key managerial personnel.
(xii) Securitization of loan assets of the Company.
(xiii) Effect any change in the remuneration payable to the Directors / Partners, etc. either in the form of sitting fees or otherwise.
(xiv) Pay guarantee commission to the guarantors whose guarantees have been stipulated / furnished for the credit limits sanctioned by the Bank.
(xv) Create any further charge, lien or encumbrance over the assets and properties of the Unit/ Guarantors to be charged / charged to the Bank in favour of any other bank, Financial Institution, firm or person.
(xvi) Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Bank.
(xvii) Undertake any trading activity other than the sale of produce arising out of its own manufacturing / trading operations.
(xviii) Open any account with any other bank.
(xix) Undertake any expansion/ modernization/ diversification programme/new line of business or manufacture other than incurring routine capital expenditure.
(xx) Change the accounting system/ policies in regard to stock valuation, depreciation of fixed assets, payment of dividends etc.
(xxi) Enter into contractual obligation of a long term nature for an unrelated activity.
(xxii) Issuance of Bank guarantees with auto renewal clause except in favour of government departments for business purposes.
(xxiii) Approach Capital market for mobilizing additional resources in form of debt or equity.

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

10. Our credit rating has been downgraded and any further downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and lending markets and could also affect our interest margins, business, results of operations and financial condition.

The cost and availability of debt capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. Our long-term debt was earlier rated ACUITE BBB (Stable) by Acuité Ratings & Research Limited and has been

downgraded to ACUITE BBB- (Negative). Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations and carry moderate credit risk.

Any further downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations and cash flows. In addition, any downgrade in our credit ratings could increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our future borrowings.

11. Our statutory auditors had included certain emphasis of matters and other observations in their audit reports relating to the Audited Financial Statements of our Company.

Our statutory auditors had included certain emphasis of matters and other observations in their audit report in relation to the Audited Financial Statements. For further details, in relation to the emphasis of matters and other observations, etc. see "*Financial Statements*" and "*Outstanding Litigation*" on page 174 and 278, respectively.

There can be no assurance that our statutory auditor will not include further emphasis of matters or other similar remarks in the audit reports to our Audited Financial Statements in the future, or that such remarks or matters of emphasis will not affect our financial results in future fiscal periods. Investors should consider the emphasis of matters and other observation in evaluating our financial condition, results of operations and cash flows. Any such emphasis of matters or any other observations in the auditors' report on our Audited Financial Statements in the future may also adversely affect the trading price of the NCDs.

12. We may not be able to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans.

Out of our Company's total gross loan portfolio of ₹ 1,63,622.85 lakhs as at March 31, 2026, 96.68 % of the aggregate gross value of our loan book i.e., ₹ 1,58,195.78 lakhs is secured by collaterals and ₹ 5,427.07 lakhs representing 3.32 % of the aggregate gross value of our loan book is unsecured loans. The value of collaterals is dependent on various factors *inter-alia* including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) the real estate markets in the areas in which we operate, and (iv) in context to Gold loan business, the value of Gold, being the security, is dependent on the International Gold prices.

The value of the security provided to us, may be subject to reduction in value on account of other extraneous reasons. Consequently, the realizable value of the security for the loans provided by us, when liquidated, may be lower than principal amount outstanding along with interest and other costs recoverable from such customers.

Although we believe that we generally maintain a sufficient margin in the collateral value, if we have to enforce such pledges and if at the time of such enforcement, due to adverse market conditions, the market value of the pledged securities have fallen to a level where we are unable to recover the monies lent by us, along with interest accrued thereon and associated costs, the results of our operations would be adversely affected. In case of any shortfall in margins in connection with the securities pledged as collaterals, we typically call upon the relevant customer to provide further collateral to make up for the deficit in such margins. Furthermore, enforcing our legal rights by litigating against defaulting customers is generally a slow and potentially expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

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

We, our Directors and Promoter are subject to certain legal proceedings including civil suits, consumer litigations, tax litigations etc. We incur substantial cost in defending these proceedings before a court of law. Moreover, we are unable to assure you that we or our Promoter and Directors shall be successful in any or all of these actions. In the event, we or our Promoter and Directors suffer any adverse order, our reputation may suffer and may have an adverse impact on our business and results of operations.

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

Name	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigations	Aggregate amount involved (₹ in lakh)
Company						
By the Company	214	N.A	N.A	N.A	Nil	1,735.05
Against the Company	Nil	2	2	Nil	1	500.00
Directors*						
By the Directors	10	N.A	N.A	N.A	Nil	43.65
Against the Directors	8	Nil	Nil	Nil	Nil	Nil
Promoter **						
By the Promoter	Nil	N.A	N.A	N.A	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Group Companies						
By the Group Companies	Nil	N.A	N.A	N.A	Nil	Nil
Against the Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries						
By the Subsidiaries	N.A.					
Against the Subsidiaries						

N.A.: Not Applicable

**Other than the proceedings appearing under the heading "Company", where our Directors are named as parties.*

*** Other than the proceedings appearing under the heading "Company" or "Directors", where our Promoter is named as a party.*

We cannot assure that an adverse order by any statutory or governmental authority would not have a negative impact on our profit and financial condition. For further details of the legal proceedings that we are subject to, please refer to the chapter titled "*Outstanding Litigation*" on page 278.

14. We are subjected to supervision and regulation by the RBI as a non – deposit accepting NBFC-Middle Layer, and changes in RBI's regulations governing us could adversely affect our business.

Our Company has been classified as NBFC-Middle Layer from October 1, 2022 and therefore we are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to the NBFCs. The RBI's regulations of NBFCs could change which may restrict the availment of credit facilities from such banks in the future and which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance. Through the RBI master directions and RBI Scale Based Master Directions, RBI has amended the regulatory framework governing NBFCs to address concerns pertaining to risks, regulatory gaps and arbitrage arising from differential regulations and aims to harmonise and simplify regulations to facilitate a smoother compliance culture among NBFCs. Even though the RBI has not provided for any restriction on interest rates that can be charged by non-deposit taking NBFCs, there can be no assurance that the RBI and/or the

Government will not implement further regulations or policies, including legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that may have an adverse impact on non-deposit taking NBFCs.

Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments and other activities currently being carried out by us, involves a number of risks, particularly in markets where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. We are also subject to changes in laws, regulations and accounting principles and practices. There can be no assurance that the laws governing the financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

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

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

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

RBI guidelines for NBFCs prescribe the provisioning required in respect of our outstanding loan portfolio. These provisioning requirements may require us to reserve lower amounts than the provisioning requirements applicable to financial institutions and banks in other countries. The provisioning requirements may also require the exercise of subjective judgments of management. The RBI Scale Based Master Directions provides the regulatory framework for systemically important NBFCs in relation to provisioning for their standard assets. The requirement to maintain a provision for standard assets is 0.40% by the end of March 31, 2021. For details on asset classification please refer to the chapter titled "*Key Regulations and Policies – Regulatory Requirements of an NBFC under the RBI Act – Asset Classification*" on page 340.

There are multiple factors that affect the level of NPAs in our Company. Prominent among them are fall in value of gold, increase in the LTV ratio for gold loan etc. Various factors that are beyond our control, such as macro-economic factors (including a rise in unemployment, a sharp and sustained rise in interest rates, developments in the Indian economy, movements in global commodity markets and exchange rates), regulatory hurdles and global competition as well as customer specific factors such as wilful default and mismanagement of a customer's operations, may result in increasing NPA levels and may have an adverse impact on the quality of our loan portfolio. If we are unable to effectively control our NPA levels in the future, we will be required to increase our provisions, which may adversely affect our profitability and financial condition. The RBI regulates certain aspects of the recovery of non-performing loans, such as the use of recovery agents. Any limitation on our ability to recover, control and reduce non-performing loans under the applicable regulatory regime or otherwise could affect our collections and ability to foreclose on existing NPAs.

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

17. Our loan book comprises of unsecured loans forming a part of our Microfinance loan. Our inability to recover the amounts due from customers in connection with such loans in a timely manner or at all and/or to comply with applicable statutory/regulatory requirements in connection with such loans could adversely affect our operations and profitability.

Our loan book comprises of unsecured loans forming a part of our Microfinance loans. Since such loans are unsecured, in case of customer defaults in connection with such loans, our ability to realise the amounts due to us for such loans would be restricted to initiate legal proceedings for recovery, as we will not have the benefit of enforcing any security interest related to such loans. There can be no guarantee as to the time that would be taken for the final disposal of such legal proceedings and/or our ability to obtain favourable decisions in connection therewith.

Because of the unsecured nature of our Microfinance loans, it is essential that our products are appropriately priced, taking into account a possible high rate of interest and all other relevant factors. In making a decision whether to extend credit to prospective customers, and the terms on which we are willing to provide credit, including the price, we rely heavily on our credit scoring models, and our credit experience gained through monitoring the performance of customers over time. Our credit scoring models are based on previous historical experience. If our credit scoring models are not redeveloped as required or if they do not perform up to target standards we may experience increasing defaults or higher customer acquisition costs.

As of March 31, 2026, our unsecured lending book was ₹ 5,427.07 lakhs constituting 3.32 % of our total loan book, respectively. Further, our corporate lending products generally do not have any definite end-use restrictions and our customer may utilise such loans for various purposes, which are often incapable of being monitored on a regular basis or at all.

Our inability to recover the amounts due from customers in connection with such loans in a timely manner or at all and/or to comply with applicable statutory/regulatory requirements in connection with such loans could adversely affect our operations and profitability.

18. Our business operations involve transactions with relatively high-risk borrowers. Any default from our customers could adversely affect our business, results of operations and financial condition.

We offer a wide range of financial products and services that address the specific financing requirements of low- and middle-income individuals as well as micro, small, and medium enterprises. Similarly, our loans are principally focused on first time users with limited access to capital through formal banking channels. A significant portion of our customer base is typically less economically stable than large corporates, and as a result, is usually adversely affected by declining economic conditions. Earning capacity of customers in these segments depends on various macro and micro economic factors that affect them from time to time. We have a greater risk of loan defaults and losses in the event there are adverse economic conditions which may have a negative effect on the ability of our borrowers to make timely payments of their loans.

A significant portion of our target customers typically have limited access to credit with limited to no prior credit history. As a result, we are more vulnerable to customer default risks including delay in repayment of principal or interest on our loans. Although we have our own customised due diligence and credit analysis procedures, there can be no assurance that we will be able to ensure a lower delinquency rate. Our profitability depends on our ability to evaluate the right income levels of our customers, assess the credit risks and to price our loans accordingly. Our customers may default on their obligations as a result of various factors including bankruptcy, insolvency, lack of liquidity and/or failure of the business or commercial venture in relation to which such borrowings were sanctioned. Certain product segments and micro-enterprise loans in particular, are mostly unsecured and are susceptible to higher levels of credit risks. Failure to maintain sufficient credit assessment policies, particularly for small and medium enterprise borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

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

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

20. We face increasing competition in our business which may result in declining margins if we are unable to compete effectively.

We face competition in all our lines of business. Our primary competitors are other NBFCs, public sector banks, private sector banks, co-operative banks and foreign banks and the unorganized financiers who principally operate in the markets where we operate. Banks have access to low-cost funds which enables them to enjoy higher margins and / or offer finance at lower rates. NBFCs do not have access to large quantities of low-cost deposits, a factor which can render them less competitive. In addition, interest rate deregulation and other liberalization measures affecting the retail and small and medium enterprises finance sector, together with increased demand for capital by individuals as well as small and medium enterprises, have resulted in an increase in competition.

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

All of these factors have resulted in us facing increased competition from other lenders in each of our lines of businesses, including commercial banks and other NBFCs. Our ability to compete effectively will depend, to some extent, on our ability to raise low-cost funding in the future. Furthermore, as a result of increased competition in the finance sector, finance products are becoming increasingly standardized and variable interest rate and payment terms and lower processing fees are becoming increasingly common in the finance sector in India. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive finance industry. Increasing competition may have an adverse effect on our net interest margin, and, if we are unable to compete successfully, our market share may decline. If we are unable to compete effectively with other participants in the finance sector, our business, future financial performance and the trading price of the NCDs may be adversely affected.

21. We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees, customers or third parties, which could harm our results of operations and financial position.

We also do cash collections to recover our dues. Such cash transactions expose us to the risk of theft, burglary and misappropriation or unauthorized transactions by our employees and fraud by employees, customers or third parties. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill.

22. If we are unable to manage our growth effectively, our business and reputation could be adversely affected.

Pursuant to our business strategy, we have focused on maintaining the quality of our loan portfolio while pursuing sustainable growth. Our AUM has decreased by a compounded annual growth rate, or CAGR, of 1.19 % from ₹ 1,67,600.28 lakhs as of March 31, 2024 to ₹ 1,63,622.85 lakhs as of March 31, 2026. Our total income increased from ₹ 31,592.32 lakhs for Fiscal 2024 to ₹ 34,118.77 lakhs for Fiscal 2026 at a CAGR of 3.92 %. Our net profit after tax decreased from ₹ 2,302.87 lakhs for Fiscal 2024 to ₹ 886.08 lakhs for Fiscal 2026, at a CAGR of 37.97 %. There can be no assurance that we will be able to sustain our growth strategy successfully or that we will be able to expand further or diversify our product portfolio. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

Expanding our products or entering into new jurisdictions with new or existing products can be costly and require significant management time and attention. Additionally, as our operations grow in size, scope and complexity and our product offerings increase, we will need to enhance and upgrade our systems and infrastructure to offer an increasing number of enhanced solutions, features and functionality. The expansion of our systems and infrastructure will require us to commit substantial financial, operational and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will increase. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train

existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

23. We may experience difficulties in expanding our business into new regions and markets in India and introducing our complete range of products in each of our branches.

Currently, our distribution networks are concentrated in Kerala, Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Maharashtra. As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand our business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices & customs and customer requirements in these new markets may differ from those in our current markets and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with other banks and financial institutions that already have a presence in those geographies and markets and are therefore more familiar with local regulations, business practices and customs and have stronger relationships with customers. Our business may be exposed to various additional challenges including obtaining necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

24. Our business is based on the trust and confidence of our customers; any damage to that trust and confidence may materially and adversely affect our business, future financial performance and results of operations.

We are dedicated to earning and maintaining the trust and confidence of our customers and we believe that the good reputation created thereby and inherent in the "KLM" brand name is essential to our business. The reputation of our Company and/or the "KLM" brand could be adversely affected by any threatened and/or legal proceedings and/or any negative publicity or news articles in connection with our Company or the "KLM" brand. As such, any damage to our reputation, or that of the "KLM" brand name, could substantially impair our ability to maintain or grow our business. If we fail to maintain brand recognition with our target customers due to any issues with our product offerings, a deterioration in service quality, or otherwise, or if any premium in value attributed to our business or to the brands under which our services are provided declines, market perception and customer acceptance of our brands may also decline. Any negative news affecting us might also affect our reputation and brand value.

25. System failures or inadequacy and security breaches in computer systems may adversely affect our business.

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control including a disruption of electrical or communications services. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing MIS systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to

conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

26. We have expanded into new lines of business and if we are unable to successfully run the new businesses profitably, our results of operations and financial condition may be affected.

As part of our growth strategy, we have also added additional products to our portfolio such as micro finance. We have limited experience in some of the recently launched products and business verticals which are partly targeted at a slightly different borrower segment. Our current strategy is to gain market share in strategically selected target businesses, customer segments and geographies, however, there can be no assurance that we will be able to continue to successfully implement our strategy. If we grow our total credit exposure too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have an adverse effect on the quality of our assets and our financial condition.

Factors such as competition, customer requirements, regulatory regimes, business practices and customs in these new markets may differ from those in our existing markets, and our experience in our existing markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with not only other banks and financial institutions but also the local unorganized or semi-organized private financiers, who are more familiar with local regulations, business practices and customs, and may have stronger relationships with target customers. Our inability to expand our current operations may adversely affect our business, financial condition and results of operations.

27. Fluctuation in the interest rate may adversely affect our financial condition, cash flows and results of operations.

Our results of operations depend to a large extent on the level of our net interest income as our primary source of revenue is interest income. Net interest income is the difference between our interest income and our finance costs. The differential between the interest rates that we charge on interest- earning assets (i.e. our portfolio loans) and the interest rates that we pay on interest-bearing liabilities, and the volume of such assets and liabilities, tend to have a significant impact on our results of operations. As on March 31, 2026, our interest on portfolio loans represented 96.33 % of our total income.

Changes in market interest rates affect the interest rates we charge on our interest-earning assets differently from the interest rates we pay on our interest-bearing liabilities. An increase in interest rates could result in an increase in interest expense in a higher proportion compared to interest income if we are not able to increase the rates charged on our portfolio loans and advances or if the volume of our interest-bearing liabilities is larger or growing faster than the volume of our interest-earning assets. Further, such increase in interest rates could impact our ability to raise low cost funds as compared to some of our competitors which may have access to lower cost deposits. The differences between repricing maturities of rate sensitive liabilities and rate sensitive assets, called repricing gaps, exposes our business to interest rate risk.

A sustained decline in the RBI benchmark may adversely impact our ability to charge interest on our microfinance loans at our desired rates, which may adversely affect our interest income from portfolio loans.

As the repricing maturities of our liabilities and assets are spread over different periods, we are exposed to interest rate risk in the form of non-parallel movement in yield curves. Further, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income (representing our revenue from operations as reduced by our finance costs) and net interest margin. The quantum of the changes in interest rates for our assets and liabilities may also be different, leading to a decrease in the interest margin.

Moreover, changes in interest rates could affect our fixed income portfolio and treasury income. Interest rates are highly sensitive, and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors. Interest rates in India have been volatile in the past. There can be no assurance that we would be able to adequately manage our interest rate risks. If we are unable to effectively manage our interest rate risks, it could have an adverse effect on our net interest income, net interest margin, thereby impacting our business prospects, financial condition and results of operations.

28. We have a limited operating history and evolving businesses make it difficult to evaluate our business and future operating results on the basis of our past performance, and our future results may not meet or exceed our past performance.

The present management has acquired our Company in the Fiscal 2014 from the erstwhile management to start financial services. Subsequently, we started offering various products such as gold loan, personal loan, MSME loan and microfinance loans. As a result of our limited operating history under the new management, there is limited historical operating information available to help prospective investors to evaluate our past performance as an entity. Given we have limited operating history in the loan finance business, we may face significant challenges in developing and institutionalizing our procedures and policies for that business. The loan finance business would require extensive monitoring, strict compliance with KYC requirements and prudent risk management. Our growth plans will place significant demands on our operational, credit, financial and other internal risk controls, making our management of asset quality increasingly important.

Our business in each sector and overall is growing and the results and amounts set forth in our financial statements may not provide a reliable indication of our future performance. Accordingly, you should evaluate our business and prospects in light of the risks, uncertainties and difficulties frequently encountered by both high growth companies and financial institutions that are in the early stages of development. Our failure to mitigate these risks and uncertainties successfully could materially adversely affect our business and operating results.

29. Our measures to prevent money laundering may not be completely effective and we may be subject to scrutiny and penalties by the RBI for failure to implement effective measures. Moreover, various state government laws regulating money lending transactions could adversely affect our business, prospects, results of operations and financial condition.

Our Company is required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. Our measures to prevent money laundering as required by the RBI and other KYC compliance applicable in India, including the Reserve Bank of India (Non-Banking Financial Companies - Know Your Customer) Directions, 2025 dated November 28, 2025, as amended, from time to time ("**RBI KYC Directions**") and the adoption of anti-money laundering policies and compliance procedures in all our branches may not be completely effective. As our Company has been classified as NBFC - Middle Layer from October 1, 2022, we are subject to the RBI's guidelines on financial regulation of NBFCs, including, KYC procedure and policies, all our branches may not be completely effective with adequate internal policies, processes and controls in place with the RBI KYC Directions and other prescribed KYC procedures. There can be no assurance that attempts to launder money using us as a vehicle will not be made. Additionally, certain states in India have enacted laws to regulate money lending transactions, which may for instance establish a maximum rate of interest that can be charged. In the event, we are required to comply with the provisions of these state money lending laws and KYC Compliances, there may be severe civil and criminal penalties for non-compliance with the relevant money lending statutes. In the event that the government of any state in India requires us to comply with the provisions of their respective state money lending laws, KYC Compliances, or imposes any penalty against us for prior non-compliance, our business and results of operations could be adversely affected.

30. We depend on the accuracy and completeness of information about customers and counterparties for certain key elements of our credit assessment and risk management process. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.

In deciding whether to extend credit or enter into other transactions with customers, for certain key elements of the credit assessment process, we rely on information furnished to us by or on behalf of customers (including in relation to their financial transactions and past credit history). We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus, and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given, may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

31. Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts in India and in some developed countries.

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Our strategies and risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and evolving the NBFC standards and retail finance sector standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards.

32. Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons.

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key operations personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, divert management resources and subject us to incurring additional human resource related expenditure. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees in the finance sector can be intense. Our inability to attract and retain talented professionals, or the resignation or loss of key operations personnel, may have an adverse impact on our business and future financial performance.

33. Our insurance coverage may not be sufficient or may not adequately protect us against any or all hazards, which may adversely affect our business, results of operations, financial condition and cash flows.

We maintain insurance coverage for our operations in normal course. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

We cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have obtained sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. For further details on our insurance arrangements, see "*Our Business – Insurance*" on page 156.

34. All of our offices and branches are located in leased premises and non-renewal of lease agreements or their renewal on terms unfavourable to us could adversely affect our operations.

As of June 30, 2026, except our branch located in Kothamangalam, Kerala, and our Corporate Office, all of our offices including our Registered Office and branches are located in leased premises. Further, as we expand our branch network in line with our growth strategy, we expect the number of leased branches to increase significantly as all of our new branches are expected to open on leased premises. As of June 30, 2026, our Company has 551

branches for which the lease agreements have lease period from ranging 11 months to 10 years. Lease agreements for some of our offices have already expired and have not been renewed due to operational issues. If any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, or if they terminate the agreement, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations.

All or any of the leases may not be renewed on similar terms or at all, or we may be evicted from all or a number of these premises and be required to pay damages to the landlord. This may adversely impact our business and financial condition.

35. A decline in our capital adequacy ratio could restrict our future business.

All non-deposit taking NBFCs are required to maintain a minimum capital adequacy ratio, consisting of Tier 1 capital of their aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items. Further, RBI has introduced minimum Tier 1 Capital requirement of 12% to be effective from April 1, 2014, for NBFCs primarily for whom loans against gold jewellery comprise more than 50% of their financial assets, including us. Our Tier 1 capital adequacy ratio as compared to the RBI stipulated minimum requirement of 12% is 12.98 %, 15.79%, and 13.47%, for the financial years ended March 31, 2026 March 31, 2025, and March 31, 2024, respectively. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier 1 Capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all and this may adversely affect the growth of our business. Failure to maintain adequate capital adequacy ratio or Tier 1 Capital may adversely affect the growth of our business. Further, any regulatory change in capital adequacy requirements imposed by the RBI may have an adverse effect on our results of operation.

36. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have entered into various transactions with related parties, including for payment of salaries of key managerial personnel, interest paid and investment in equity shares. While we believe that all such transactions have been conducted on an arm‘s length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Although all related party transactions that we may enter into post-listing, will be subject to board or shareholder approval, as necessary under the Companies Act, 2013, as amended and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. For details, see "*Related Party Transactions*" in the chapter titled "*Financial Statements*" on page 174.

37. The bankruptcy code in India may affect our rights to recover loans from borrowers.

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

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Bankruptcy Code provides a 180-days timeline which may be extended by 90 days when dealing with insolvency resolution applications. Subsequently, the insolvency resolution plan prepared by the insolvency professionals has to be approved by 66% of voting share of financial creditors, which requires sanction by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed.

Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees, and debts owed to unsecured credits. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority.

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

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

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

We intend to use the proceeds of the Issue, for the purpose of onward lending, repayment of interest and principal of existing borrowings and for general corporate purposes. For further details, see "*Objects of the Issue*" at page 60. The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

39. Our results of operations could be adversely affected as a result of any disputes with our employees.

Our operations are personnel-driven, and we place a lot of emphasis on the effective training of our personnel in communication and service orientation skills. However, a failure to train and motivate our employees may lead to an increase in our employee attrition rates, erode the quality of customer service, divert management resources and impose significant costs on us which may have an adverse impact on our business and future financial performance.

We employ 1,888 full-time employees as of June 30, 2026, and lay significant emphasis on our employees' overall welfare. However, there can be no assurance that there will not be any future disruptions in our operations due to any disputes with our employees, or that such disputes will not adversely affect our business and results of operations. We depend on our branch-level employees for sourcing, disbursements and collections and customer liaison, and significant attrition at any of our branches could adversely impact our operations. Further, in the event of a labour dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations, which could materially and adversely affect our business, future financial performance and results of operations.

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

While facts and other statistics in this Prospectus relating to India, the Indian economy as well as the Loan industry have been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials, particularly since there is limited publicly available information specific to the Loan industry. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics, the same have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "*Industry Overview*" beginning on page 74. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

41. The use of "KLM AXIVA" or similar trade names by third parties may result in loss of our business to such third parties and any potential negative publicity relating to such third parties may adversely affect our reputation, the goodwill of our brand and business prospects.

We believe that our trademarks and other proprietary rights have significant value and are important to identifying and differentiating our services from those of our competitors and creating and sustaining demand for our services. We have registered our trademark, "KLM AXIVA" and the logo "KLM AXIVA FINVEST" with the Registrar of Trademarks under class 36. We believe that our trademarks have significant brand recognition, therefore, our trademarks are significant to our business and operations.

We cannot assure you that the steps taken by us to protect our intellectual property rights will be adequate to prevent infringement of such rights by others, including imitation and misappropriation of our brand. Additionally, we cannot assure you that obstacles will not arise as we expand our business and the geographic scope of our promotional and marketing activities. Third parties may assert intellectual property claims against us, particularly as we expand our business and enter newer industries. Our defense of any claim, regardless of its merit, could be expensive and time consuming and could divert management resources. Successful infringement claims against us could result in significant monetary liability or prevent us from selling some of our products. Any of these events could harm our business and cause our results of operations, liquidity and financial condition to suffer.

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

Our Company is subject to the obligations and reporting requirements under SEBI Listing Regulations. In the past, our Company had not complied with certain provisions of the SEBI Listing Regulations including provisions relating to submission of documents and intimations, in respect of the previous public issues, with the debenture trustee. Our Company has received an email dated August 28, 2019, from SEBI stating that the Company was in non-compliance of regulations 56 and 57 of SEBI Listing Regulations in relation to providing required information to Debenture Trustees. Subsequently, our Company has submitted required documents and intimations with BSE and the Debenture Trustee and had replied to SEBI on September 17, 2019. Our Company has not filed its unaudited financial results for the half year ended September 30, 2020, and for audited financial statement for the period March 31, 2020, within the period as mentioned under regulation 52 of SEBI Listing Regulation. Further, BSE *vide* their email dated August 20, 2021, has levied a fine of ₹ 55,460 and an additional fine *vide* their email dated September 08, 2022 of ₹ 63,720 under 54(2) of SEBI Listing Regulations on the Company for non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the financial statements. Our Company has paid the said fine amount. Additionally, there are certain delayed compliances with in submission of intimation and outcome of the Board meeting and filing of investor complaints for the quarter ended June 2020. Further, BSE *vide* their email dated September 28, 2022, has levied a fine of ₹ 1,60,200/- including GST (of which ₹40,000 was waived by BSE) on our Company for delay in submitting the notice of record date in terms of regulation 60(2) of SEBI Listing Regulations for the month of November 2021. Our Company has paid the said fine amount on January 19, 2023.

Further, BSE *vide* email dated June 18, 2024, imposed a fine of ₹ 34,220 for non-compliance with regulation 6 (1) of SEBI Listing Regulations for quarter ending on March 2024. Our Company has paid the fine on June 24, 2024, and intimated BSE *vide* email dated June 25, 2024. Further, BSE, through its emails dated June 20, 2024, and April 02, 2025, imposed penalties of ₹34,330 and ₹22,420, respectively, for delayed compliance with Regulation 6(1) and Regulation 13(3) of the SEBI Listing Regulations. While our Company remitted both penalties on June 24, 2025, and April 09, 2025, respectively, the penalty of ₹22,420 was subsequently waived by BSE *vide* email dated September 01, 2025.

Though our Company endeavours to comply with all such obligations/reporting requirements, there have been certain instances of non-compliance and delays in complying with such obligations/reporting requirements. Any such delays or non-compliance would render our Company to prosecution and/or penalties. Although our Company have not received any further communication from the Stock Exchange or any authority in this regard, there could be a possibility that penalties may be levied against our Company for certain instances of non-compliance and delays in complying with such obligations/reporting requirements.

43. Third party statistical and financial data in this Prospectus may be incomplete and unreliable.

This Prospectus includes information that is derived from reports published by CRISIL Limited. For details, please see "*Industry Overview*" on page 74. No person connected with this Issue has independently verified the CRISIL Reports. Generally, industry reports and data disclaim the accuracy, adequacy or completeness of information provided in such reports, and further disclaims any responsibility for any errors or omissions in the information provided, or for the results obtained from the use of such industry information. Further, the CRISIL Reports are subject to many assumptions. We cannot assure you that the assumptions considered in the CRISIL Reports are correct or will not change and accordingly our position in the market may differ from that presented in this Prospectus. Further, the CRISIL Reports are not a recommendation to invest / disinvest in the Issue.

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

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchange. There could be a failure or delay in listing the NCDs on the Stock Exchanges for reasons unforeseen. If permissions for the listing and trading of the NCDs is not granted by the stock exchange, our Company will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Prospectus. While there has been no refusal of listing of the Company's NCDs during the current Fiscal and Fiscals 2026, 2025 and 2024, there is no assurance that the NCDs issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner, or at all.

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

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

46. Our Company, being a listed company is not required to maintain a debenture redemption reserve ("DRR").

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

47. There may be no active market for the NCDs on the retail debt market/capital market segment of the BSE. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.

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

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

The covenants of the Issue are set out under "*Issue Structure – Covenants of the Issue*" at page 214 and in the Debenture Trust cum Hypothecation Deed which will be duly filed with the stock exchange in terms of SEBI NCS Master Circular, as amended. These covenants have been mutually agreed upon between our Company and the Debenture Trustee.

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

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

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

Our ability to pay interest on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets.

We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and the interest thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% security cover for the NCDs at the time of allotment of NCDs, which shall be free from any encumbrances, any decrease in assets provided as security in future might result in Company not meeting the security cover. This can adversely affect ability of our Company to meet its payment obligations.

Further, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and interest thereon in connection with the NCDs. While the debenture is secured against a charge at least 100% of the outstanding principal and interest thereon in favour of Debenture Trustee, and it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the possibility of recovery of 100.00% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss. The rights over the security provided will not be granted directly to holders of the NCDs. The rights over the security securing the obligations of our Company under the NCDs and the Debenture Trust cum Hypothecation Deed will not be granted directly to the NCD Holders but will be granted only in favour of the Debenture Trustee. As a consequence, NCD Holders will not have direct security and will not be entitled to take enforcement action in respect of the security for the NCDs, except through the Debenture Trustee.

50. All covenants including the accelerated payment covenants given by way of side letters shall be incorporated in the issue and this document by the issuer.

The covenants of the Issue are set out under "*Issue Structure – Covenants of the Issue*" at page 214 and in the Debenture Trust cum Hypothecation Deed which will be duly filed with the stock exchange in terms of SEBI NCS Master Circular, as amended. As on the date of filing of this Prospectus, the Issuer has no side letter with any Debenture Holder. Any covenants later added shall be disclosed on website of the stock exchange where the NCDs will get listed. We cannot assure the investors that all covenants will remain unchanged or that they will not impact

the terms of the present issue. Investors are advised to review the covenants carefully and consider their potential implications before making an investment decision.

51. The Security may be insufficient to redeem the NCDs.

The NCDs to be issued pursuant to the Issue will be secured by creating a pari-passu charge over the Receivables of our Company, created in favour of the Debenture Trustee, to the extent of 100% of the amount outstanding towards principal and interest payable on NCDs. In the event that our Company is unable to meet its payment and other obligations towards investors under the terms of the NCDs, the Debenture Trustee may enforce the Security in respect of the NCDs as per the terms of security documents, and other related documents. The Debenture Holder(s)' recovery in relation to the NCDs will be subject to (i) the market value of the security, (ii) finding willing buyers for the security at a price sufficient to repay the amount payable to Debenture Holder(s)' under the NCDs. The value realized from the enforcement of the transaction security may be insufficient to redeem the NCDs.There may be fluctuations in the market values of the assets over which security has been provided by our Company, which could affect our Company's liquidity and reduce our Company's ability to enforce the security in terms of Security Documents, and consequently affect our Company's result of operations and financial condition. Our Company may not accurately identify changes in the value of assets over which security has been provided caused by changes in market prices, and our Company's assessments, assumptions or estimates may prove inaccurate.

External Risk Factors

52. Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently serve.

Our Company is incorporated in India, and all of our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies, like application of GST;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- infectious disease outbreaks or other serious public health concerns;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or its financial services sectors.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition. Our performance and the growth of our business depend on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance.

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

We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. Some co-operative banks (which tend to operate in rural sector) have also faced serious financial and liquidity crises. There has been a trend towards consolidation with weaker banks, NBFCs and HFCs being merged with stronger entities. The problems faced by individual Indian financial

institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect our business, our future financial performance, our shareholders' funds and the market price of our NCDs.

54. Natural disasters and other disruptions could adversely affect the economy and could adversely affect our business, results of operations and financial condition.

Our operations, including our branch network, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our branch network. Any of the above factors may adversely affect our business, results of operation and financial condition. For instances, the state of Kerala had experienced torrential flooding which has resulted in extensive damage to the existing infrastructure in the state, including damage to the airports, roads, bridges, and housing. Since our Company has a strong retail franchise, particularly in Kerala including a large part of our business and branches, the flood in the state had affected the credit cost and business growth during that period.

55. We face risks related to public health epidemics in India and abroad.

Our business could be materially and adversely affected by the outbreak of public health epidemics, or the fear of such an outbreak, in India or elsewhere. In January 2020, an outbreak of a strain of coronavirus, COVID-19, which has spread globally, with cases recorded in China, Australia, Italy, Iran, Japan, South Korea, UAE, Thailand, the United States and India, among other countries. On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a health emergency of international concern. Governments around the world have imposed a number of measures designed to contain the outbreak, including business closures, travel restrictions, quarantines and cancellations of gatherings and events. This in turn has impacted the operation of businesses, reduced regional travels and trade and lowered industrial production and consumption demand.

The COVID-19 outbreak is ongoing and the actual extent of the outbreak and its impact on the economy globally in general and in India, in particular remains uncertain and may turn severe. If the outbreak of any of these epidemics or other severe epidemics, continues for an extended period, occurs again and/or increases in severity, it could have an adverse effect on economic activity worldwide, including India, and could materially and adversely affect our business, financial condition and results of operations. Similarly, any other future public health epidemics in India could materially and adversely affect our business, financial condition, results of operations and prospects.

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

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

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

There is no assurance that the liberalisation policies of the government will continue in the future. Protests against privatisation could slow down the pace of liberalisation and deregulation. The Government of India plays an

important role by regulating the policies and regulations that govern the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalisation could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalisation policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced polices and taken initiatives that support continued economic liberalisation. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.

58. Trading of the NCDs may be limited by temporary exchange closures, broker defaults, settlement delays, strikes by brokerage firm employees and disputes.

The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

59. Changes in interest rate may affect the price of our NCD. Any increase in rate of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

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

SECTION III – INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated on April 28, 1997, as '*Needs Finvest Limited*', a public limited company under the Companies Act, 1956 with a certificate of incorporation issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. Our Company also obtained the certificate of commencement of business dated May 6, 1997 from the Registrar of Companies, Andhra Pradesh at Hyderabad. The name of our Company was changed to '*KLM Axiva Finvest Limited*' pursuant to a resolution passed by the shareholders of our Company at the EGM held on January 25, 2016 and a fresh certificate of incorporation dated February 29, 2016 was issued by the RoC. For details of changes in our name and registered office, see "*History and Certain Other Corporate Matters*" on page 152.

NBFC Registration

Our Company had originally obtained a Certificate of Registration in the name of Needs Finvest Limited dated December 30, 1997 bearing registration no. 09.00006 issued by the RBI to commence the business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the Certificate of Registration under Section 45 IA of the RBI Act. Subsequently, the name of our Company was changed to KLM Axiva Finvest Limited and we had obtained fresh Certificate of Registration dated March 15, 2016 bearing registration no. 09.00006 from RBI.

Registration

The registration number, corporate identity number and Legal Entity Identifier Number of our Company are as follows:

i. Company Registration Number with RoC: 026983

ii. Corporate Identity Number issued by RoC: U65910TG1997PLC026983.

iii. Legal Entity Identifier Number: 335800M5T4J5QSSDUK09

Registered Office

Door No. 8-13, Plot No. 39, First Floor,
Ashoka Complex, Above Indian Bank,
Mythripuram Colony, Gayathrinagar X Road,
Vaishalinagar P.O., Hyderabad,
Telangana – 500 079
Email: secretarial@klmaxiva.com
Telephone: +91 40 3516 2071
Website: www.klmaxiva.com

Corporate Office

KLM Grand Estate,
Bypass Road, Edappally,
Ernakulam, Kerala-682024
Email: cs@klmaxiva.com
Telephone: +91 484 4281 182

Change in Registered Office of our Company

The registered office of our Company was changed from Door No. 3-3-408/1, First Floor, RTC Colony Opposite SBI Bank LB Nagar, Mansoorabad, Hyderabad, Rangareddi, Telangana-500074 to Door No. 8-13, Plot No. 39, First Floor, Ashoka Complex, Above Indian Bank, Mythripuram Colony, Gayathrinagar X Road, Vaishalinagar P.O., Hyderabad, Telangana-500 079 with effect from August 13, 2022.

Change in Corporate Office of our Company

The corporate office of our Company was changed from Door No.1871 A24, VM Plaza, Palarivattom, Ernakulam, Kerala, India, 682025 to KLM Grand Estate, Bypass Road, Edappally, Ernakulam, Kerala- 682024 with effect from May 14, 2024.

Board of Directors

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

Name, Designation and DIN	Age (in years)	Address
Sreenivasan Thettalil Parameswaran Pillai **Designation:** Chairman and Non-Executive Director **DIN:** 03048551	82	Sreelekha, J3, Jawahar Nagar, Thiruvananthapuram, Kaudiar, Kerala – 695 003, India
Shibu Theckumpurath Varghese **Designation:** Whole Time Director **DIN:** 02079917	61	Theckumpurath House, Chelad P.O. Kothamangalam, Ernakulam, Kerala – 686 691
Biji Shibu **Designation:** Executive Director **DIN:** 06484566	56	Theckumpurath House, Chelad P.O. Kothamangalam, Ernakulam, Kerala – 686 691
Kaippillil Mathew Kuriakose **Designation:** Independent Director **DIN:** 08924909	70	Kaippillil, Vaikkara, Asamannoor, Ernakulam, Kerala – 683 549
Erin Lizbeth Shibu **Designation:** Additional Director (Non-Executive, Non-Independent) **DIN:** 11139980	24	Theckumpurath Kothamangalam, Ernakulam, Kerala – 686 691
Vadakumpadan Thomas Joy **Designation:** Independent Director **DIN:** 11524831	71	Vadakumpadan, Darsana Road, Ernakulam, Aluva, Kerala – 683 101

Chief Financial Officer

Thanish Dalee
KLM Axiva Finvest Limited
KLM Grand Estate,
Bypass Road,
Edappally, Ernakulam
Kerala-682024
Telephone: +91 484 4281 118
E-mail: cfo@klmaxiva.com

Company Secretary and Compliance Officer:

Naveena P. Thampi
KLM Grand Estate,

Bypass Road,
Edappally, Ernakulam
Kerala-682024
Telephone: +91 484 4281 182
E-mail: cs@klmaxiva.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs or refund orders. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name of the Applicant, Application Form Number, Applicant's DP ID, Client ID, PAN, address of the Applicant, number of NCDs applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted.

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

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

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

Registrar of Companies, Telangana at Hyderabad

2nd Floor, Corporate Bhawan,
GSI Post, Nagole, Bandlaguda,
Hyderabad -500 068
Telangana, India

Lead Manager to the Issue

VIVRO

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

Legal Advisor to the Issue

M/s. Crawford Bayley & Co.
4th Floor, State Bank Buildings
N.G.N. Vaidya Marg, Fort
Mumbai 400 023,
Maharashtra, India
Email: sanjay.asher@crawfordbayley.com

Telephone: +91 22 2266 3353
Contact Person: Sanjay Asher

Debenture Trustee

Vistra ITCL (India) Limited
The Qube, 2nd Floor, A Wing, 202,
Hasan Pada Road, Mittal Industrial Estate,
Marol, Andheri (East), Mumbai – 400059,
Maharashtra, India
Telephone: 022-2659 3333
Email: itclcomplianceofficer@vistra.com
Investor Grievance Email: itclcomplianceofficer@vistra.com
Website: www.vistraitcl.com
Contact Person: Jatin Chonani - Compliance Officer
SEBI Registration No.: IND000000578

Vistra ITCL (India) Limited has by its letter dated July 23, 2026, given its consent for its appointment as Debenture Trustee to the Issue in accordance with Regulation 13 of the SEBI Debenture Trustees Regulations and for its name to be included in this Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue. The Debenture Trustee Agreement, entered into between Vistra ITCL (India) Limited and the Company on July 23, 2026, is accessible through the following:

QR code:

Weblink:
https://admin.klmaxiva.com/uploads/KLM_NCD_XIV_Debenture_Trustee_Agreement_23_07_2026_89b34b7c01.pdf

A copy of letter from Vistra ITCL (India) Limited conveying their consent to act as Debenture Trustee for the NCD Holders is annexed as **Annexure III** to this Prospectus.

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

Registrar to the Issue

KFin Technologies Limited

301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road,
Nav Pada, Kurla (West) Kurla, Mumbai - 400070,
Maharashtra, India
Telephone: +91 40 6716 2222

Toll free number: 18003094001
Email: klmaxiva.ncd@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration No.: INR000000221

Credit Rating Agency

Acuité Ratings & Research Limited
708, Lodha Supremus,
Lodha iThink Techno Campus,
Kanjurmarg (East), Mumbai – 400042
Telephone: +91 99698 98000
Email: chitra.mohan@acuite.in
Website: www.acuite.in
Contact Person: Chitra Mohan

Statutory Auditors of our Company

A. John Moris & Co, Chartered Accountants

2nd Floor, Building No. G308, Shan Apartment,
Near Avenue Centre, Panampilly Nagar, Kochi – 682036
Kerala, India
Telephone: +91 99958 32342
Email: ajmkochi@ajohnmoris.com
Website: www.ajohnmoris.com
Contact Person: Jobin George, FCA
Membership No: 236710
Firm Registration Number: 007220S
Peer Review No: 024111

Bankers to the Issue

Public Issue Account Bank, Sponsor Bank and Refund Bank

HDFC Bank Limited
HDFC Bank Limited, Lodha –I Think Techno Campus, O-3 Level, Next to Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai –400 042, Maharashtra, India
Telephone No.: 022 30752929 / 2928 / 2914
Email: siddharth.jadhav@hdfc.bank.in, sachin.gawade@hdfc.bank.in, eric.bacha@hdfc.bank.in, tushar.gavankar@hdfc.bank.in**,** pravin.teli2@hdfc.bank.in
Website: www.hdfc.bank.in
Contact Person: Eric Bacha / Siddharth Jadhav / Sachin Gawade / Pravin Teli / Tushar Gavankar
SEBI Registration No.: INBI00000063

Syndicate Members

Vivro Financial Services Private Limited
607/608 Marathon Icon Opp. Peninsula Corporate Park
Off. Ganpatrao Kadam Marg,
Veer Santaji Lane, Lower Parel
Mumbai 400 013, Maharashtra, India

Telephone: +91 22 6666 8040/41/42
Email: investors@vivro.net
Investor Grievance Email: investors@vivro.net
Website: www.vivro.net
Contact Person: Vivek Vaishnav
SEBI Registration No.: INM000010122

Trust Securities Services Private Limited
1101, Naman Centre, 'G' Block, C-31,
Bandra Kurla Complex, Bandra East,
Mumbai - 400051
Maharashtra, India.
Contact Person: Mr. Pranav Inamdar
Compliance Officer: Ms. Richa Gandhi
Telephone: +91 22 6842 1223
Email: pranav.inamdar@trustgroup.in
Investor Grievance Email: tssgrievances@trustgroup.in
Website: https://trustsecurities.in/
SEBI Registration No: INZ000158031

Bankers to our Company

The South Indian Bank Limited
Ground Floor, Kudiyrickal Towers,
Near Metro Pillar – 528, P.B.: 2284
Palavarittom Cochin – 682 025
Telephone: 0484 2340115
E-mail: br0228@sib.co.in
Website: www.southindianbank.com
Contact person: Ms. Anu V

State Bank of India
Geethanjali, 2nd Floor, Paramekkavu Devaswom Building, Round East, Thrissur, P.O. 680 001
Email: sbi.63880@sbi.co.in

Dhanlaxmi Bank Limited
Shanmugham Road Branch,
Dhanlaxmi Building,
Shanmugham Road, Marine Drive,
Cochin- 682 031,
Telephone: 0484-2375259
Email:
dlb.shanmugamroadernakulam@dhanbank.co.in
Website: www.dhanbank.com
Contact Person: Mr. Ramesh R

HDFC Bank Limited
Kidangan Arcade Pam Road,
Chalakudy – 680 037
Telephone: 0480 2707755
Email: prasad.antony@hdfc.bank.in
Website: www.hdfcbank.com
Contact Person: Prasad Antony

Indian Overseas Bank
Ernakulam Branch,
Thekkekkara Mansion,
First Floor, M.G. Road,
Ernakulam, Cochin - 682 035
Telephone: 0484-2351229/2384395
Email: iob0024@iob.bank.in
Website: www.iob.in
Contact Person: Asst. General Manager

Jana Small Finance Bank Limited
The Fairway Business Park, First Floor, Survey No.10/1, 11/2 & 12/2B, Off Domlur, Koramangala Inner Ring Road, Next to EGL Business Park
Challaghatta, Bengaluru – 560 071
Telephone: +91-9441300228
Email: venkatesh.salakkagari@jana.bank.in
Website: www.jana.bank.in
Contact Person: Venkatesh S

Impersonation

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

"Any person who:

a. *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
b. *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
c. *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447."

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

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75% of Base Issue i.e. ₹ 3,750 lakhs, within the prescribed timelines under the Companies Act, SEBI regulations and any rules thereto, the entire Application Amount blocked shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight working days from the Issue Closing Date or such time as may be specified by the Board. In the event the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within eight working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

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

Arrangers to the Issue

There are no arrangers to the Issue.

Guarantor to the Issue

There are no guarantors to the Issue

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated "ACUITE BBB- (Negative)", by Acuité Ratings & Research Limited ("**Acuité Ratings**") for an amount up to ₹10,000 lakhs, *vide* its letter dated July 31, 2026 and press release for rating rationale dated July 31, 2026. The rating of NCDs by Acuité Ratings indicates that the instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations and carry moderate credit risk. The rating assigned by Acuité Ratings is valid as on the date of this Prospectus and shall remain valid as on the date of issue, allotment and listing of the NCDs on BSE. These ratings may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. This rating is not a recommendation to buy, sell or hold securities. For the rating letter and rating rationale, see "*Annexure II*" of this Prospectus.

Consents

The written consents of Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, our Statutory Auditor, Previous Statutory Auditor, the Legal Advisor to the Issue, the Lead Manager, the Registrar to the Issue, Public Issue Account Bank, Sponsor Bank, Refund Bank, Credit Rating Agency, CRISIL Limited, the Banker to our Company, the Debenture Trustee, and the Syndicate Members to act in their respective capacities, will be filed along with a copy of the Prospectus with the RoC as required under Section 26 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Prospectus with RoC.

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds please refer to the chapter titled "*Objects of the Issue*" on page 60 of this Prospectus.

Underwriting

This Issue will not be underwritten.

Designated Intermediaries

Self-Certified Syndicate Banks

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

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

Syndicate SCSB Branches

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

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

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

RTAs/CDPs

The list of the RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at

http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 for RTAs and CDPs, as updated from time to time.

Broker Centers/Designated CDP Locations/Designated RTA Locations

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

Issue Programme:

ISSUE OPENING DATE	Monday, August 17, 2026
ISSUE CLOSING DATE	Monday, August 31, 2026
PAY IN DATE	Application Date. The entire Application Amount is payable on Application
DEEMED DATE OF ALLOTMENT	The date on which the Board of Directors or the Debenture Committee thereof authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ Committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

** The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Issue may close on such earlier date or extended date (subject to minimum period of two Working Days) and a maximum period of ten Working Days from the date of opening of the Issue and subject to not exceeding thirty days from filing the Prospectus with ROC, as may be decided by the Board or Debenture Committee of the Board thereof subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of such early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, on Working Days during the Issue Period. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on the Issue Closing Date. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. For further details please refer to the chapter titled "Issue Related Information" on page 206 of this Prospectus.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3:00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Manager, or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failures in any software/hardware systems or otherwise. Please note that, within each category of Investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

CAPITAL STRUCTURE

1. **Details of share capital**

The share capital of our Company as on June 30, 2026, is set forth below:

Particulars	Amount in ₹
Authorised Share Capital	
50,00,00,000 Equity Shares of ₹10 each	500,00,00,000
Total Authorised Share Capital	**500,00,00,000**
Issued, subscribed and paid-up share capital	
26,85,81,439 Equity Shares of ₹10 each	2,68,58,14,390.00
Total Issued, subscribed and paid-up share capital	**2,68,58,14,390.00**
Securities Premium Account	**15,67,20,060.00**

2. **Details of change in authorised share capital of our Company for the last three financial years and the current financial year:**

Date of approval	Authorised Share Capital (in ₹)	Particulars
March 07, 2025 (EGM)	500,00,00,000	Authorised Share Capital was increased from ₹250,00,00,000 divided into 25,00,00,000 Equity Shares of ₹10 each to ₹500,00,00,000 divided into 50,00,00,000 Equity Shares of ₹10 each.

3. **Details of Equity Share capital history of our Company in the last three financial years and current financial year is set forth below:**

Date of Allotment	No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (in ₹)	Cumulative Equity Share Premium (in ₹)
May 31, 2023	1,86,72,779	10	-	Other than Cash	Bonus Issue in the ratio of one Equity Share for every ten Equity Shares held	20,54,00,857	2,05,40,08,570	12,98,67,522.00
July 19, 2024	2,05,40,019	10	-	Other than Cash	Bonus Issue in the ratio of one Equity Share for every ten Equity Shares held	22,59,40,876	2,25,94,08,760	0.00
March 11, 2025	1,12,96,551	10	-	Other than Cash	Bonus Issue in the ratio of one Equity Share for every twenty Equity Shares held	23,72,37,427	2,37,23,74,270	0.00

Date of Allotment	No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (in ₹)	Cumulative Equity Share Premium (in ₹)
March 25, 2025	2,07,10,216	10	15	Cash	Private Placement	25,79,47,643	2,57,94,76,430	10,35,51,080
June 25, 2025	1,06,33,796	10	15	Cash	Private Placement	26,85,81,439	2,68,58,14,390	15,67,20,060

4. **Shareholding pattern of our Company as on June 30, 2026:**

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)			No. of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								No of voting rights					No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class - Equity	Total	Total as a % of (A+B+C)							
(A)	**Promoter and Promoter Group**	5*	10,21,18,624	-	-	10,21,18,624	38.02	10,21,18,624	10,21,18,624	38.02	-	-	-	-	-	-	10,21,18,624
(B)	**Public**	2,616	16,64,62,815	-	-	16,64,62,815	61.98	16,64,62,815	16,64,62,815	61.98	-	-	-	-	-	-	16,28,57,033
(C)	**Non-Promoter Non-Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C) (1)	**Shares underlying DRs**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C) (2)	**Shares held by Employee Trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	**2,621**	**26,85,81,439**	-	-	**26,85,81,439**	**100.00**	**26,85,81,439**	**26,85,81,439**	**100.00**	-	-	-	-	-	-	**26,49,75,657**

***** *Shareholders: Shibu Theckumpurath Varghese, Biji Shibu, Aleyamma Varghese, Elen Elu Shibu, and Erin Lizbeth Shibu.*

5. **Details of the aggregate number of securities of the Issuer purchased or sold by the Promoter Group and by the Directors of the Issuer and their relatives within six-months immediately preceding the date of filing this Prospectus are as follows**:

Name of Transferee/ Transferor/ Subscriber	Nature of Security	Whether purchase/ transfer/ subscription	Date of purchase/transfer/ Subscription	Number of securities
Shibu Theckumpurath Varghese	Equity Shares	Purchase	February 23, 2026	2,100

6. **List of top ten holders of Equity Shares of our Company as on June 30, 2026 is as follows:**

Sr. No.	Name of the shareholders	Total Number of Equity Shares held	Number of Equity Shares in demat form	Total shareholding as % of total number of Equity Shares
1.	Shibu Theckumpurath Varghese	4,15,62,421	4,15,62,421	15.47
2.	Biji Shibu	2,83,35,054	2,83,35,054	10.55
3.	Aleyamma Varghese	1,33,38,085	1,33,38,085	4.97
4.	Elen Elu Shibu	1,12,74,518	1,12,74,518	4.20
5.	Erin Lizbeth Shibu	76,08,546	76,08,546	2.83
6.	Ente Naadu Multi State Agro Cooperative Society Ltd	62,33,040	62,33,040	2.32
7.	Nalpat Sebastian Jose	31,27,395	31,27,395	1.16
8.	Reji Kuriakose	26,25,274	22,75,274	0.98
9.	Sabu Paul	18,79,755	18,79,755	0.70
10.	Baby Mathew	17,41,162	17,41,162	0.65

7. **List of top ten debenture holders of our Company as on June 30, 2026**

   a. **List of top 10 holders of non-convertible securities as on June 30, 2026 in terms of value (on cumulative basis):**

Sr. No.	Name of Holder	Category of holder	Face value of holding (in ₹)	Holding as a % of total outstanding non-convertible securities of the Company
1	Aleyamma Jacob	84,000	1,000	1.28
2	Joseph Augusty	26,000	1,000	0.40
3	Elizabeth Jacob	12,500	1,000	0.19
4	Jacob T Abraham	12,000	1,000	0.18
5	Kochiyil Ramachandran	12,000	1,000	0.18
6	Biju Varghese	10,300	1,000	0.16
7	Thresiamma Joy Issac	10,024	1,000	0.15
8	Jayagopal V	9,693	1,000	0.15
9	M R Jacob	9,000	1,000	0.14
10	Annie George	8,978	1,000	0.14

   b. **Unlisted *privately placed secured* redeemable non-convertible debentures as on June 30, 2026 are as follows:**

Sr. No.*	Name of holders	Number of NCDs held	Face Value per NCDs (In ₹)	Amount (In ₹)	% of total non-convertible securities (Private Placement) outstanding
1.	Premaletha Ravi	1,600	1,000	16,00,000	32.65
2.	Chandhni Jomon	1,000	1,000	10,00,000	20.41
3.	Sudha Nallayil	500	1,000	5,00,000	10.20
4.	Marykutty Thadathiparambil Alias	500	1,000	5,00,000	10.20
5.	Sreedevi Thoppil Raghavan	500	1,000	5,00,000	10.20
6.	Johny C K	500	1,000	5,00,000	10.20
7.	Paul Hamakalayil Pailo	300	1,000	3,00,000	6.12

**Our Company has 7 (seven) holders of unlisted privately placed secured redeemable non-convertible debentures, as on June 30, 2026.*

c. Listed secured redeemable non-convertible debentures as on June 30, 2026 are as follows:

Sr. No.	Name of holders	Number of NCDs held	Face Value per NCDs (In ₹)	Amount (In ₹)	% of total Listed non-convertible securities outstanding
1	Aleyamma Jacob	84,000	1,000	8,40,00,000.00	1.28
2	Joseph Augusty	26,000	1,000	2,60,00,000.00	0.40
3	Elizabeth Jacob	12,500	1,000	1,25,00,000.00	0.19
4	Jacob T Abraham	12,000	1,000	1,20,00,000.00	0.18
5	Kochiyil Ramachandran	12,000	1,000	1,20,00,000.00	0.18
6	Biju Varghese	10,300	1,000	1,03,00,000.00	0.16
7	Thresiamma Joy Issac	10,024	1,000	1,00,24,000.00	0.15
8	Jayagopal V	9,693	1,000	96,93,000.00	0.15
9	M R Jacob	9,000	1,000	90,00,000.00	0.14
10	Annie George	8,978	1,000	89,78,000.00	0.14

d. List of top ten Subordinated Debt Instrument ("SDI") holders of our Company as on June 30, 2026 are as follows:

Sr. No.	Name of holders	Number of SDIs held	Face value per SDIs (in ₹)	Amount (in ₹)	% of total non-convertible securities outstanding
1	P B Gopalakrishnan	45,000	1,000	4,50,00,000.00	0.54
2	Aleyamma Jacob	40,000	1,000	4,00,00,000.00	0.48
3	Mathai Augusty	27,500	1,000	2,75,00,000.00	0.33
4	Gopi C V	23,000	1,000	2,30,00,000.00	0.28
5	Annamma Augusty	12,500	1,000	1,25,00,000.00	0.15
6	Dr Reji Mathew	11,500	1,000	1,15,00,000.00	0.14
7	Tresa Alex	11,195	1,000	1,11,95,000.00	0.14
8	Pushpa J Shah	10,550	1,000	1,05,50,000.00	0.13
9	George Mathai	10,000	1,000	1,00,00,000.00	0.12
10	Kripa Raj	9,875	1,000	98,75,000.00	0.12

e. List of top ten Perpetual Debt Instrument ("PDI") holders of our Company as on June 30, 2026 are as follows:

Sr. No.	Name of holders	Category of holder	Number of PDIs held	Face Value per PDIs	Amount (In ₹)	% of total PDIs outstanding
1	Yacov Iype Koshy	Public	9,000	1,000	90,00,000	2.54
2	Ashokan K	Public	8,500	1,000	85,00,000	2.40
3	Paul Abraham	Public	6,160	1,000	61,60,000	1.74
4	Simon Mathew	Public	5,500	1,000	55,00,000	1.55
5	Seena Siddique	Public	5,000	1,000	50,00,000	1.41
6	Kudukkanthadathil Chandy Georgekutty	Public	4,200	1,000	42,00,000	1.19
7	Maggy	Public	3,500	1,000	35,00,000	0.99
8	Rajan Chellappan	Public	3,423	1,000	34,23,000	0.97
9	Nita Gregory	Public	3,000	1,000	30,00,000	0.85
10	Radha Surendran	Public	3,000	1,000	30,00,000	0.85

f. List of top ten holders of commercial paper as on June 30, 2026 in terms of value (on cumulative basis):

Sr.No.	Name of Holder	Category of holder	Face value of holding (In ₹)	Holding as a % of total outstanding commercial paper of the Company
NIL				

8. **Details of holding of Equity Shares by our Promoter as on June 30, 2026, is set out below are as follows:**

Sr. No.	Name of the Promoter	Number of Equity Shares held	Total shareholding as a percent of total number of Equity Shares (in %)	No. of Equity Shares pledged	Total percentage of Equity Shares pledged with respect to total number of Equity Shares held (in %)
1.	Biji Shibu	2,83,35,054	10.55	Nil	Nil
Total		2,83,35,054	10.55	Nil	Nil

9. **Details of holding of Equity Shares by our Directors as on June 30, 2026**

For details of shareholding of our Directors in the Company, please refer to "*Our Management- Shareholding of Directors*" on page 168.

10. **Debt - equity ratio:**

The debt equity ratio of our Company on standalone basis, prior and post to this Issue as on March 31, 2026, is as follows:

(₹ in Lakhs)

Particulars	As on March 31, 2026	
	Pre- Issue	Post- Issue#
Debt		
Debt Securities	64,759.85	74,759.85
Borrowings (other than Debt Securities)	5,526.55	5,526.55
Subordinated Liabilities	86,176.04	86,176.04
Total Debts	**1,56,462.44**	**1,66,462.44**
Equity		
Equity Share Capital	26,858.14	26,858.14
Other Equity		
General Reserve	4.08	4.08

Particulars	As on March 31, 2026	
	Pre- Issue	Post- Issue[#]
Statutory Reserve Fund	2,106.99	2,106.99
Retained Earnings	1,408.51	1,408.51
Impairment Allowances	(11,016.96)	(11,016.96)
Securities Premium	1,567.20	1,567.20
Less: Unamortized expenses of Public Issues, term loans, and other prepaid expenses	-	-
Total Equity	**21,619.21**	**21,619.21**
Debt/Equity	**7.24**	**7.70**

#The debt-equity ratio post the Issue is indicative and is on account of inflow of ₹ 10,000.00 lakh from the Issue and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.

NOTES:

I. The figures disclosed above are based on audited financial statement of the company for the Year ended March 31, 2026.
II. Debt / equity ratio= total debt (borrowings) / net worth.
III. The net worth excludes the revaluation reserve.
IV. Debt includes debt securities, borrowings other than debt securities, and subordinated liabilities.
V. The following events occurred between April 01, 2026 – August 05, 2026 (Cut-off Date):

A. The company has redeemed secured non – convertible debentures amounting to ₹ 3,433.67 lakhs, during April 01, 2026 to Cut-off Date, impact of which is not provided in the above table.

B. The company has issued sub – ordinated debts amounting to ₹ 14,909.27 lakhs, during April 01, 2026 to Cut-off Date, impact of which is not provided in the above table.

C. The company has redeemed sub – ordinated debts amounting to ₹ 7,575.46 lakhs, during April 01, 2026 to Cut-off Date, impact of which is not provided in the above table.

11. For details on the total outstanding debt of our Company, see "*Financial Indebtedness*" beginning on page 176.

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

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

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

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

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

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

16. As on June 30, 2026, 26,49,75,657 Equity Shares of our Company are in dematerialized form.

17. Our Company does not have any employee stock option scheme.

OBJECTS OF THE ISSUE

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

Our Company proposes to utilise the funds which are being raised through the Issue, towards funding the following objects (collectively, referred to herein as the "**Objects**"). The Issue related expenses shall be met from the internal accruals of our Company and shall not be deducted from, or paid out of, the proceeds of the Issue:

1. For the purpose of onward lending, financing and repayment/prepayment of principal and interest on existing borrowings; and
2. General Corporate Purposes.

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

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

(₹ in lakh)

Description	**Amount***
Proceeds of the Issue	Up to 10,000

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

Requirement of funds and Utilisation of proceeds of the Issue

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

S. No.	**Objects of the Issue**	**Percentage of amount proposed to be financed from proceeds of the Issue**
1.	Onward lending, financing, repayment/prepayment of principal and interest on existing borrowings	Up to 75%
2.	General Corporate Purposes*	Maximum of up to 25%
	Total	**100%**

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

For further details of our Company's outstanding indebtedness, see "*Financial Indebtedness*" on page 176.

Funding plan

Our Company confirms that for the purpose of this issue, funding plan will not be applicable.

Project details, gestation period of the project, extent of progress made in the project, and deadlines for completion of the project

Our Company confirms that for the purpose of this Issue, project details, gestation period of the project, extent of progress made in the project, and deadlines for completion of the project will not be applicable.

Summary of the project appraisal report

Our Company confirms that for the purpose of this issue, summary of the project appraisal report will not be applicable.

Schedule of implementation of the project

Our Company confirms that for the purpose of this Issue, schedule of implementation of the project will not be applicable.

Break-up of the cost of the project

Our Company confirms that for the purpose of this Issue, break up cost of the project will not be applicable.

Means of financing for the project

Our Company confirms that for the purpose of this Issue, means of financing for the project will not be applicable.

Proposed deployment status of the proceeds at each stage of the project

Our Company confirms that for the purpose of this Issue, deployment status for the project will not be applicable.

Interim Use of Proceeds

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

Monitoring of Utilisation of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Board shall monitor the utilisation of the proceeds of the Issue. For the relevant Financial Years commencing from Fiscal 2026-27, our Company will disclose in our financial statements, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from BSE.

Variation in terms of contract or objects

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

Issue related expenses

The expenses for this Issue include, *inter alia*, the Lead Manager's fees and selling commission to the Lead Manager, Consortium Member and intermediaries as provided for in the SEBI NCS Master Circular, fees payable to Debenture Trustee, the Registrar to the Issue, Sponsor Bank, SCSBs' commission/fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. TThe Issue expenses and listing fees will be borne by our Company and paid out of its internal accruals, and shall not be deducted from, or paid out of, the proceeds of the Issue. Our Company shall include the details of commission and processing fees payable to each intermediary and the timelines for payment will be made based on valid invoices within such timelines mutually agreed to/ prescribed by the Company with the Designated Intermediaries/Sponsor Bank.

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

(in ₹ lakhs)

Activity	Estimated expenses (₹ in lakhs) *	As percentage of Issue proceeds (in %) *	As Percentage of total expenses of the Issue (in %)
Lead Manager fees#	20.00	0.20%	19.64%

Activity	Estimated expenses (₹ in lakhs) *	As percentage of Issue proceeds (in %) *	As Percentage of total expenses of the Issue (in %)
Underwriting commission#		0.00%	0.00%
Brokerage, selling commission and upload fees#	5.51	0.06%	7.03%
Fees payable to the Registrar to the Issue#	2.45	0.02%	3.13%
Others		0.00%	0.00%
Fees Payable to Credit Rating Agency#	2.00	0.02%	2.55%
Fees payable to the Legal Advisor#	15.00	0.15%	19.15%
Advertising and marketing expenses#	6.60	0.07%	8.43%
Fees payable to the regulators including stock exchange#	12.75	0.13%	16.28%
Expenses incurred on printing and distribution of issue stationary#	0.63	0.01%	0.80%
Any other fees, commission or payments under whatever nomenclature**#	13.40	0.13%	17.11%
Total estimated Issue expenses	**78.33**	**0.78%**	**100.00%**

**Assuming the Issue is fully subscribed, and our Company retains oversubscription.*
*** fees payable to Industry report provider, debenture trustee and auditors.*
#Fees payable to such intermediaries are payable after receipt of invoice from each of such intermediaries' post closure of the Issue

Note:

(1) Issue related expenses disclosed above are exclusive of GST as applicable on such expenses. Our Company shall claim input tax credit for the expenses.
(2) In case of any difference between the estimated Issue related expenses and actual expenses incurred, such difference shall be borne by, or retained by, our Company from its internal accruals, as applicable, and shall not affect the utilisation of the proceeds of the Issue.

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

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

Our Company shall pay to the Sponsor Bank ₹ 10 per valid block of Application Amount (plus applicable taxes). The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws.

Other Confirmation

In accordance with the SEBI NCS Regulations, our Company will not utilise the proceeds of the Issue for providing loans to or for acquisitions of shares of any entity who is a part of the Promoter Group and group companies.

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

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

The Issue Proceeds from NCDs allotted to Banks will not be utilised for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as

capital market exposure or any other sectors that are prohibited under the RBI regulations.

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

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

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

Benefit/interest accruing to our Promoters/Directors out of the object of the Issue

Neither our Promoter nor our Directors are interested in the Objects of this Issue.

Utilisation of Issue Proceeds

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

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

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

(d) The Issue Proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, inter alia, by way of a lease, of any immovable property; and

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

STATEMENT OF POSSIBLE TAX BENEFITS

To,

The Board of Directors,
KLM Axiva Finvest Limited,
KLM Grand Estate,
Bypass Road,
Edappally,
Ernakulam – 682 024,
Kerala, India

And

Vivro Financial Services Private Limited
Vivro House 11, Shashi Colony,
Opposite Suvidha Shopping
Center, Paldi, Ahmedabad – 380 007,
Gujarat, India

("**Lead Manager**" or "**LM**")

Sub: **Public offering of secured redeemable non-convertible debentures of face value of ₹1,000 each ("NCDs") amounting upto ₹5,000 lakhs ("Base Issue"), with an option to retain over-subscription up to ₹5,000 lakhs, aggregating up to ₹ 10,000 lakhs ("Issue") of KLM Axiva Finvest Limited ("Company" or "Issuer")**

Dear Sir,

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

We have performed the following procedures:

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

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

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

The benefits discussed in the enclosed **Annexure I** are not exhaustive. The statement is only intended to provide general information and is neither designed nor intended to be a substitute for the professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation.

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

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We

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

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

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

Yours faithfully,

For A. John Moris & Co,
Chartered Accountants
Firm registration No: 007220S

CA Jobin George, FCA
Partner
Membership No: 236710
UDIN: 26236710BYGIFR9775
Place: Kochi
Date: August 13, 2026

Cc:

Legal Advisor to the Issue
M/s. Crawford Bayley & Co.
4th Floor, State Bank Buildings
N.G.N. Vaidya Marg, Fort
Mumbai – 400 023
Maharashtra, India

Annexure I

STATEMENT OF POSSIBLE TAX BENEFITS UNDER THE INCOME TAX ACT, 2025 AVAILABLE TO THE DEBENTURE HOLDER(S)

This Statement of Tax Benefits is prepared under the framework of the Income Tax Act, 2025, read with the Income Tax Rules, 2026 ("**IT Rules 2026**") and all applicable amendments introduced by the Finance Act, 2026, and is applicable for the Tax Year 2026-27 (corresponding to the period 1st April 2026 to 31st March 2027), relevant to the Assessment Year 2027-28 as per old legislation. The Income Tax Act, 2025 is a new legislation operative from 1st April 2026. Several provisions of the Act and the IT Rules, 2026 are subject to evolving judicial interpretation, and CBDT circulars/notifications clarifying the new provisions may be issued from time to time. This Statement is based on the provisions of the Act as they exist on the date of issue of Prospectus.

The following tax benefits will be available to the debenture holders of the Company ("Debenture Holders") as per the existing provisions of law. The tax benefits are given as per the prevailing tax laws under the provisions of the IT Act 2025, as on date, taking into account the amendments made by the Finance Act, 2026, and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holders are advised to consider the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible.

The Income Tax Act, 2025 (the "**IT Act**") consolidates and replaces the Income-tax Act, 1961 with effect from 1st April 2026 (Tax Year 2026–27). The Act does not introduce new taxes or fresh levies but restructures, simplifies, and codifies the existing tax framework. Key structural changes relevant to this Statement include:

Feature	**Income Tax Act, 1961**	**Income Tax Act, 2025**
Operative period	Previous Year	Tax Year
TDS framework	Sec. 190–206CCA	Sections 390–397 read with Section 393 (Master TDS Table)
Deductions	Chapter VI-A (Sec. 80C–80U)	Chapter VIII (Section 123-154), Schedule XV
Exemptions	Section 10 (clauses 1–48)	Schedule V
Capital Gains — MLDs	Section 50AA	Section 76
Return of Income	Section 139	Section 263
Compliance/Reporting	Section 206A	Section 397
Non-residents — Special Rates	Sections 115AC, 115ACA, 196B	Sections 193, 209,393(2)

IMPLICATIONS UNDER THE INCOME TAX ACT, 2025:

I. RELEVANT ASPECTS APPLICABLE TO THE RESIDENT INDIVIDUALS

A. Interest on Debentures (NCDs)

1. Interest on NCD received by Debenture Holders would be subject to income tax at the normal rates of tax in accordance with and subject to the provisions of the IT Act. Interest will be assessed to Income tax on receipt basis or mercantile basis (accrual basis) depending on the method of accounting regularly employed by the NCD holders under Section 276 of the IT Act.

2. Rates of Tax on Interest Income

   Interest income from NCDs shall be included in the total income of the debenture holder and taxed at the applicable slab rates as prescribed in the First Schedule to the Finance Act, 2026, as follows:

   Default Tax Regime (Applicable for Tax Year 2026–27):

   The IT Act, 2025, through Section 202 read with the Finance Act, 2026, provides for a rationalized default tax regime. All individual/HUF taxpayers are subject to this regime unless they opt out in accordance with the prescribed procedure.

   Note on Tax Rebate: Under Section 156 of the IT Act, 2025 (corresponding to Section 87A of the

repealed Act), as amended by the Finance Act, 2026, a resident individual with total income not exceeding ₹12,00,000 is entitled to a full rebate of tax payable (making the effective tax liability NIL up to ₹12,00,000 under the default regime).

This rebate is not available on income subject to special rates (such as capital gains under specific sections of the Act).

3. Under the IT Act, 2025, Tax Deduction at Source is governed by Chapter XIX — Collection and Recovery of Tax, comprising Sections 390 to 397, read with Section 393 (the Master TDS Table). Section 390 of the Act (corresponding to Section 190 of the repealed Act) stipulates the general framework for TDS and advance tax:

4. Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 393(1))[Table: Sl.No.5(i)] of the IT Act (in case where interest is paid to Individual or HUF, no TDS will be deducted where interest is paid is less than 10,000 and is paid by way of account payee cheque).

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

   a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 395 of the IT Act; and that a valid certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest;

   b) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 393(6) of the IT Act in the prescribed Form 121 verified in the prescribed manner to the effect that the tax on his estimated total income of the tax year in which such income is to be included in computing his total income will be NIL. However, under section 393(6) of the IT Act, Form 121 cannot be submitted nor considered for exemption from tax deduction at source if income in the nature referred to in sections , 393(1) (Table: Sl. No. 7), 393(3) (Table: Sl. No. 6), 392(7), Section 393(1)[Table: Sl.No.5(i)], Section 393(1)[Table: Sl.No.5(ii.D(a))], Section 393(1)[Table: Sl.No.5(ii.D(b))], Section 393(1)[Table: Sl.No.1(i)], Section 393(1)[Table: Sl.No.8(i)], Section 393(1)[Table: Sl.No.2(ii.D(a))], Section 393(1)[Table: Sl.No.2(ii.D(b))] or Section 393(1)[Table: Sl.No.4(i)] as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the tax year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

   c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 121 for non-deduction of tax at source in accordance with the provisions of section 393(6) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL; and

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

SL No.	Class of Investors	Relevant Section which grants TDS exemption	Documents to be taken on record from Investors
1	Resident Individual or resident HUF	Claiming non-deduction or lower deduction of tax at source under Section 393(1)[Table: Sl.No.5(i)] of the IT Act, 2025	Form No.121 with PAN Certificate issued u/s 395 has to be filed with the Company. However, in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either

SL No.	Class of Investors	Relevant Section which grants TDS exemption	Documents to be taken on record from Investors
			(a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 121 (ii) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.128
2	Life insurance Corporation of India	Section 393(4)[Table: Sl.No.6(b)(i)]	Copy of Registration certificate
3	a. General Insurance Corporation of India, b. 4 companies formed under section 16(1) of General Insurance Business Act, 1972 and c. any company in which GIC and aforesaid 4 companies have full beneficial interest (100% shareholding)	Section 393(4)[Table: Sl.No.6(b)(ii)]	a. Copy of Registration certificate b. Copy of Registration certificate c. Copy of shareholding pattern
4	Any other Insurer	Section 393(4) [Table: Sl.No.6(b)(iii)]	Copy of Registration certificate issued by IRDA
5	Mutual Funds	Section 393(5)(d) read with Section 11 and Schedule VII (Table Sl.No.20 & 21)	Copy of Registration certificate issued by SEBI / RBI and notification issued by Central Government
6	Government, RBI and corporation established under Central / State Act whose income is exempt from tax	Section 393(5)(a), (b) & (c)	In case of Corporation, Declaration that their income is exempt from tax with applicable provisions
7	Recognized Provident Funds, Recognized Gratuity Funds, Approved Superannuation Funds, Employees' State Insurance Fund etc.	Section 11 read with Schedule VII (Table Sl.No.22,23,24,26,27) & CBDT Circular - 18/2017	Copy of Registration and Recognition certificate issued by relevant statutory authorities and income-tax authorities and Declaration from the funds that their income is exempt u/s 11 read with Schedule VII.(Table Sl.No.22,23,24,26,27)
8	New Pension System Trust	Section 11 read with Schedule VII (Table Sl.No.41) read with Section 393(5)(c) and CBDT Circular – 18/2017	Relevant Registration certificate issued to NPS Trust under section Indian Trusts Act, 1882
9	Other entities like Local authority, Regimental Funds, IRDA etc.	Section 11 read with Schedule III (Table Sl.No.22) etc. read with CBDT Circular - 18/2017	Declaration that they fall within the relevant income-tax section and eligible for income-tax exemption on their income
10	Alternative Investment Funds (Category I and II)	Section 393(4)[Table: Sl.No.6(a)(ii)]	Copy of Registration certificate issued by SEBI

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

1. Long Term Capital Gain

Under 2(67) read with section 2(101) of the IT Act, listed Debentures held as Capital Asset as defined under section 2(22) of the IT Act is treated as long term capital asset if it is held for more than 12 Months. Debentures held as capital asset for a period of 12 Months or less will be treated as short term capital asset.

Long Term Capital Gain for listed debentures will be chargeable to tax under Section 197 of the IT Act at the rate of 12.50% (plus applicable surcharge and education cess). No indexation benefit is available for debentures.

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

1. Short Term Capital Gains

Listed Debentures held as capital asset under Section 2(22) of the IT Act for a period of not more than 12 months would be treated as Short term capital asset under Section 2(101) of the IT Act. Short Term Capital Gains on transfer of NCD will be taxed at the normal rates of tax in accordance with the provisions of the IT Act. The benefit of maximum amount not chargeable to tax shall also be available in relation to such short term capital gains.

2. Capital Loss on transfer of Debentures.

As per Section 111 of the IT Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the same year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains.

Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains of the same year. Balance loss, if any, could be carried forward for eight years solely for claiming set-off against subsequent year's long-term capital gains.

3. Exemption available for Individuals and HUF for Long Term Capital gains u/s 86 of the IT Act.

As per the provisions of Section 86 of the IT Act, any long-term capital gains on transfer of a long term capital asset(not being a residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a residential house in India, or for construction of residential house in India within three years from the date of transfer subject to conditions. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the conditions specified in Section 86 of the Act.

C. **Provisions relating to Business Income**

In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII, which is notified by the Ministry of Finance, Government of India under Section 276(2) of the IT Act. Where debentures are held as stock in trade and unpaid interest has accrued before acquisition of Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank and Public Financial Institutions, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.

D. Transfer of Debentures without consideration or inadequate consideration.

As per section 92(2)(m) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds ₹50,000/- the aggregate market value of the debentures shall be taxable as income in the hands of the recipient.

Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 92(2)(m) of the IT Act. There is no gift tax for the Donor of the Debentures.

II. PROVISIONS APPLICABLE TO THE NON-RESIDENT DEBENTURE HOLDER.

A Non – Resident Indian has an option to be governed by Chapter XIII – E of the IT Act, subject to the provisions contained therein which are given in brief as under:

a) As per Section 214 of the IT Act, interest income from debentures acquired or purchased or subscribed to, in convertible foreign exchange will be taxable at 20% (plus applicable surcharge and cess), whereas long term capital gains on transfer of such Debentures will be taxable at 12.5% (plus applicable surcharge and cess of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained in Section 214 of the Act.

b) As per Section 216 of the IT Act, it shall not be necessary for a non-resident Indian to file a return of income under Section 263(1)(a) of the IT Act, if his total income consists only of investment income as defined under Section 212 and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XIX-B of the IT Act in accordance with and subject to the provisions contained therein.

c) As per Section 213 of the IT Act no deduction in respect of any expenditure or allowance shall be allowed under any provisions of the IT Act in the computation of income of a non-resident Indian under Chapter XIII – E of the IT Act.

d) In accordance with and subject to the provisions of Section 218 of the IT Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XIII – E of the IT Act. In such a case, long term capital gains on transfer of listed debentures would be subject to tax at the rate of 12.5% computed without indexation of cost of acquisition.

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

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

g) Under Section 393(2) (Table: Sl. No. 17) of the IT Act, the applicable rate of tax deduction at source is 10% on investment income and 12.5% on any long-term capital gains as per Section 214, and 30% for Short Term Capital Gains if the payee debenture Holder is a Non-Resident Indian.

h) The income tax deducted shall be increased by applicable surcharge and health and education cess. As per Section 111 of the IT Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

i) As per Section 159(4) of the IT Act read with the Circular No. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate (TRC), is a mandatory condition for availing benefits under any DTAA. If the tax residency certificate does not contain the prescribed particulars as per CBDT Notification 57/2013 dated August 1, 2013, a self-declaration in Form 41 would need to be provided by the assessee along with TRC.

j) Alternatively, to avail non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under Section 393(2) and 395(2) of the IT Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.

k) In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII which is notified by the Ministry of Finance, Government of India under Section 276(2) of the IT Act. Where debentures are held as stock in trade and unpaid interest has accrued before acquisition of Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.

l) As per section 92(2)(m) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds Rs. 50,000/- the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 92(2)(m) of the IT Act. There is no gift tax for the Donor of the Debentures.

m) As per the provisions of Section 86 of the IT Act, any long-term capital gains on transfer of a long term capital asset(not being a residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house in India, or for construction of residential house in India within three years from the date of transfer subject to conditions. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the conditions stated therein

III. PROVISIONS APPLICABLE TO THE FOREIGN INSTITUTIONAL INVESTORS/ FOREIGN PORTFOLIO INVESTORS (FIIs/ FPIs)

1. As per Section 2(22)(b) of the IT Act, any securities held by FIIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.

2. In accordance with and subject to the provisions of Section 210 of the IT Act, long term capital gains on transfer of debentures by FIIs are taxable at 12.5% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of Section 72 of the IT Act will not apply.

3. Further, in case where section 393(2) is not applicable, the interest income earned by FIIs/FPIs should be chargeable to tax at the rate of 20% under section 210 of the IT Act. Tax shall be deducted u/s. 393(2) Table: Sl. No. 15) of the IT Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein.

4. Section 393(2) (Table: Sl. No. 16) in the IT Act provides for a withholding tax at the rate of 10% on payment by way of interest paid by an Indian Company to FIIs and Qualified Foreign Investor. Interest paid shall be subject to tax at the rate of 20% (excluding applicable surcharge and cess) subject to availability of DTAA benefits.

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

6. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 210 of the IT Act.

IV. MUTUAL FUNDS

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures with the provisions of Schedule VII of the IT Act and the contained therein.
Further, as per the provisions of section 393(5) of the IT Act, no tax shall be deducted at source by any person from any sums payable to mutual funds specified under Schedule VII of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

V. TO SPECIFIED FUNDS ("SPECIFIED FUND" AS DEFINED UNDER SCHEDULE VI OF THE IT ACT)

The income of Specified Funds is taxable for the year beginning April 1, 2020, to the extent attributable to units held by non-resident (not being a permanent establishment of a non-resident in India), and in accordance with and subject to the provisions of Section 210 of the IT Act, as under:

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

b) long term capital gains on transfer of debentures to the specified extent are taxable at 10% (benefit of provisions of the first proviso of section 72 of the IT Act will not apply); and

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

Further, where any income in respect of NCD is payable to Specified Funds, tax shall be deducted at the rate of 10% on the income other than exempt under Schedule VI as per Section 393(2) (Table: Sl. No. 16) of the IT Act.

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

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

1. SEC. 397(2)(a):

Section 397(2)(a) requires every person from whom income tax has been deducted at source under chapter XIX – B of the IT Act to furnish his PAN to the person responsible for deduction of tax at source.

2. SEC. 262(6):

Section 262(6) of the Income Tax Act provides that every individual who has been allotted a permanent account number (PAN) as on the 1st day of July, 2017, and who is eligible to obtain an Aadhaar number, shall intimate his Aadhaar number in the prescribed form and manner. In case of failure to link Aadhaar with PAN, the permanent account number allotted to the person shall be made inoperative after the prescribed date.

3. SEC. 397(2)(b):

a) Section 397(2)(b) of the IT Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:

(i) at the rate specified in the relevant provision of the IT Act; or
(ii) at the rate or rates in force; or
(iii) at the rate of twenty per cent.

b) A declaration under Section 393(6) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.

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

d) As per Rule 217, higher rate under section 397(2)(b) shall not apply to a non resident, not being a company, or to a foreign company, in respect of payment of interest, if the non-resident deductee furnishes the prescribed details inter alia TRC and Tax Identification Number (TIN).

NOTES FORMING PART OF STATEMENT OF TAX BENEFITS

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

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

3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Tax Year 2026-2027 and taking into account the amendments made by the Finance Act, 2026. The IT Act, 2025 is a new legislation operative from 1st April 2026. CBDT is expected to issue further circulars, notifications, and FAQs clarifying various provisions of the new Act. This Statement should be reviewed for continuing accuracy in light of any such further guidance.

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

5. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to Chapter X of the IT Act. Further, the issuer company may decide on practices to be followed with respect to TDS exemptions, thresholds for accepting documents for lower / nil deduction of tax at source or with respect to such other matters, based on Income Tax law and practice.

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

7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic tax law. Non-resident investors claiming DTAA benefits must comply with the Principal Purpose Test (PPT) and other anti-avoidance provisions under Chapter XI of the IT Act, 2025. The availability of DTAA benefits is subject to specific facts of each non-resident investor.

8. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV – ABOUT OUR COMPANY AND THE INDUSTRY

INDUSTRY OVERVIEW

The Information under this section has been derived from the industry report titled "Industry report on gold loans, personal loans, MSME loans, and microfinance loans" released in July, 2026, prepared and issued by CRISIL in an "as is where is basis" and the information in this section has not been independently verified by the Company, the Lead Manager, the Legal Advisor to the Issue, our Legal Counsel or any of their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources they believe to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in this Prospectus.

Global economic overview

Resilient growth amid shadows of war and inflationary challenges

According to the International Monetary Fund's (IMF) World Economic Outlook of April 2026 the global economy remained remarkably resilient in calendar year 2025, marking a 3.4% global real gross domestic product (GDP) growth. Despite initial uncertainties concerning tariffs imposed by the United States (US) and its potential impact on global growth, trade disruptions remained limited, given frontloading of imports in the first half of the year and swift reorganisation of supply chains to redirect trade flows.

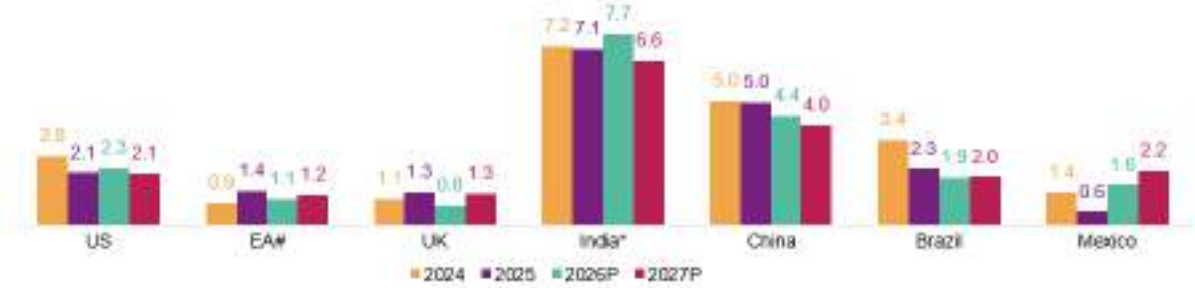
The global geopolitical landscape is undergoing significant transformation, marked by rising conflicts in West Asia and a shift in traditional power dynamics. The IMF projects the World GDP growth to moderate to 3.1% in 2026 and slightly recover to 3.2% in 2027. The private sector's swift adaptation of supply chains and trade flows has mitigated immediate damage. However, a prolonged conflict could adversely impact commodity prices, inflation and financial conditions, potentially testing global and country-specific economic resilience. These challenges are particularly pronounced in countries that are not directly involved in the conflict but rely on West Asia for various needs.

Even as a major geopolitical risk has seemingly faded, weather-related ones stemming from El Niño conditions have reared up. The monsoon season has begun to be weak, with cumulative rainfall -42% below average as of June 21. The India Meteorological Department (IMD) has cropped its rainfall forecast for the southwest monsoon season to 90% of the long-period average, which, if realised, would mark the weakest monsoon in a decade.

Global inflation is expected to increase to 4.4% in calendar year 2026, reflecting expected higher energy and food prices, before falling to 3.7% in 2027. Inflation in China is projected to rise from low levels, while India's is expected to return to near-target levels after a significant decline in 2025, driven by subdued food prices.

On the monetary policy front, the European Central Bank (ECB) in June 2026 raised rates by 25 basis points (bps), marking the first hike in rates in the Eurozone since 2023 and the 25-bps rate hike by the Bank of Japan (BOJ), the highest level policy rates in Japan since 1995, driven by inflationary pressures stemming from the ongoing Middle East conflict and rebounding energy cost. Meanwhile, the Reserve Bank of India (RBI) maintained the repo rates stable for the third consecutive period continuing their neutral stance following the cumulative 125-bps cuts between February to December 2025.

Real GDP change (% year-on-year)



P: Projected
All data and forecast are as per IMF based on calendar year.
#Euro Area (EA) comprises of four countries (Germany, France, Italy and Spain)
**For India, data and forecast are presented on fiscal year basis as per MoSPI and NSO. The GDP for 2025 is First Revise Estimate, for 2026 is Second Advance Estimate and the GDP for 2027 is Crisil projection*
Source: International Monetary Fund (IMF World Economic Outlook Update, April 2026), Ministry of Statistics and Programme Implementation (MoSPI), National Statistical Office (NSO), Crisil Intelligence

According to IMF, advanced economies, growth is projected to slow to 1.8% in 2026 (vs. 1.9% in 2025), with the Euro Area expected to slow to 1.1% in 2026 (vs. 1.4% in 2025), alongside the slowdown in other advanced economies (Japan, United Kingdom and Canada). Emerging market and developing economies are also expected to experience a slowdown in growth to 3.9% in 2026 (vs. 4.4% in 2025) reflecting greater exposure to higher commodity prices, capital flow volatility, and currency pressures.

Real GDP growth (%)

Country	2021	2022	2023	2024	2025	2026P	2027P
United States	6.2%	2.5%	2.9%	2.8%	2.1%	2.3%	2.1%
Euro Area (EA)#	6.4%	3.6%	0.4%	0.9%	1.4%	1.1%	1.2%
United Kingdom	8.5%	5.2%	0.3%	1.1%	1.3%	0.8%	1.3%
India*	-5.8%	9.7%	7.6%	7.2%	7.1%	7.7%	6.6%
China	8.6%	3.1%	5.4%	5.0%	5.0%	4.4%	4.0%
Brazil	4.8%	3.0%	3.2%	3.4%	2.3%	1.9%	2.0%
Mexico	6.1%	3.7%	3.1%	1.4%	0.6%	1.6%	2.2%

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Rising per capita GDP

With strong GDP growth, Crisil Intelligence forecasts that the per capita income will gradually improve, enabling domestic consumption over the medium term. As per IMF estimates, India's per capita income (at current prices) is expected to grow annually at 6.2% during fiscal 2026.

GDP per capita, current prices (US dollar per capita)

Country	2021	2022	2023	2024	2025	2026P	2027P
United States	71,366	77,949	82,536	86,173	89,991	94,430	98,278
Germany	53,152	50,944	54,793	56,087	60,439	65,303	67,613
United Kingdom	47,707	47,206	49,938	53,339	57,608	61,056	63,704
India	2,181	2,280	2,434	2,592	2,675	2,813	3,075
China	12,872	12,989	13,029	13,453	13,968	14,874	15,678
Brazil	7,952	9,256	10,350	10,282	10,686	12,313	12,882
Mexico	10,207	11,288	13,684	13,839	13,741	15,779	16,412

P: Projected

All data and forecast are as per IMF based on calendar year.
Source: International Monetary Fund (World Economic outlook – April 2026), Crisil Intelligence

Growth in per capita GDP, current prices (US dollar) (%)

P: Projected
All data and forecast are as per IMF based on calendar year.
Source: International Monetary Fund (World Economic outlook – April 2026), Crisil Intelligence

Growth in per capita GDP, current prices (US dollar) (%)

Country	2022	2023	2024	2025	2026P	2027P
United States	9.2	5.9	4.4	4.4	4.9	4.1
Germany	-4.2	7.6	2.4	7.8	8.0	3.5
United Kingdom	-1.0	5.8	6.8	8.0	6.0	4.3
India	4.5	6.8	6.5	3.2	5.1	9.3
China	0.9	0.3	3.2	3.8	6.5	5.4
Brazil	16.4	11.8	-0.7	3.9	15.2	4.6
Mexico	10.6	21.2	1.1	-0.7	14.8	4.0

P: Projected
All data and forecast are as per IMF based on calendar year.
Source: International Monetary Fund (World Economic outlook – April 2026), Crisil Intelligence

An overview of the Indian economy

Domestic demand and policy support to anchor India's growth amid global headwinds

India is positioned to remain the fastest-growing large economy, with domestic demand acting as the principal counterweight to global volatility. Revival in private capital expenditure and continued government spending in form of government-led infrastructure push is expected to provide further impetus to growth.

In February 2026, a new national accounts series has been released with fiscal 2022-23 as the base year, superseding the fiscal 2011-12 series.

According to the National Statistics Office's Second Advanced Estimates, India's real GDP growth in fiscal 2026 is estimated at 7.7% as per new series, up from 7.1% in fiscal 2025. The robust momentum was primarily driven by strong private consumption, buoyed by soft inflation and lower lending rates. Government measures such as frontloaded capex, Goods and Service Tax (GST) rate rationalisation and income tax reductions have also contributed to the growth.

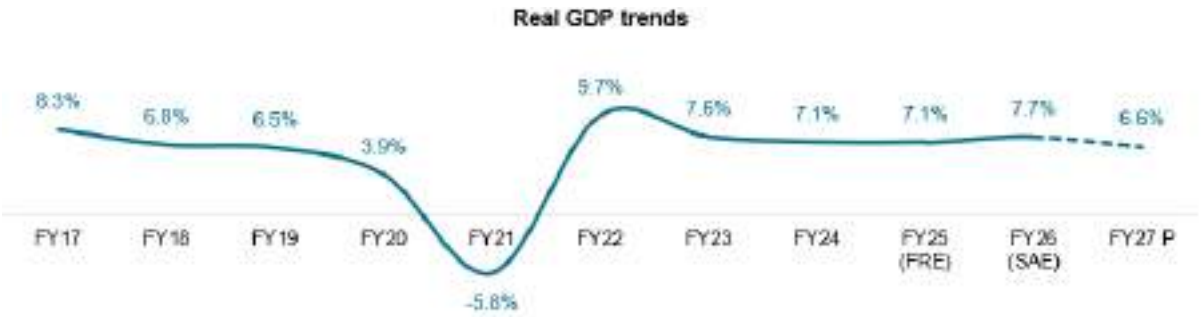
Crisil Intelligence projects India's real GDP growth at 6.6%, with downside risks for fiscal 2027. These risks are being driven by the prolonged and unresolved conflict in West Asia, the effects of which are now becoming increasingly visible across the global economy. The closure of the Strait of Hormuz has triggered an energy supply shock, with implications likely to persist beyond the eventual reopening of the route due to damage to regional oil and gas infrastructure.

The disruption is not limited to energy markets. It is also exerting pressure on freight rates, insurance premiums, supply chains, and fertiliser availability, creating a broad-based cost and supply shock with macroeconomic consequences. The sharp rise in crude oil and natural gas prices, combined with ongoing global supply chain dislocation, is expected to weigh on domestic growth, with import-dependent manufacturing sectors particularly exposed.

At the same time, softening external demand and continued global trade disruption are likely to constrain export performance in fiscal 2027. On the domestic front, the onset of El Niño poses an additional risk to agricultural output, potentially amplifying food supply pressures and rural economic vulnerability.

Despite these headwinds, overall growth is expected to remain supported by fiscal policy measures, which should provide an important countercyclical buffer against external and domestic shocks.

India's economy expected to grow at 6.6% in fiscal 2027



Note:

1. *FRE: First Revise Estimate, SAE: Second Advance Estimate, P: Projected*
2. *GDP growth rate up to FY23 is on base year 2011-12, while from FY24 the base year is 2022-23*
3. *Fiscals 2027 GDP is based on Crisil estimates*

Source: MoSPI, NSO, Crisil Intelligence

RBI cuts repo rate, supporting domestic growth against external headwinds

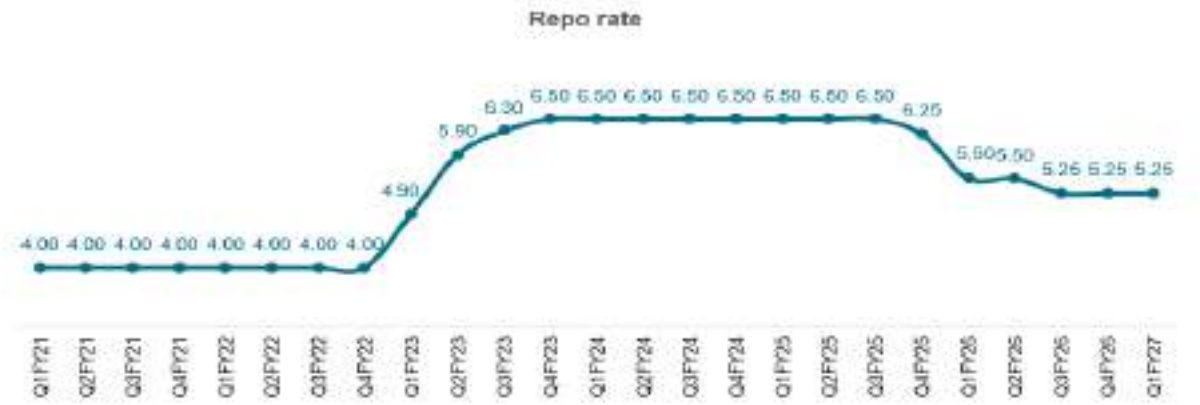
In fiscal 2023, India experienced a rise in inflation, driven by increasing food and fuel prices. To combat this, the Reserve Bank of India (RBI) raised the repo rate by a cumulative 250 bps to 6.5%. As inflation eased and approached the RBI's 4% target, the central bank shifted its monetary policy stance, delivering rate cuts of 25 bps each in February and April 2025, followed by a 50-bps cut in June, leading to a cumulative rate cut of 100 bps. The repo rate was held steady at 5.5% in August and October 2025 amid easing inflation, GST rate reductions, and global trade uncertainties.

In December 2025, the RBI cut the repo rate by an additional 25 bps to 5.25%, citing lower-than-expected inflation and revising its inflation outlook downward. Liquidity was further boosted through open market operations and forex swaps. The RBI maintained its 'neutral' stance, emphasizing a data dependent approach going forward.

During February, April and June 2026, RBI kept the repo rate unchanged at 5.25% and maintained a neutral stance amid a weakening rupee, rising bond yields and inflationary pressures due to conflict in West Asia.

Crisil expect the MPC to maintain the repo rate and stance in the upcoming meeting. Risks to inflation are tilted to the upside and likely to increase with the duration and intensity of the West Asia conflict.

Repo rate in India (%)



Source: RBI, Crisil Intelligence

Trends in key macroeconomic indicators

Macro variables	FY25	FY26	FY27 P	Rationale for FY27 outlook
Real GDP (y-o-y)	7.1%	7.7%*	6.6%	The spike in crude and natural gas prices, coupled with global supply chain disruptions are expected to hit growth – particularly manufacturing that is heavily import dependent. Weaker global demand and global trade disruptions will further hit exports this fiscal. The onset of El-Nino is also expected to impact agriculture production this fiscal. However, growth will continue to be supported by fiscal policy.
Consumer Price Index (CPI) inflation (average, on-year %)	4.6%	2.0%	5.1%	While the government has limited rise in retail fuel inflation so far, a persistent rise in global prices could see retail fuel prices for cooking and transportation climb up further. Additionally, a sharp rise in energy and other input costs, as well as those for trade and transportation, is expected to be passed by producers to consumers, raising core inflation. El-Nino and heatwaves are expected to put pressure on food inflation.
10-year government security (G-sec) yield (March average, %)	6.7%	6.7%	7.0%	The West Asia conflict would exert greater fiscal pressure due to the absorption of higher energy and fertilizer prices, compounded by high market borrowings by the Centre. Furthermore, higher inflation would reduce monetary policy space. Weaker foreign capital flows into debt (as global yields rise and capital chases safe-haven assets) could exert upward pressure.
Current Account Balance (% of GDP)	-0.6%	-0.6%	-2.2%	The spike in international crude, gas and fertilizer prices is expected to raise import bill significantly while exports are expected to be hit by a global trade disruption and weakening global demand. Remittances face a risk from continuing tensions in West Asia, which accounts for ~38% of remittances to India.
Exchange rate (March average, Rs/$)	86.6	92.8	93.5	A higher current account deficit in fiscal 2027 will likely put pressure on the rupee. A prolonged West Asia conflict and escalating geopolitical uncertainties could keep FPI flows volatile, adding to the pressure. As a result, the rupee is expected to remain volatile in the near term. Crisil expects the rupee to strengthen from its current lows by the end of fiscal 2027, assuming the conflict abates.

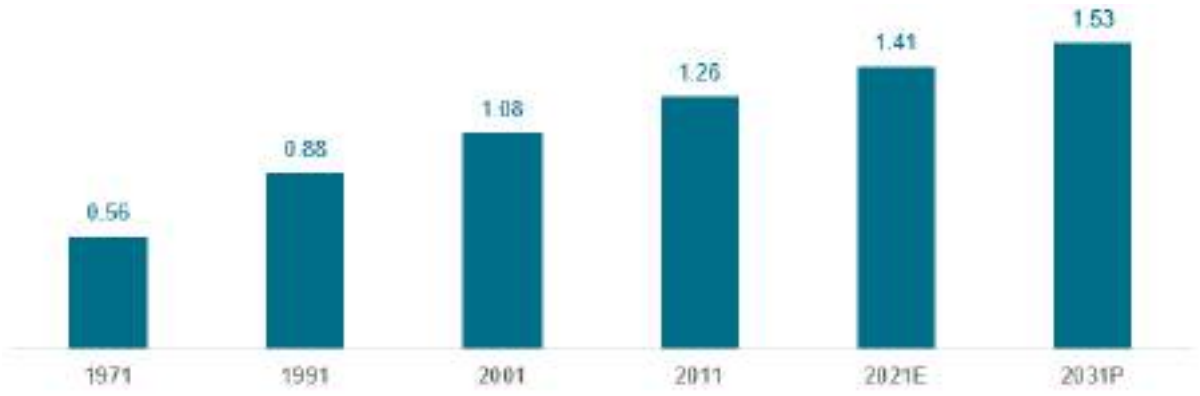
Note: P: Projected
**National Statistics Office (NSO) second advance estimate*
Source: Reserve Bank of India (RBI), National Statistics Office (NSO), Crisil Intelligence

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

India has the largest population in the world

As per the report published (in July 2020) by National commission on population, Ministry of Health & Family Welfare report, India's population in 2011 was 1.26 billion, comprising nearly 246 million households. It should be noted that decadal growth rate during 2001-2011 stood at 17%. This is estimated to have fallen to 12% during 2011-2021 and is likely to decline further to 9% during 2021-2031. However, with 1.53 billion projected population in 2031, India will continue to be a major opportunity market from demand perspective. Additionally, as per United Nations Department of Economic and Social Affairs, India has overtaken China as the world's most populous country in April 2023.

India's population growth trajectory (billion)



Note: P: Projected, E: Estimated
Source: Census of India 2011, Ministry of Health and family welfare, Crisil Intelligence

Favourable demographics

India is also one of the countries with the largest youth population, with a median age of 28 years. About 90% of Indians are aged below 60 years. It is estimated that 65% of this population is aged between 15 and 59 years in 2026. Crisil Intelligence expects the existence of a large share of working population, coupled with rapid urbanisation and rising affluence, will propel growth of the Indian financial services sector.

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

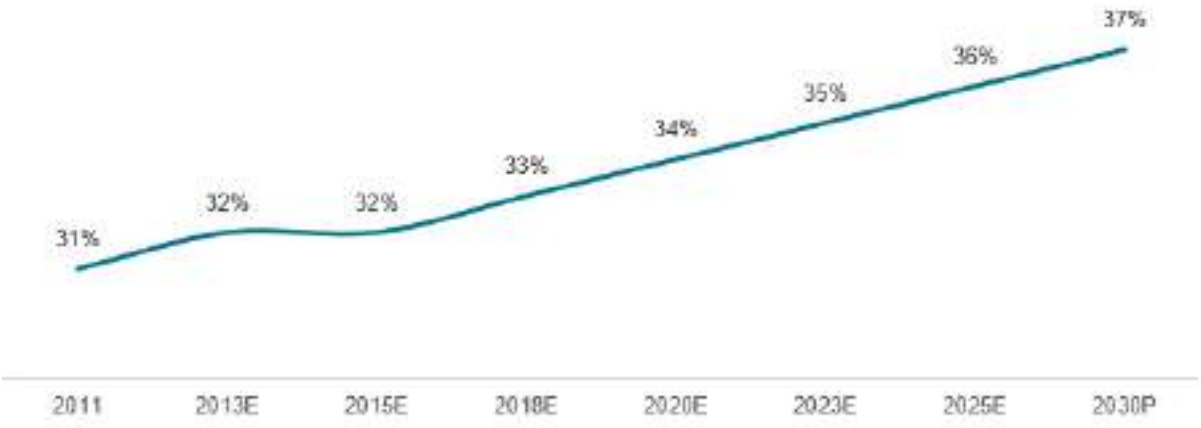
Note: P: Projected, E: Estimated
Source: Census of India 2011, Ministry of Health and family welfare, Crisil Intelligence

Rise in urbanisation

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

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

Urbanisation in India



Note: P: Projected, E: Estimated
Source: Census of India 2011, Ministry of Health and family welfare, Crisil Intelligence

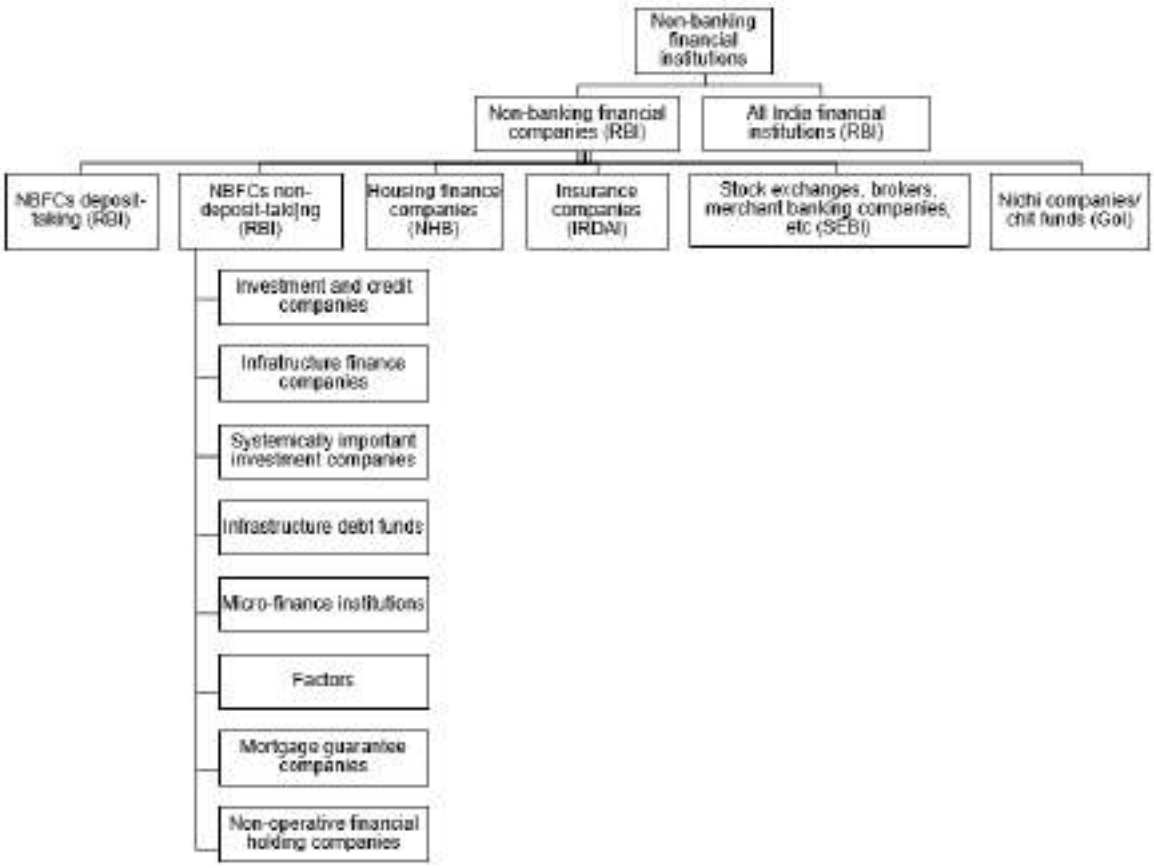
Overall NBFC – Industry overview

NBFCs play a crucial role in the credit ecosystem

Non-banking finance companies (NBFCs) have complemented banks and other financial institutions well in meeting the rising financing needs of people and businesses alike in sync with India's notable economic growth over the past decade.

NBFCs fill gaps in the availability of financial services with respect to products as well as customer and geographic segments. With a strong linkage at the grassroots, they are a critical cog in the financial machine. They cater to the unbanked masses in rural and semi-urban areas and lend to the informal sector and people without credit histories, thereby supporting the government's broader financial inclusion mission.

Structure of non-banking financial institutions in India



Notes:

1. *The regulatory authority for each institution is indicated in the brackets*
2. *All-India financial institutions include National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI) and Export Import Bank of India (EXIM Bank)*

Source: RBI, Crisil Intelligence

Classification of NBFCs

Eligibility criteria for NBFC registration require the following, i) a company's financial assets exceed 50% of its total assets after deducting intangible assets, and ii) that income from these financial assets accounts for more than 50% of its gross income

NBFCs are classified in terms of:

1. Regulatory structure under the Scale Based Regulations (SBR): Top Layer (NBFC – TL), Upper Layer (NBFC – UL), Middle Layer (NBFC – ML) and Base Layer (NBFC – BL)
2. Types of liabilities: Deposit-accepting and non-deposit-accepting NBFCs
3. Activity they perform

Classification of NBFCs as per Scale Based Regulations

The main objective of the SBR framework is to lay down regulations governing NBFCs and their supervision as a function of their size, activity and perceived riskiness. The SBR approach ensures that regulatory oversight intensifies as the size and complexity of an NBFC increase.

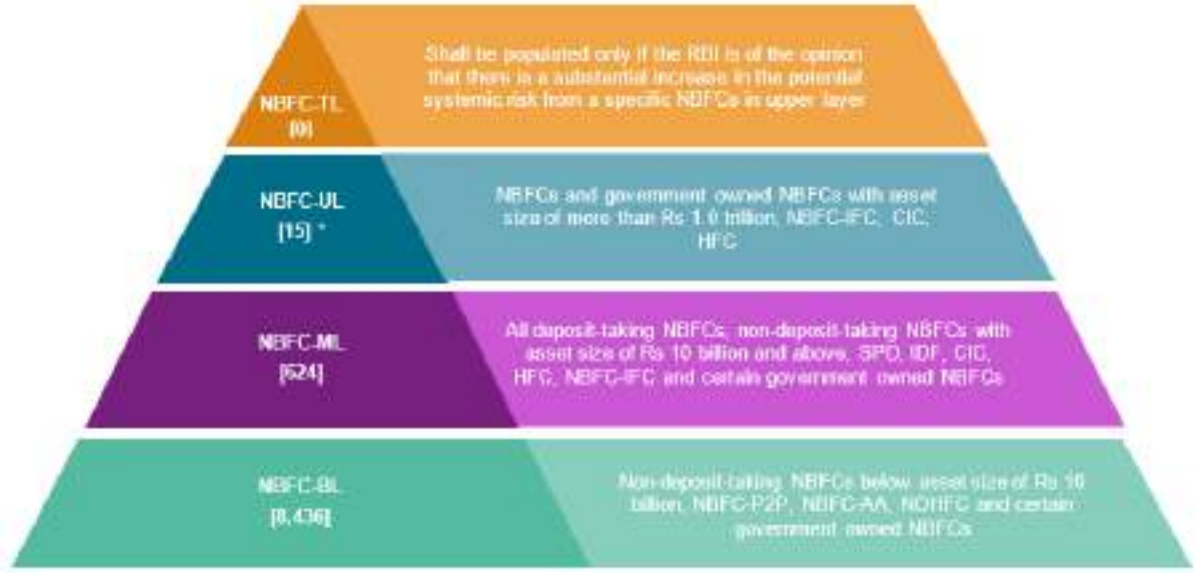
The Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Second Amendment Directions, 2026, provides framework for classification of NBFCs based on their scale.

As per the scale-based classification, NBFCs are categorised into four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer are NBFCs-BL, those in the middle layer are NBFCs-ML and those in the upper layer are NBFCs-UL. The top layer, known as NBFCs-TL, is ideally expected to be empty. It is to be populated only if the RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFCs in the upper layer. Under the framework, the degree of regulations increases as a company moves from lower to higher layers.

As per the erstwhile SBR framework for NBFCs, the upper layer NBFCs were identified by way of a parametric scoring methodology comprising quantitative and qualitative parameters, with weightages of 70% and 30%, respectively. Moreover, the top 10 NBFCs by assets were automatically categorised as the upper layer. Further, the framework placed Government owned NBFCs in the Base Layer or Middle Layer and not in the Upper Layer.

Recently, on June 24, 2026 the RBI amended the framework criteria for identification of NBFC-UL. As per the amended framework, NBFCs with asset size of Rs 1.0 trillion and above will be categorised as NBFC-UL. Additionally, in pursuance of the principle of ownership neutral regulatory regime for NBFCs, RBI amended the framework to include eligible Government owned NBFCs also in the list of NBFC-UL.

Number of NBFCs based on SBR as on March 31, 2026



Notes:
1. Data in [bracket] represents the number of NBFCs, as per the list released by RBI as on March 31, 2026.
*2. * The count of NBFCs in NBFCs-UL may increase once the finalised list is released as government owned NBFCs which fulfil the amended classification criteria will be included in this layer.*
3. NBFC-ICC, NBFC-MFI, NBFC-Factors can be part of any layer depending on the parameters of SBR
Source: RBI, Crisil Intelligence

Liabilities-based classification

Based on liabilities, NBFCs are classified into two broad categories:

1. Deposit-taking
2. Non-deposit-taking

There were only 23 NBFCs in the country with permission to accept deposits as of March 31, 2026. Since 1997, the RBI has not issued any certificate of registration (CoR) to new NBFCs for acceptance of public deposits.

Only those NBFCs that hold a deposit-accepting CoR and have a minimum investment grade credit rating of 'BBB-' from any of the credit rating agencies registered with the Securities and Exchange Board of India (SEBI) are allowed to accept/ hold public deposits up to a limit of 1.5 times of their net owned funds. At present, the maximum rate of interest an NBFC can offer is 12.5%. The interest may be paid or compounded at rests not shorter than monthly rests. NBFCs are allowed to accept/ renew public deposits which are repayable after 12 months but not later than 60 months. They cannot accept deposits repayable on demand.

Further, the deposits of NBFCs do not have insurance from the Deposit Insurance and Credit Guarantee Corporation.

Activity-based classification

Based on the type of activity performed, NBFCs are classified as:

a) **Investment and credit company (NBFC-ICC)**: These are financial institutions engaged principally in the business of providing finance by making loans or advances or otherwise for any activity other than its own and acquisition of securities; and is not any other category of NBFC.

b) **Housing Finance Company (HFC)**: These are companies that fulfil the following conditions:

   a. NBFCs in the business of providing finance for housing and have financial assets that constitute at least 60% of their total assets (netted off by intangible assets)

   b. Out of the total assets (netted off by intangible assets), not less than 50% is by way of housing finance for individuals

c) **Infrastructure finance company (IFC):** These are NBFCs that deploy at least 75% of their total assets in infrastructure loans and have a minimum net owned fund of Rs 3.0 billion, with a minimum credit rating of 'A' or equivalent and a 15% capital to risk-weighted adequacy ratio.

d) **Infrastructure debt fund (IDF-NBFC):** These are companies registered as NBFCs to facilitate the flow of long-term debt into infrastructure projects. They raise resources by issuing rupee- or dollar-denominated bonds with a minimum five-year maturity. Only IFCs can sponsor these NBFCs.

e) **Core Investment Company (CIC)**: These are NBFCs in the business of acquisition of shares and securities. A CIC should hold not less than 90% of its net assets in the form of investment in equity shares, preference shares, debt or loans in group companies. It should have a minimum asset size of Rs 1.0 billion.

f) **Micro-finance institutions (NBFC-MFI):** These are non-deposit-taking NBFCs with not less than 60% (as per June 6, 2025, notification) of their assets in the nature of qualifying assets, which satisfy the following criteria:

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

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

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

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

h) **Mortgage guarantee companies (MGC):** These are financial institutions with at least 90% of business turnover coming as mortgage guarantees or at least 90% of gross income coming from the mortgage-guarantee business and have net owned funds of at least Rs 1.0 billion.

i) **Standalone Primary Dealers (SPD)**: These are NBFCs that are authorised to undertake the primary dealer activities in government securities (G-Secs). SPDs support the G-Sec market (both primary and secondary) through various obligations such as participating in primary auctions, market making in G-Secs, predominating investment in G-Secs, achieving minimum secondary market turnover ratio, etc.

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

k) **Account Aggregators (NBFC-AA):** These are financial entities that function as account aggregators for customers of NBFCs. NBFC-AAs accumulate and provide information concerning multiple accounts that are held by the customers in various NBFC entities.

l) **Peer to Peer Lending (NBFC-P2P):** These are NBFCs in the business of providing loan facilitation services to willing lenders and borrowers through online platforms.

Regulatory capital requirement for NBFCs

As per the RBI guidelines, NBFCs are required to meet the following minimum capital requirements on an ongoing basis:

1. An NBFC primarily engaged in lending against gold jewellery is required to maintain minimum Tier 1 capital and capital-to-risk-weighted asset ratio (CRAR) of 12% and 15%, respectively, of the aggregate risk-weighted assets (RWAs). Also, the Tier 2 capital of an NBFC must not exceed 100% of the Tier 1 capital. RBI defines 'NBFC primarily engaged in lending against gold jewellery' an NBFC in which such loans comprise 50% or more of its financial assets.

$$\text{CRAR} = \frac{\text{Tier 1 Capital} + \text{Tier 2 Capital}}{\text{RWAs}}$$

2. An NBFC-ML and above is required to maintain a minimum Tier 1 capital ratio of 10% of aggregate RWAs.

$$\text{Tier 1 Capital ratio} = \frac{\text{Tier 1 Capital}}{\text{RWAs}}$$

3. An NBFC-ML and above is required to maintain a minimum CRAR of 15% of the aggregate RWAs. Also, the Tier 2 capital of the NBFC should not exceed 100% of the Tier 1 capital.

4. An NBFC-UL should maintain a minimum common equity Tier 1 (CET1) capital of 9% of the aggregate RWAs.

$$\text{CET 1 Capital Ratio} = \frac{\text{CET 1 Capital}}{\text{RWAs}}$$

Other key regulations under SBR

1. **Net owned fund (NOF):** With effect from October 01, 2022, companies seeking NBFC licences are required to have an NOF of Rs 100 million. Existing NBFCs have time until March 31, 2027, to attain an NOF of Rs 100 million.

   The minimum NOF requirements for specialised NBFCs are:

   a. NBFC-IFC: Rs 3,000 million

   b. IDF-NBFC: Rs 3,000 million

   c. MGC: Rs 1,000 million

   d. HFC: Rs 200 million

   e. SPDs that undertake only the core activities: Rs 1,500 million; and SPDs that also undertake non-core activities: Rs 2,500 million

   f. NBFC-AA: Rs 20 million

   g. NBFC-P2P: Rs 20 million

2. **Experience of the Board:** Given the need for professional experience to manage the affairs of the NBFCs, at least one of the directors should have relevant experience of working with a bank or an NBFC. This regulation is applicable for all classes of NBFCs.

3. **Ceiling on initial public offering (IPO) funding:** The RBI has prescribed a ceiling of Rs 10 million per borrower for financing subscriptions to IPOs; however, NBFCs may fix more conservative limits. This regulation came into effect on April 1, 2022.

4. **Opening of branches:** As per the RBI (NBFC-Branch Authorisation) Direction, 2025 (updated on April 15, 2026), an NBFC is generally permitted to open branches without the need for prior RBI approval, unless specifically restricted. The new directions mark a departure from the earlier approach, under which certain categories required prior regulatory nod. The objective of the revised directions is to provide operational flexibility to NBFCs for branch expansion, facilitate ease of doing business and ensure necessary regulatory compliance.

   For deposit-taking NBFCs, branch opening is permitted as follows:

   a. If the NBFC's NOF is up to Rs 500 million or its credit rating is below AA, it may open branches or appoint agents only within the state in which its registered office is situated

   b. If the NBFC's NOF is greater than Rs 500 million but its credit rating is below AA, it is eligible to open branches only within the state in which its registered office is situated

   c. If the NBFC's NOF is more than Rs 500 million and its credit rating is AA or above, it may open branches or appoint agents anywhere in India

Credit concentration norms

The RBI (NBFC-Concentration Risk Management) Directions, 2025 (updated on April 01, 2026) govern the concentration of exposures to a single counterparty or a group of connected counterparties.

The following exposure limits are applicable to NBFC-MLs and NBFC-IFCs:

NBFC-ML	Single counterparty	Group of connected counterparties
NBFC (other than IFC)	**25%** (additional 5% for exposure to infrastructure loan / investment)	**40%** (additional 10% for exposure to infrastructure loan / investment)
NBFC-IFC	**30%**	**50%**

Source: RBI, Crisil Intelligence

The following exposure limits are applicable to NBFC-UL:

NBFC-UL	Single Counterparty	Group of connected counterparties
NBFC (other than IFC)	**20%** (additional 5% with Board approval, additional 5% for exposure to infrastructure loan or investment; maximum limit of 25% in any case)	**25%** (additional 10% for exposure to infrastructure loan or investment)
NBFC-IFC	**25%** (additional 5% with Board approval)	**35%**

Source: RBI, Crisil Intelligence

As per the RBI guidelines, additional exposure may be taken with Board approval. NBFCs are required to record, in writing, the exceptional reasons for which such additional exposure is permitted in a specific case.

The following exposures are excluded from total exposure limits calculations:

1. Exposure to the Government of India (GoI) and state governments that is eligible for a 0% risk weight under capital regulations
2. Exposure where the principal and interest are fully guaranteed by the GoI

RBI's co-lending initiative to support affordability and outreach of capital

On August 06, 2025, the RBI released directions on co-lending arrangements (CLAs) amid growing traction for such arrangements among regulated entities (REs), and to broaden the scope of the extant guidelines, which are applicable only to CLAs between banks and NBFCs for priority sector loans.

The new directions apply to all CLAs among REs, including those involving non-priority sector co-lending, and aim to provide regulatory clarity on the permissibility of such arrangements, as well as to address prudential and conduct-related aspects.

Key impacts of the new directions are:

Expansion of co-lending scope to bridge regulatory gaps

The new guidelines expand the scope of co-lending guidelines to cover all REs and loan categories, allowing, for instance, two banks or two NBFCs to enter CLAs for any loans product, regardless of priority sector lending statute. The expansion of the scope of guidelines to all regulated entities will allow more players and capital into the co-lending space, scaling up lending volume at more competitive interest rates, particularly in underserved segments such as MSME loans.

Blended interest rate to reduce borrowing costs for customers

The new guidelines require lenders to charge borrowers a blended interest rate, calculated as an average rate of interest derived from the interest rates charged by respective REs. Banks generally charge a lower rate of interest relative to NBFCs due to their lower cost of funds. Hence, the borrower can benefit from a lower blended interest rate, boost credit uptake under the co-lending model.

Reduction in minimum retention rate

The new guidelines reduced the minimum loan retention for origination RE from 20% to 10%. This will help in maintaining asset light balance sheet, especially for the smaller NBFCs.

Default Loss Guarantee (DLG)

The introduction of DLG of up to five per cent of loans outstanding under CLA will help increase accountability and prudence of the originator RE for loan origination and servicing.

Consistent asset classification

The new guidelines apply borrower level asset classification, resulting in a consistent SMA/NPA classification across both REs. However, there could be operational challenges as the guidelines require updating the classification on a real-time basis or by the end of the next working day.

Enhanced transparency and disclosures among lenders, benefiting both borrowers and investors

The new guidelines enforce more transparency for both borrowers and investors as REs will now be required to give details of CLA on their website as well as provide detailed disclosures in financial statements.

Rise in costs due to increase in operational and compliance requirements

The new directions make an escrow account mandatory for all transactions. REs will need to build and integrate systems that can channel payments from multiple sources such as bank transfers and UPI into the escrow account. REs will also be required to put an additional mechanism to channel cash payments, typically coming from small business and microfinance customers, into the escrow account.

Additionally, both REs will be required to integrate their systems or set up a mechanism for complying with the real-time borrower level asset classification requirement. This can pose a challenge for traditional NBFCs which do not have a robust technology platform.

Gold finance - Review and outlook

Gold loan demand surged sharply in fiscal 2026, supported by higher prices and monetisation of the precious metal, and stronger preference for secured credit

Gold loan credit outstanding in India is estimated to have surged ~40% in fiscal 2026 compared with 28.2% in fiscal 2025.

The sharp rise in gold prices and high collateral values supported larger loan disbursals, while growing household monetisation of gold for business, working capital and consumption needs further boosted market activity. At the same time, tighter lending conditions and rising stress in unsecured retail segments encouraged both borrowers and lenders to shift towards secured credit products such as gold loans.

While gold prices were a key growth driver in fiscal 2026, structural factors such as increasing formalisation, deeper penetration in under-served borrower segments and faster turnaround times are expected to continue supporting long-term growth in the gold finance ecosystem.

Gold loan growth to stabilise in fiscal 2027 on a high base, lenders to focus on quality and balanced expansion

Type	Share in the book FY26E	Outstanding book (Rs billion) FY26E	CAGR, FY21-26E	Growth outlook FY26E	Growth outlook, FY27P
NBFCs	21%	3,427	24.7%	62%	28-32%
Banks	79%	13,247	25.4%	35%	24-28%
Overall	**100%**	**16,674**	**25.3%**	**40%**	**25-27%**

E: Estimated P: Projected
Source: Ministry of Finance, RBI, Company reports, Crisil Intelligence

Moderation in fiscal 2027 to reflect base normalisation and tighter regulatory discipline

E: Estimated P: Projected

Note: The gold loan portfolio of banks includes loans against gold jewellery and the agri-gold loan portfolio

Source: Ministry of Finance, RBI, Company reports, Crisil Intelligence

The overall gold loan credit outstanding for non-banking financial companies (NBFCs) and banks is estimated to have increased ~40% in fiscal 2026, materially higher than the 28.2% growth in fiscal 2025. The portfolio is estimated to have clocked a compound annual growth rate (CAGR) of 25.3% between fiscals 2021 and 2026.

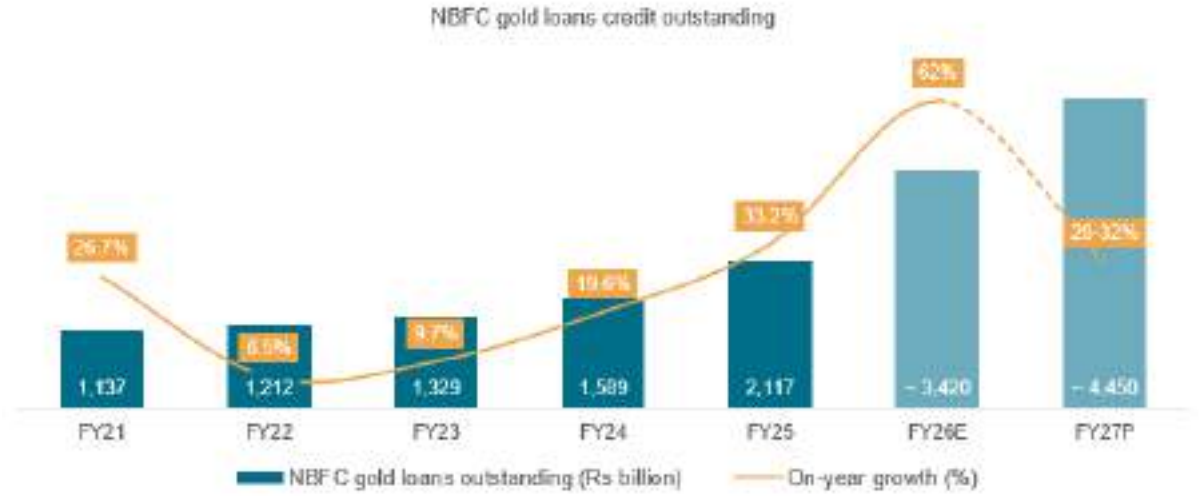
In fiscal 2027, gold loan growth is expected to moderate to 25-27% on account of the high base effect, along with stricter regulatory frameworks and rising portfolio risks. The Gold Loan Directions, 2025, of the Reserve Bank of India (RBI) came into full effect on April 1, 2026, mandating a unified framework for banks and NBFCs, including tiered loan-to-value (LTV) ratios and stricter gold valuation processes using 30-day average closing prices.

While gold prices reached historic highs in early 2026, subsequent corrections in March due to geopolitical uncertainties highlighted inherent volatility risks. However, lenders continue to retain comfortable safeguards through conservative LTV buffers, collateral valuation based primarily on gold weight and exclusion of stone weight and making charges. That said, any prolonged correction in gold prices, particularly for loans originated near peak valuations, may face higher LTV pressures.

Gold loans remain a relatively low-risk proposition, given their strong collateral backing, the sentimental value borrowers attach to gold and attractive spreads of 9-10%. Combined with low credit costs and enhanced borrowing capacity facilitated by rising prices of the metal, the segment is expected to remain structurally attractive in the longer term.

Further, the vast gold reserves held by Indian households present a long-term growth opportunity. The World Gold Council estimates the reserves at 25,000 tonne, of which only 2,950-3,350 tonne was used as collateral as of July 2023. Increasing formal sector penetration is likely to unlock this potential further, driving sustained expansion in the gold loan market.

NBFC gold financiers to sustain structural relevance despite moderation, supported by distribution strength, customer reach and secured credit tailwinds



E: Estimated P: Projected
Source: Company reports, Crisil Intelligence

Gold loan credit by NBFCs is estimated to have grown 62% in fiscal 2026 compared with 33.2% in fiscal 2025, primarily on account of elevated gold prices, rising borrower demand and stronger monetisation trends. However, growth is expected to moderate to 28-32% in fiscal 2027 because of the high base, geopolitical uncertainties and implementation of more stringent harmonised regulations.

Elevated gold prices raised the average ticket size of key NBFCs in fiscal 2026

Company name (Average ticket in Rs)	FY21	FY22	FY23	FY24	FY25	9MFY26
Muthoot Finance	61,000	69,000	70,000	83,000	~93,000	NA
Manappuram Finance	44,600	56,600	57,500	58,500	67,800	101,000
IIFL Finance	58,580	69,900	62,500	76,491	99,826	94,000
Capri Global	NA		1,00,600	1,10,900	1,28,000	140,000

NA: not available
Note: Muthoot Finance's average ticket size for fiscal 2025 is as of December 2024
Source: Company reports, Crisil Intelligence

The share of NBFCs in the overall gold loan industry is estimated to have increased to 21% in fiscal 2026 from 18% in fiscal 2025 and is expected to rise further in fiscal 2027. Banks are expected to continue holding the majority share. The RBI's regulatory clarity on valuation norms and lending against gold and silver collateral is likely to help banks meet priority sector lending targets through collateralised loans of up to Rs 250,000, while also encouraging a broader strategic shift toward secured lending.

RBI directions on gold loans to harmonise the regulatory framework, promoting a level playing field; banks to retain dominant share of the gold loan industry

E: Estimated P: Projected

Note: The gold loan portfolio of banks includes loans against gold jewellery and the agri-gold loan portfolio

Source: Ministry of Finance, RBI, Company reports, Crisil Intelligence

Key growth drivers for gold loans in fiscal 2027

RBI relaxation on branch expansion to improve distribution reach and support calibrated network growth

As of April 2026, the RBI has removed prior approval requirements for opening new branches for eligible gold loan NBFCs, thereby enhancing operational flexibility for large lenders. This regulatory relaxation supports faster network expansion, particularly in rural and semi-urban markets, improving credit accessibility and competitive positioning. However, leading gold loan NBFCs have indicated branch expansion is likely to be calibrated and need-based rather than aggressively volume-led, with a sharper focus on productivity, customer acquisition quality and return metrics.

To strengthen competitiveness against banks and fintech-led gold loan channels, NBFCs are also expanding through focused marketing activities, higher customer engagement and broader borrower segmentation. Alongside deepening rural penetration, several players are targeting higher-ticket customers while maintaining their traditional strength in smaller-ticket lending, which is expected to support both market expansion and customer diversification.

Rising penetration of organised players to support structural gold loan market expansion in fiscal 2027

The shift in customer preference towards organised players from unorganised lenders is also expected to support credit growth, largely because the latter charge exorbitant interest rates and provide little clarity on the gold valuation and LTV ratio. Additionally, the formal segment offers assurance of safe custody and return of gold owing to regulatory oversight.

Crisil Intelligence expects the share of organised financiers in the gold loan market to rise, driven by expanding branch networks, greater geographical reach and the growing acceptance of gold loans among households for both consumption and income generation. Higher gold prices and the increasing tendency of micro-enterprises to use gold loans for working capital are also likely to support growth. Additionally, the organised segment's adoption of digital, online and phygital (physical-plus-digital) platforms is anticipated to make gold loans more accessible and popular.

NBFCs compete on operating efficiency, turnaround time and local connect while managing risks

While banks offering gold loans have a competitive advantage over NBFCs because of lower costs, NBFCs have been attempting to stay competitive through aggressive branch expansion and by offering a superior customer experience. NBFCs have built their service offerings by investing significantly in staffing, systems and processes, in line with customer needs.

Key features of NBFC operations include:

- **Lower turnaround time and less documentation:** The borrower generally wants the loan to be disbursed as quickly as possible. Availability of well-trained and experienced employees for assessment and gold valuation helps NBFCs disburse loans faster than banks

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

- **Risk management process:** Most NBFCs have put in place a comprehensive and robust risk management process based on their experience. This includes steps to prevent fraud, ensure safety of the gold stored and recoup losses from possible non-performing assets (NPAs)

- **Operational efficiency:** Gold loan finance requires operational efficiency in storing, securing, transporting and auctioning assets. In fiscal 2026, key gold loan players such as Muthoot Finance, Manappuram Finance and IIFL Finance are estimated to have seen significant growth in assets under management (AUM). Notably, these companies also saw an increase in AUM per branch, which reflects improved operational efficiency. As these three are estimated to account for 67% of the NBFC gold loan market as of March 2026, their performance sets the benchmark for the industry.

Elevated gold prices have lowered aggregate LTV ratios, strengthening collateral buffers

Note: 1. The aggregate LTV is computed for Muthoot Finance and Manappuram Finance
2. The average gold price indicates the average monthly gold price of the past 12 months
Source: Multi Commodity Exchange of India Limited (MCX), company reports, Crisil Intelligence

Owing to the sharp rise in gold prices, the combined LTV ratio of Muthoot Finance and Manappuram Finance declined from ~65% in fiscal 2021 to ~57% in the first nine months of fiscal 2026. This moderation reflects the faster appreciation in collateral values relative to loan growth.

Lower LTV ratios are favourable from a lender risk perspective, as they create stronger collateral cushions and reduce credit vulnerability even in the event of moderate gold price corrections. While lenders may selectively increase disbursals against higher collateral values, the lower aggregate LTV aligns well with tighter regulatory scrutiny and prudent underwriting standards.

Gold loan book per tonne indicates growth remains price-led, though monetisation depth is improving The gold loan book of the top two gold finance NBFCs on a per-tonne basis rose to Rs 6.70 billion in the first nine months of fiscal 2026 from Rs 4.83 billion in fiscal 2025 and Rs 3.01 billion in fiscal 2021, largely in line with gold prices. This strong correlation indicates any adverse movement in gold prices may impact the credit momentum. Crisil Intelligence expects the average monthly gold price to be around Rs 1,44,594 per 10 gram in fiscal 2027.

Average gold loan outstanding per customer: The combined average gold loan outstanding per customer for the top two NBFCs rose sharply to ~Rs 193,000 in the first nine months of fiscal 2026 from ~Rs 143,000 in fiscal 2025 and ~Rs 91,000 in fiscal 2021, translating to an estimated CAGR of ~19% over fiscals 2021 to 2026. This trend is broadly aligned with the rise in domestic gold prices, though it also reflects rising borrower comfort with higher-ticket gold-backed credit. At the same time, customer growth has been moderate, indicating that a larger portion of growth is being driven by higher ticket sizes rather than rapid customer addition. The active customer

base of the top two NBFCs expanded 5% in the first nine months of fiscal 2026 vis-à-vis the same period in fiscal 2025, slower than the 6% on-year expansion in the first six months of fiscal 2026.

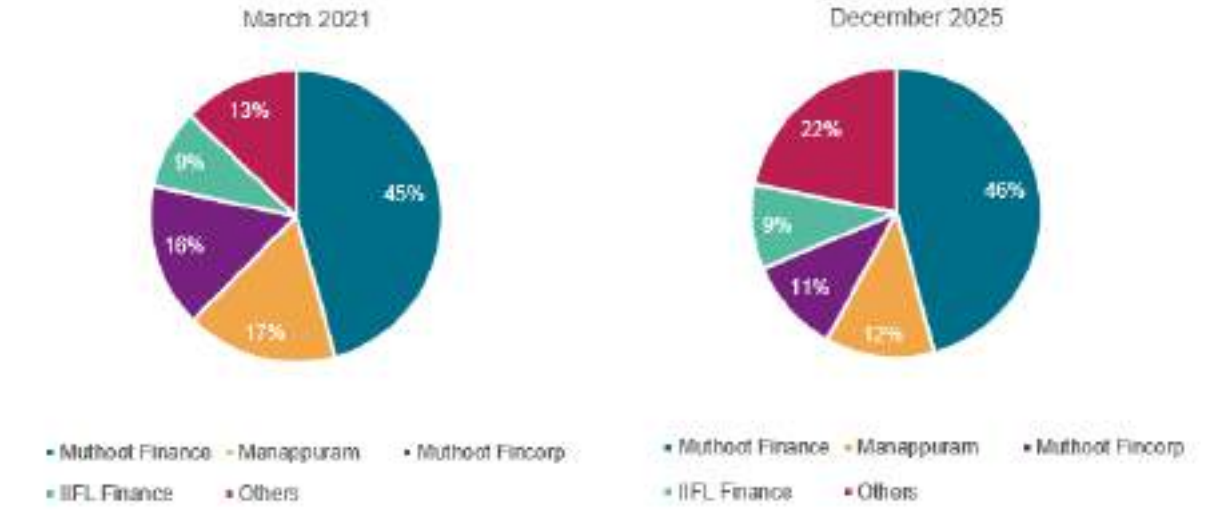
Average gold tonnage per customer: The average pledged gold tonnage per customer declined from ~33 grams in March 2021 to ~30 grams in March 2025 and ~29 grams in December 2025. This indicates that borrowers are increasingly able to access higher credit with lower physical gold quantities because of higher gold valuations.

Tonnage growth moderated in the first nine months of fiscal 2026, indicating lower physical gold addition despite strong book expansion

Note: The average gold price indicates the average monthly gold price of the past 12 months

Source: Company reports, Crisil Intelligence

Shift in the gold loan market share, with a key player losing considerable ground

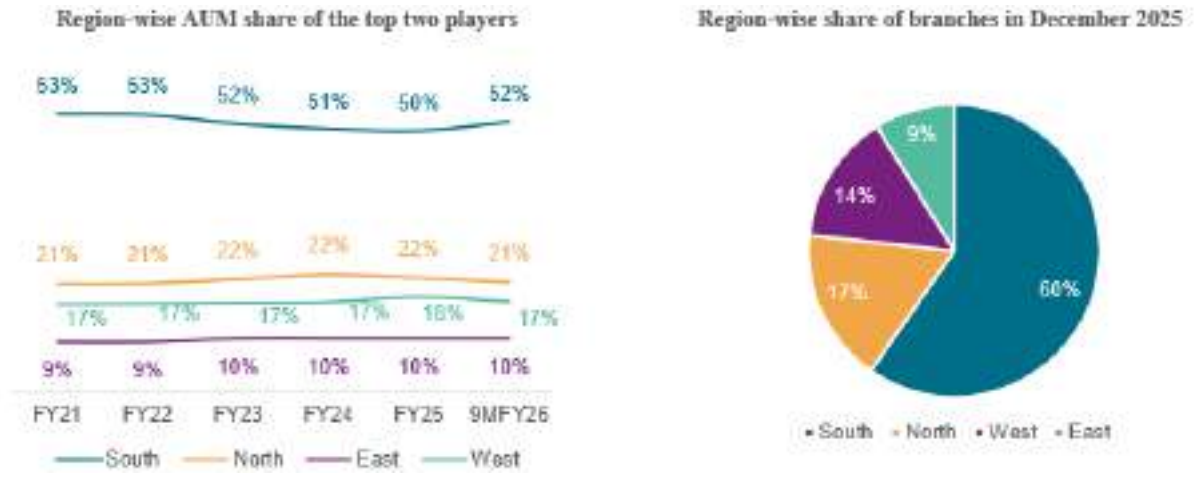


Note: The market share % of these NBFCs is based on the on-book gold advances

Source: Company reports, Crisil Intelligence

The NBFC gold loan market saw a gradual shift in competitive dynamics between March 2021 and December 2025. The share of smaller players grew considerably, indicating increasing participation from diversified NBFCs and emerging gold loan players.

Southern India continues to anchor gold loan AUM, though regional diversification is gradually expanding



Note: The percentage is the combined share of Muthoot Finance and Manappuram Finance

Source: Company reports, Crisil Intelligence

Southern India continues to account for the bulk of the gold loan AUM of NBFCs, supported by stronger cultural affinity toward gold ownership, higher household gold reserves, deeper borrower familiarity with gold-backed financing and well-established branch ecosystems. The top two players derive more than half of their AUM from southern markets, underlining the region's structural importance.

Though south India continues to dominate, several players have been shifting focus towards the untapped eastern and western markets, which have fewer branches but offer an incremental growth opportunity.

Asset quality

Gold loan GNPAs of NBFCs estimated to decline in fiscal 2026, primarily aided by strong portfolio growth and legacy NPA reduction at the top player

E: Estimated; P: Projected

Note: The GNPA percentage is calculated based on gold loan NBFCs, which accounted for an estimated ~88% of NBFC gold finance AUM as of March 2026

Source: Company reports, Crisil Intelligence

As of fiscal 2026 the asset quality of gold loan NBFCs is estimated to have improved, with the GNPA ratio declining to 1.4% in fiscal 2026 from 2.6% in fiscal 2025. This improvement was driven by controlled slippage, better borrower repayment trends supported by elevated gold prices, and a reduction in legacy NPAs at the top player, which accounts for an estimated ~45% share of the industry (as of March 2026E) In particular, the player reported recovery/closure of considerable share of legacy NPAs in a single quarter, along with continued write-offs through fiscal 2026, which materially supported overall asset quality trends. Additionally, estimated industry portfolio growth of ~62% in fiscal 2026 also supported the GNPA ratio through a denominator effect.

Going forward, Crisil Intelligence expects the GNPA ratio to rise modestly to 1.5-1.7% in fiscal 2027, as the one-time benefit from legacy NPA reduction at the top player seen in fiscal 2026 may not recur at a similar scale. In addition, increasing borrower leverage through multiple gold loans, along with volatility in gold prices, may raise LTV pressure and contribute to higher slippage. Revised gold loan guidelines are also expected to tighten operational flexibility around renewals and top-ups, which may create near-term adjustment in certain borrower segments while strengthening underwriting standards over the medium term.

Looking back, asset quality had deteriorated in the first half of fiscal 2025, with the GNPA ratio rising to 3.1% as of September 2024. This was primarily because lenders deferred auctions amid sharply rising gold prices, supported by the higher collateral cushion and customer retention strategies. As gold prices increased, several lenders allowed borrowers additional time for repayment instead of immediate auction of pledged gold, which temporarily elevated GNPA levels.

The recent regulatory relaxation, with the LTV cap set at 85% (for loans up to Rs 2.5 lakh), provides additional room for incremental growth. However, any increase in utilisation is expected to be calibrated and selective and is unlikely to materially affect asset quality going forward.

Stage-wise portfolio performance also indicated an improvement in asset quality in fiscal 2026. Stage 1 assets increased to 98.1% as of December 2025 from 96.0% as of March 2025, whereas Stage 2 declined to 0.3% from 1.0%, and Stage 3 reduced to 1.6% from 3.0%. This shift was primarily supported by lower incremental slippages, improved recoveries and normalisation in overdue accounts, particularly among larger players.

While fiscal 2026 reflected a clear improvement in stage-wise metrics, fiscal 2027 is expected to see a partial normalisation, as recovery-led benefits moderate. Even so, the current portfolio profile indicates that gold loan NBFCs remain relatively stable from an asset quality perspective.

Stage-wise trends reflect improvement in fiscal 2026 on lower slippages and better recoveries

Note: The trend in the stage-wise asset quality was achieved based on two listed gold finance NBFCs, i.e. Muthoot Finance and IIFL Finance. The combined gold loan portfolio of these entities constituted an estimated ~55% of the overall NBFC gold loans advances as of March 2026
Source: Company reports, Crisil Intelligence

In fiscal 2026, key gold loan NBFCs continued to operate at relatively conservative aggregate LTVs, largely due to a sharp increase in collateral values. This lower LTV profile provided a strong cushion against moderate gold price corrections and supported portfolio resilience.

Lower LTVs and adequate capital buffers support gold financiers against cyclical volatility

Note: The analysis of CRAR (capital-to-risk-weighted ratio) and debt-equity ratio covers the following gold finance NBFCs: Muthoot Finance, Manappuram Finance, Muthoot FinCorp, IIFL Finance and Kosamattam Finance. The aggregate gold loans advance of these companies cover nearly estimated 80% of the overall gold loans advances of NBFCs as of March 2026

Source: Company reports, Crisil Intelligence

However, in the event of a sharper decline in gold prices, lenders may need to initiate margin calls, seek additional collateral, or require partial repayments to restore security cover. This may increase repayment pressure for certain borrower cohorts, particularly those with multiple gold loans.

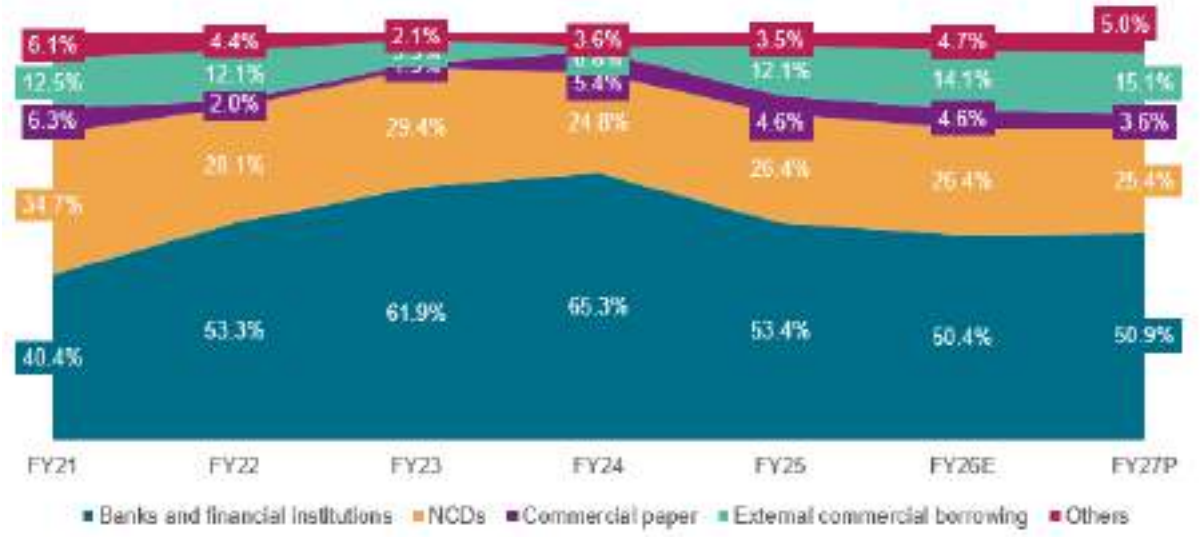
As of December 2025, the capital adequacy ratio remained well above the regulatory requirement of 15% at 20%. Also, leverage increased to 4.1x in the first nine months of fiscal 2026 from 3.5x in fiscal 2025, reflecting continued balance sheet expansion. Nonetheless, current capital buffers remain adequate to absorb moderate cyclical stress while supporting calibrated portfolio growth.

Borrowing mix

Bank lending towards gold loan NBFCs remained lower in fiscal 2026 vs fiscal 2025 levels, as key NBFCs continued to diversify resource mobilisation through alternative funding avenues, primarily NCDs and ECBs. However, bank borrowings regained momentum in the last quarter of fiscal 2026, with improved lender confidence and continued access to bank funding at competitive rates.

In fiscal 2027, the share of the total borrowing of banks and financial institutions is expected to be marginally higher than fiscal 2026, as NBFCs could see some moderation in capital market borrowings amid hardening bond yields and a relatively tighter liquidity environment, while expectations of repo rate cuts in the near-term remain limited.

Bank borrowings to rise marginally in fiscal 2027; ECB share likely to rise further, NCD to moderate



E: Estimated; P: Projected

Note: The borrowing mix composition is basis Muthoot Finance, Manappuram Finance and IIFL Finance
Source: Company reports, Crisil Intelligence

In the first nine months of fiscal 2026, key gold loan players saw healthy NCD issuances, followed by a moderation during the fourth quarter on account of hardening in yields due to increased geopolitical uncertainties. But because of increased share of ECBs, the share of NCDs in overall funding mix is estimated to have remained rangebound.

In fiscal 2027, Crisil Intelligence expects the share of NCDs in the borrowing mix to moderate further due to stable policy rates as compared with a 125-bps cut in the repo rate between February-December 2025.

In fiscal 2026 (April 2025 to February 2026), major gold loan NBFCs, including Muthoot Finance, Manappuram Finance, IIFL Finance and Muthoot Fincorp, raised $2,163 million through the ECB route vs $3,072 million in the corresponding prior-year period. While this was 30% lower on year, the moderation was largely on account of the exceptionally high base in fiscal 2025.

The sharp rise in fiscal 2025 was primarily because of a relatively favourable global interest rate environment compared with domestic borrowing costs, making offshore borrowings more attractive. Consequently, the share of ECBs in the funding mix rose from 0.8% in fiscal 2024 to 12.1% in fiscal 2025, and further to 14.1% in fiscal 2026.

In fiscal 2027, Crisil Intelligence expects the share of ECBs to increase moderately as leading players have indicated continued ECB issuances and a calibrated increase in ECB share within their borrowing mix. Additionally, the RBI's February 2026 revision of the ECB framework, including enhancement of the automatic route limit to $1 billion (or 300% of net worth) from $750 million, may further support eligible NBFCs in expanding offshore borrowings.

However, the issuance my faces challenges in case of prolonged geopolitical issues and increase in cost of hedge with depreciating rupee.

Commercial paper (CP) issuances also increased to Rs 445.1 billion in fiscal 2026 from Rs 206.3 billion in fiscal 2025. However, in fiscal 2027, Crisil Intelligence expects the CP share to be lower than fiscal 2026, as NBFCs may gradually shift towards ECBs, bank borrowings and securitisation. Accordingly, the share of 'others', including securitisation, is projected to increase in the fiscal after a visible rise in fiscal 2026, with securitisation of gold loans estimated at ~15% in fiscal 2026 vs 2% in fiscal 2025.

Alternative funding sources gained prominence in fiscal 2026

Notes:
1: Analysis of NCD issuance covers IIFL Finance, Muthoot Finance, Manappuram Finance, Muthoot FinCorp, Kosamattam Finance and Muthoot MCred. Aggregate gold loans advance of these companies cover ~81% of the overall gold loan advances of NBFCs as of March 2026
2. Analysis of ECB issuance covers IIFL Finance, Muthoot Finance, Manappuram Finance and Muthoot Fincorp. Aggregate gold loans advance of these companies cover 77% of the overall gold loan advances of NBFCs as of March 2026
3. Analysis of CP issuance covers IIFL Finance, Muthoot Finance, Manappuram Finance, Muthoot FinCorp and Muthoot MCred. Aggregate gold loans advance of these companies cover ~81% of the overall gold loan advances of NBFCs as of March 2026
Source: RBI, F-TRAC, Prime Database, Crisil Intelligence

This diversified borrowing profile reflects the sector's increasing ability to optimise funding costs across multiple channels, improve liability flexibility and support sustained growth in gold loan disbursements.

Rating analysis of key gold finance NBFCs

Four of the six mentioned gold finance NBFCs were rated AA or above

Company name	Rating
Muthoot Finance Ltd	Crisil AA+/ ICRA AA+
Manappuram Finance Ltd	Crisil AA/ CARE AA
Muthoot Fincorp Ltd	Crisil AA-/ BWR AA
IIFL Finance Ltd	Crisil AA/ ICRA AA
Kosamattam Finance Ltd	IND A
Muthoot MCred Ltd	IND A

Note: As of March 2026

Source: Rating agencies, Crisil Intelligence

Profitability

Portfolio yields estimated to be elevated in fiscal 2026 on one-off income and income recognition from legacy NPA closures; moderation expected in fiscal 2027

The interest income as a percentage of total average assets for gold loan NBFCs is estimated at 16.9% in fiscal 2026 vs 15.9% in fiscal 2025. The increase was on account of one-off income recognition and lumpy interest income booked during the year, primarily because of legacy NPA closures, deep overdue recoveries and asset reconstruction company-related transactions for Muthoot Finance, which accounted for an estimated 45% of the NBFC gold loan industry as of March 2026.

The closure of legacy NPAs enabled the recognition of previously unaccounted interest income, thereby elevating reported yields for the year. Notably, the management has indicated that these elevated yields are expected to normalise in fiscal 2027 as such benefits taper.

The increase in overall portfolio yield, though, was partially offset by Manappuram Finance, where yields remained relatively moderate due to the company's strategy of offering higher-ticket size loans at comparatively lower interest rates.

While overall yields are estimated to have remained elevated in fiscal 2026, Crisil Intelligence expects moderation in fiscal 2027 as fiscal 2026's one-off and lumpy income normalises. Thereby, the interest income as a percentage of total average assets is projected to be slightly lower and range 16.4-16.6%.

On another note, interest expense as a percentage of average total assets was estimated at 6.8% in fiscal 2026 vs 6.6% in fiscal 2025, despite repo rate cuts during the fiscal. This increase was primarily attributable to a higher average cost of funds at a key player, IIFL Finance, following reliance on relatively expensive funding sources after the RBI gold loan embargo. The embargo disrupted normal borrowing channels, leading to elevated borrowing costs and, thereby, increasing the company's overall funding expense in the fiscal 2026.

However, the company is expected to gain access to bank borrowings at more favourable rates as disbursement momentum has normalised and the tonnage levels are approaching pre-embargo peak levels, thereby improving lender confidence. The company also continues to focus on securitisation, which is expected to support moderation in the cost of funds.

Despite this, the overall rise in funding costs across the sector was slower than the increase in portfolio yields, thereby supporting margin expansion in fiscal 2026.

In fiscal 2027, interest expense as a percentage of average total assets is projected to moderate to 6.6-6.8%, owing to lagged transmission of repo rate cuts, normalisation in average cost of funds for IIFL Finance, and increasing funding diversification through ECBs and securitisation, particularly for higher-rated players.

Net interest margins (NIMs) were estimated at 10.1% in fiscal 2026 vs 9.3% in fiscal 2025. In fiscal 2027, NIMs are expected to moderate and range 9.8-9.9% on account of lower yields and relatively lower decline in average cost of funds.

Net interest margin to moderate in fiscal 2027 as yields normalise amid absence of fiscal 2026's one-off and elevated income recognition benefits

E: Estimated; P: Projected
Notes:

1. Ratios are based on average total assets

2. The ratios are calculated based on Muthoot Finance, Manappuram Finance, Kosamattam Finance, Muthoot Fincorp, IIFL Finance. Aggregate gold loans advance of these companies cover estimated 80% of the overall gold loan advances of NBFCs as of March 2026
Source: Company reports, Crisil Intelligence

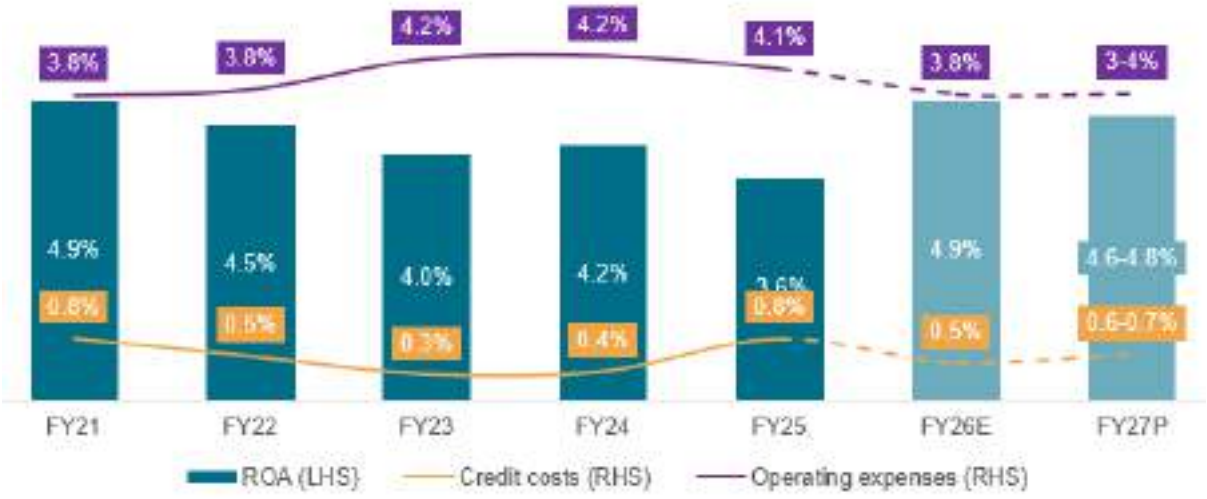
The operating expenses (opex) as a percentage of average total assets, which are estimated at 3.8% in fiscal 2026, are expected to increase slightly in fiscal 2027 to 3-4% on account of new branch expansions and revised RBI guidelines effective April 1, 2026, which mandate stricter appraisal processes and transparent valuation rules, thereby increasing operational overheads related to compliance and audit.

Credit costs were estimated at ~0.5% in fiscal 2026 vs 0.8% in fiscal 2025, as asset quality improved in fiscal 2026, leading to lower credit costs. In fiscal 2027, credit costs as a percentage of average total assets are expected to increase to 0.6-0.7% on account of a slight deterioration anticipated in asset quality and increased provisioning requirements amid ongoing geopolitical tensions.

Also, the RBI's relaxation on detailed credit appraisal requirements for loans up to Rs 2.5 lakh will remain closely monitored. The lack of detailed credit appraisal may lead to slippages in the event of an economic downturn. Furthermore, renewal and top-up of loans will only be permitted for borrowers classified as 'standard'. This change may potentially lead to short-term liquidity challenges for borrowers, resulting in relatively higher slippages in the near term.

Return on assets, which were estimated at 4.9% in fiscal 2026, are expected to moderate to 4.6-4.8% in fiscal 2027. This outlook is supported by lower yields in the fiscal, along with a subsequent increase in credit cost and opex.

RoA to moderate in fiscal 2027 as yields normalise and operating and credit costs rise



E: Estimated P: Projected

Notes:
1. Ratios are based on average total assets

2. The ratios are calculated based on Muthoot Finance, Manappuram Finance, Kosamattam Finance, Muthoot Fincorp, IIFL Finance. Aggregate gold loans advance of these companies cover estimated 80% of the overall gold loan advances of NBFCs as of March 2026
Source: Company reports, Crisil Intelligence

Overall profitability remains subject to gold price volatility as well as geopolitical risks, particularly in the Middle East, where prolonged uncertainty may pose risks to the sector.

Gold Finance - Industry overview

Gold loan industry to achieve a strong growth this fiscal on account of surge in the yellow metal

The portfolio is estimated to have clocked a compound annual growth rate (CAGR) of 25.3% between fiscals 2021 and 2026. The gold loan portfolio of banks logged a CAGR of 25.4% compared with 24.7% for NBFCs during this period. Consequently, banks are estimated to account for 79% of the gold loan market in fiscal 2026 compared with NBFCs' 21%.

The gold loan market is sensitive to fluctuations in gold prices. An increase in gold prices lowers the LTV ratio, creating headroom for incremental credit growth for the same collateral. The RBI's revised guidelines on gold loans provide excess headroom to expand gold credit. However, a price decline could result in the loan being recalled early or requiring an additional margin to maintain the LTV ratio. Hence, a sustained decline in gold prices impedes the segment's credit growth.

Gold collateral is easy to liquidate and recover. However, rising gold prices could lower loss given default (LGD) during the expected credit loss calculation, which could result in a lower provision cover. Thus, any weakening in gold prices will result in higher LGD and provision cover.

Given the cultural significance of gold and the sentimental value attached to gold jewellery in India, customers typically ensure loans are repaid and ornaments redeemed. Hence, even if the GNPA ratio remains elevated, the loss arising from weak asset quality is limited.

Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025 – Lending against Gold and Silver Collateral

Following the Reserve Bank of India (Lending Against Gold and Silver Collateral) Directions, 2025 issued on June 6, 2025 the central bank issued revised directions on November 28, 2025 to consolidate the instructions to various regulated entities on credit facilities, extending it to lending against gold and silver collateral.

The consolidated directions aim to establish a harmonised regulatory framework, address concerns related to lending practices and enhance conduct-related aspects. The key aspects of the directions pertaining to lending against gold and silver collateral are as follows:

1. These directions apply to loans provided for:

i. Income generation (including farm credit and other economic activities)

ii. Consumption purposes (excluding income-generating loans)

2. The directions apply to all banks and non-banks (including housing finance companies), except payment banks.

3. The directions restrict lending against gold bullion, primary gold/silver, or financial assets backed by primary gold/silver. Additionally, lenders are restricted from availing credit by repledging gold/silver pledged by borrowers and from granting loans to other lenders accepting gold/silver as collateral.

4. Lenders must have a credit policy that defines:

   i. Single borrower limits

   ii. Aggregate limits for gold loan portfolios

   iii. Maximum LTV ratios

   iv. Actions in case of LTV limit breaches

   v. Valuation norms

   vi. Documentation requirements for priority sector loans

5. Lenders may provide loans of up to Rs 0.25 million based on their risk management framework. However, detailed credit appraisals are required for loans exceeding Rs 0.25 million,

6. The LTV ratio is defined as the outstanding loan amount divided by the total repayment amount at maturity (for loans with bullet repayment structures). The LTV ratio for consumption loans must be maintained over the course of the loan's tenure, with maximum permissible limits as follows:

LTV buckets

Total consumption loan amount per borrower	Maximum LTV ratio (%)
Up to Rs 0.25 million	85
Between Rs 0.25 million and Rs 0.50 million	80
Above Rs 0.50 million	75

Note: The total repayable amount at maturity is considered for bullet repayment loans.
Source: RBI

7. The tenure of consumption loans with bullet repayment structures shall not exceed 12 months.

8. Renewal/top-up is permitted only in the following circumstances:

   i. Upon formal request from the borrower

   ii. Subject to credit appraisal

   iii. The loan must be classified as "Standard"

   iv. For bullet loans, renewal/top-up is permitted only if accrued interest has been paid off

9. The borrower's presence is mandatory during collateral assaying at the time of sanction.

10. Lenders must provide adequate notice to borrowers before auctioning gold and ensure transparency in the auction process.

11. The reserve price declared at the time of auction shall not be less than 90% of the current value of the collateral.

12. Lenders must comply with Know Your Customer and income tax norms when disbursing loans to borrowers.

Factors supporting the growth of gold loan AUM

1. Rising gold prices

International gold prices have been on a sustained upward trajectory since the pandemic and are expected to keep rising this fiscal. Several factors including geopolitical uncertainties, a weakening rupee and falling US yields, which make gold more attractive as a non-yielding asset, are driving prices of the yellow metal. Furthermore, indications of a global slowdown are exerting downward pressure on capital market investments, prompting investors to pick haven assets such as gold. The RBI's accumulation of gold is adding to the volatility in gold prices, which, in turn, is affecting retail demand.

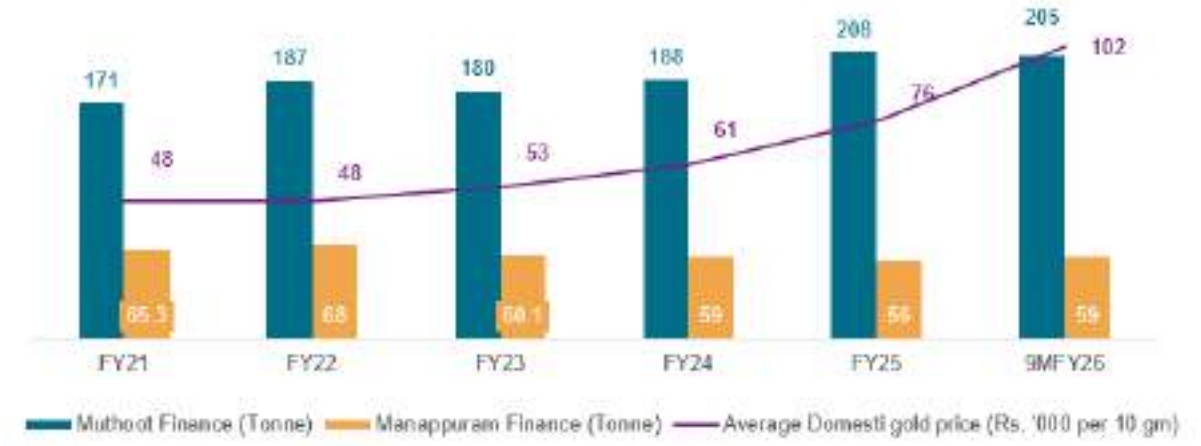
International and domestic gold prices to rise in fiscal 2026

Note: Average gold price indicates average monthly gold prices of last 12 months
Source: Company reports, RBI, Crisil Intelligence, World Gold Council, World Bank

2. **Average gold loan outstanding per customer**

The combined average gold loan outstanding per customer for the top two NBFCs rose sharply to ~Rs 193,000 in the first nine months of fiscal 2026 from ~Rs 143,000 in fiscal 2025 and ~Rs 91,000 in fiscal 2021, translating to an estimated CAGR of ~19% over fiscals 2021 to 2026. This trend is broadly aligned with the rise in domestic gold prices, though it also reflects rising borrower comfort with higher-ticket gold-backed credit. At the same time, customer growth has been moderate, indicating that a larger portion of growth is being driven by higher ticket sizes rather than rapid customer addition. The active customer base of the top two NBFCs expanded 5% in the first nine months of fiscal 2026 vis-à-vis the same period in fiscal 2025, slower than the 6% on-year expansion in the first six months of fiscal 2026.

Gold stocks to move in tandem with gold prices as demand for gold loans remain robust



Note: Average gold price indicates average monthly gold prices of past twelve months
Source: Company reports, Crisil Intelligence

3. Online gold loan schemes

Online schemes enable consumers to avail gold loans from their homes. Several gold loan providers have tied up with banks and payment gateway service providers to offer this service.

Gold loans applied online are often sanctioned within hours. Digital loan products can be accessed through mobile applications, online platforms and with prepaid cards, among other modes. Know-your-customer checks, registration and disbursements are all online. While some NBFCs require borrowers to personally deliver gold to the nearest branch, some provide doorstep services to verify and collect gold ornaments at the customer's residence. The process is managed through a central application that all branches can access simultaneously.

Manappuram Finance was the first gold loan NBFC to launch online services in September 2015. Muthoot followed with an online scheme through its website and iMuthoot application in September 2016. Apart from traditional players, fintech companies such as Rupeek have also been offering digital services since 2015.

Share of online loans to increase with the average gold loan per branch

Source: Company reports, Crisil Intelligence

4. Widening branch footprint

South India dominates the demand for NBFC gold loans. However, uptake in other regions is likely to pick up given the change in perception of gold loans, led by growing awareness among consumers and their fund requirements. Also, lenders are expanding their presence with new branches in the north and east of the country.

Shift in geographical distribution

Note: The percentage is the combined share of Muthoot Finance and Manappuram Finance

Source: Company reports, Crisil Intelligence

5. Specialised gold loan NBFCs have inherent advantages

NBFCs operate at a yield of 18-24%, while private banks offer ~15% and public sector banks 7-9%. Despite the significant rate differential (8-15%), the AUM of NBFCs logged a CAGR of 18% between fiscals 2020 and 2025, owing to their customer approach and extensive branch networks in semi-urban and rural areas.

Gold loan NBFCs focus on a single product and have a wide reach in low-rent areas with a lower population/customer base than a typical bank branch, ensuring better customer experience. The other key advantage is a faster turnaround time, which adds to the customer value proposition as gold loans are predominantly short-term and are taken for emergencies. Specifying a minimum tenure with a pre-payment penalty works against the customer. Further, the terms laid down by banks for availing gold loan tend to be rigid, unlike NBFCs.

Additionally, gold financing is an operations-intensive business, with special focus required on branch-level infrastructure and personnel. Branches require secure storage, robust electronic monitoring and cybersecurity protocols to protect client data. All these requirements increase operating costs. Moreover, employees must be trained to recognise the possibility of theft and fraud, as well as the procedures to prevent those. Alternatively, some part of the operations, such as appraisal and valuation, could be outsourced to third parties.

The business model has undergone a considerable technological transformation, facilitating faster loan processing, accurate gold valuation, safekeeping, auctions and cost cutting. The top players require customers to visit the branches only to deposit the physical gold. Proactive marketing, branding and geographic expansion also help capture new-to-market customers.

Still, the focus of banks on gold lending is a competitive threat to NBFCs, mainly on account of their lower rate of interest.

NBFCs offer convenience, while banks offer lower rates

Source: Company reports, Crisil Intelligence

6. Competitive advantage vs other financial products

Before the pandemic, gold loan companies were competing with each other and other financial service providers. A borrower who fit a lender's criteria could opt for a personal loan or credit card, which required no security and were provided online within a few hours with minimal documentation. However, during the peak of the pandemic, gold loans emerged as the most feasible option for borrowers, as lenders became risk-averse and minimised their exposure to unsecured loans.

Features differentiating gold loans from personal loans

Source: Company reports, Crisil Intelligence

Silver-backed lending: A measured move to broaden access to secured credit

The directions issued by the RBI in November 2025, extending to lending against gold and silver collateral, creates a harmonised regulatory framework for precious metal-backed lending. While lending against gold was already governed by well-defined norms, the revised directions formally recognise silver jewellery and silver coins as eligible collateral from April 2026. However, the framework excludes bullion and primary silver, while prescribing uniform valuation norms, LTV limits and borrower safeguards applicable to regulated entities.

The regulatory enablement comes when silver prices are rising, enhancing the metal's relevance as a collateral asset. Spot silver prices increased ~50% on-year as of September 2025, and by ~122% as of December 2025, compared with December of the previous fiscal. Elevated prices, coupled with limited liquidation, indicate a growing preference to leverage silver holdings rather than monetise them through sale. In this context, the revised framework provides NBFCs with an additional secured lending avenue, supporting measured portfolio diversification, alongside gold-backed loans.

Trend in average domestic silver prices

Source: Multi Commodity Exchange of India Limited

Personal loans – Review and outlook

Personal loan book to grow at a steady pace through fiscal 2027

Measured normalisation in growth likely amid asset-quality vulnerabilities and visible stress in early days past due buckets

The personal loan segment logged a compound annual growth rate (CAGR) of 21% between fiscals 2021 and 2026 to reach Rs 16,338 billion. Non-banking financial companies (NBFCs) outpaced banks in credit growth with a CAGR of 34% as against banks at 17% during the same period, supported by increased digital penetration and effective deployment of artificial intelligence in the underwriting processes.

In fiscal 2026, NBFCs' personal loan portfolio is estimated to have grown at a sharper 22% on year as against 10% of banks. During the year, the outstanding portfolio of NBFCs is estimated to have been Rs 4,598 billion with that of banks at Rs 11,740 billion.

Snapshot of personal loan segment

Type	Share in book FY26E (%)	Loans outstanding (Rs billion) FY26E	CAGR (%) FY21-26E	Growth in FY26E (%)	Growth outlook for FY27P (%)
NBFCs	28%	4,598	34%	22%	20-22%
Banks	72%	11,740	17%	10%	12-14%
Overall	**100%**	**16,338**	**21%**	**13%**	**15-18%**

Note: E: Estimated, P: Projected
Source: Credit bureau, Crisil Intelligence

In fiscal 2026, the overall credit outstanding in personal loans clocked a 13% on-year growth (similar to the pace in fiscal 2025) reaching Rs 16,338 billion. The segment's growth is expected to pick up at 15-18% in fiscal 2027 on the back of healthy consumption patterns among the households, coupled with the widening of its customer base amid the ongoing digital expansion.

The personal loan segment logged a notable increase in the average ticket size, reaching ~Rs 165,000, in the first nine months of fiscal 2026, from ~Rs 120,000 in fiscal 2025 and ~Rs 89,000 in fiscal 2024. The increase reflects a strategic shift by both banks and NBFCs towards building a higher-quality loan book, evident from the slowdown in disbursals from the second half of fiscal 2024 amid lender-exercised caution, implementation of stricter regulatory guardrails and the accumulating asset quality vulnerabilities in the unsecured lending space.

Personal loan offtake rose sharply in fiscal 2023 and the first half of fiscal 2024 on post-pandemic exuberance. However, the high level of disbursements during the period and the concerns around overleveraging by borrowers led to the Reserve Bank of India (RBI) increasing the risk weights on unsecured loans in the second half of fiscal 2024. This regulatory action led to a slowdown in personal loan disbursements. Given the evolving situation and

increased lender caution on underwriting of fresh loan sanctions, the exuberance in the segment is giving way to normalisation, while maintaining the healthy growth levels.

Overall personal loans credit growth to remain measured in the near term

Note: E: Estimated, P: Projected
Source: Credit bureau, Crisil Intelligence

NBFCs poised for faster personal loan growth over banks

Lately, NBFCs have outpaced banks in personal loan credit growth. In fiscal 2026, NBFCs clocked a robust 22% on-year increase in credit outstanding as against a 10% rise for banks, which was moderated by a higher base. This divergence stems from the specific customer segments targeted and strategic approaches adopted.

Banks and NBFCs cater to distinct customer segments. Banks primarily target salaried, middle-aged borrowers and maintain a higher share of personal loans in tier I cities. Their focus is on higher ticket-size loans, which helps them retain a dominant position in these markets.

NBFCs, on the other hand, build their retail lending book through lower-ticket personal loans and concentrate on growing their presence in tier II and smaller cities. NBFCs and fintechs bridge the financing gap for new-to-credit, self-employed, low-income, younger borrowers and those seeking smaller-ticket loans. NBFCs benefit from their extensive branch network, which spans remote areas, and from greater reliance on digital platforms. This dual approach enables them to reach underserved customer segments more effectively.

While personal loans make up only a portion of the banks' overall portfolios, banks have intensified their focus on the retail loan segment. As of the first nine months of fiscal 2026, banks had seen higher delinquencies amid continuing stress in their unsecured portfolios even though their typical borrower base faces relatively lower cash-flow disruptions considering salaried customers dominate their customer base and banks have larger exposure to tier I cities.

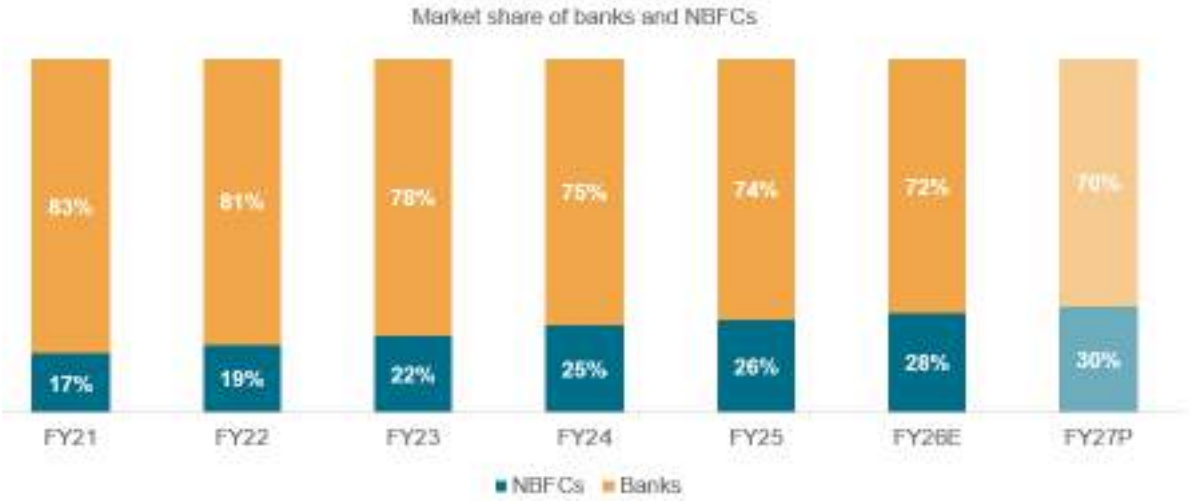
By contrast, with a larger share of self-employed borrowers and greater exposure to tier II and smaller cities, NBFCs have historically seen weaker asset quality. The delinquencies for NBFCs also rose nine months into fiscal 2026. This comes coupled with the high book write-offs, amplifying the underlying stress in the segment.

NBFCs to increase market share in the near term

Amid industry-wide concerns about elevated asset quality stress in the unsecured retail portfolio, NBFCs have strategically shifted focus toward salaried income borrowers to drive growth in their personal loan portfolios.

The average ticket size of personal loans disbursed by NBFCs rose significantly from Rs 37,000 in fiscal 2024 to approximately Rs 54,000 in fiscal 2025, and further to ~Rs 75,000 in the first nine months of fiscal 2026. Meanwhile, banks have substantially scaled back their expansion in personal loan portfolios, creating an opportunity for NBFCs to increase their market share in the near term.

Market share trend of banks and NBFCs



Note: E: Estimated, P: Projected
Source: Credit bureau, Crisil Intelligence

Measured normalisation in growth likely amid challenges

Given the rising early-bucket delinquencies, lender-exercised caution, regulatory guardrails and the vulnerable nature of the segment, growth is projected to remain measured in the near-to-medium term for NBFCs as well as banks.

Trend in loan book growth of NBFCs

Note: E: Estimated P: Projected
Source: Credit bureau, Crisil Intelligence

Between fiscals 2021 and 2026, the outstanding personal loan book of NBFCs logged a CAGR of 34%. In fiscal 2026, the on-year growth is expected to have remained flat at 22% against the 20% in fiscal 2025, with loan outstanding at Rs 4,598 billion. Following the RBI's move to tighten norms governing unsecured lending, NBFCs have become more vigilant in the space. This contained the growth momentum in fiscal 2026.

NBFCs have typically been aggressive with disbursements to riskier borrower segments, although they have a granular portfolio with smaller ticket-size loans. To mitigate asset quality vulnerabilities in the unsecured retail space and sustain healthy credit growth in fiscal 2026, the companies focused on salaried customers and their existing borrowers, who tend to exhibit better credit behaviour.

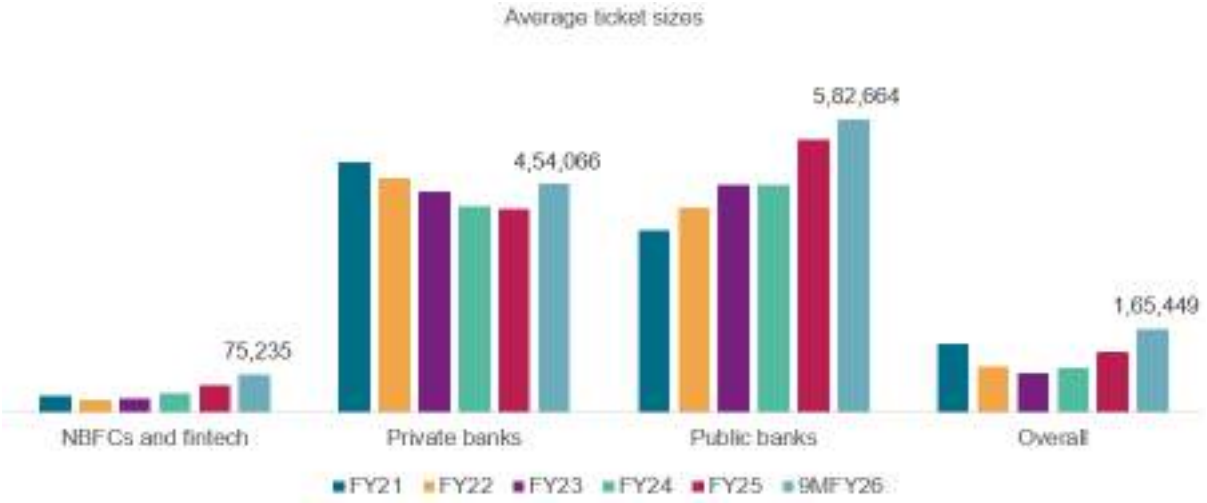
As a result, the NBFCs' personal loan portfolio has expanded 22% in fiscal 2026. With the expected increase in consumption in fiscal 2027, driven by increased discretionary spendings and rising middle income population, credit growth in this segment is projected to accelerate further, but remain controlled in the 20-22% range.

NBFCs, fintechs shift to higher-ticket loans

NBFCs and fintechs traditionally focus on small-ticket lending. With both deepening their market penetration, the share of small-ticket personal loans (loans below Rs 100,000) in their portfolios has gradually increased in the past few years.

However, in fiscal 2025, the average ticket size rose sharply as banks and NBFCs employed filters in their personal loan book amid a slowdown in disbursals in the second half. They focused on quality borrowers to curb the stress building on asset quality. Further, the proportion of low-risk borrowers rose in the first nine months of fiscal 2026. The average ticket size was ~Rs 75,000 for NBFCs and Rs 520,000 for banks compared with Rs 165,000 on average for the overall personal loan segment as against ~Rs 54,000 for NBFCs, ~Rs 470,000 for banks and Rs 120,000 for the overall personal loan segment in fiscal 2025.

Average ticket size by lender type



Source: Credit bureau, Crisil Intelligence

Fintechs have been rapidly expanding their base in the personal loan segment by offering smaller-ticket and short-tenure loans to younger, low-income and digitally savvy customers with insufficient credit history through the scorecard-based lending model. Mirroring the broader industry trend, fintech lenders also upsized their loan tickets to attract higher-quality borrowers, with the average disbursement amount rising 51% to Rs 32,000 in fiscal 2025 from Rs 21,000 in fiscal 2024. Though it moderated in the first nine months of fiscal 2026 to Rs 27,000, it remained above the fiscal 2024 levels.

Fintechs provide the advantage of better customer experience and shorter turnaround time (TAT) for disbursements. They focus on the scorecard-based lending model, which is based on a borrowers' cash flow, primarily relying on non-conventional and alternative sources of information, such as a customer's mobile phone data, for underwriting loans. Algorithms are used to track and analyse mobile phone data to gain specific insights on a customer's liquid cash flow and repayment history, along with spending habits. Third-party applications and databases are used for KYC authentication, credit-history checks and fraud detection. This, along with the government's focus on digitalisation through the National Financial Reporting Authority and DigiLocker, has enabled quicker TATs for disbursements and lower operating costs.

Risk-management processes and data analytics capabilities of NBFCs and fintechs have evolved over the years, along with underwriting norms and monitoring mechanisms.

Credit quality issues could persist

A potential asset quality risk persists. Lenders may be rolling over loans nearing repayment tenure, thereby masking the true credit quality by netting off new disbursements against existing borrower dues. This practice, which was highlighted by the RBI in October 2024, can create an illusion of larger ticket sizes, as new credit facilities are disbursed at higher values, potentially standardising the underlying stress in the portfolio.

The central bank has taken notice of this issue, having recently flagged similar practices in the microfinance sector and directed lenders to ensure that outstanding balances are fully paid or closed before extending fresh credit and tightening the rules around NBFCs lending to defaulting borrowers by requiring a Board-approved policy to justify such sanctions, aiming to prevent the issues lingering around loan evergreening and overleveraging.

As a result, the prevalence of loan netting-off in personal loan will remain a key area of concern and monitoring in the near term.

Trend in personal loans trajectory

Rapid growth and accompanying risks: Demand for personal loans was muted during the peak of the pandemic, i.e. fiscals 2021 and 2022. This was because the savings rate of Indian households reached a historic peak of 11.5% (net financial assets adjusted for net financial liabilities as a percentage of gross domestic product) in fiscal 2021 from the pre-pandemic level of 7.6% in fiscal 2020.

After the lockdown was lifted completely, consumption picked up. Consequently, the savings rate declined to 7.2% in fiscal 2022, reaching a decadal low of 5.1% in fiscal 2023, largely because of consumers dipping into the savings accumulated during the pandemic years. A portion of the savings was likely to have also been diverted to physical savings. The decline in savings was because of an increase in financial liabilities as well. Hence, the consumption-led recovery after the pandemic was driven in large part by debt.

Ease of borrowing, innovative products, such as 'travel now, pay later', no-cost equated monthly instalments and increasing lifestyle expenses contributed significantly to the rise in demand for personal loans. Overleveraging by the borrowers, in addition to tapping new customers also led to growth in demand for personal loans. There were broader factors as well, such as demographic shifts, especially with the increasing share of a younger demographic population, formalisation of the economy, increase in the number of fintechs, adoption of digital payment systems, influence of the India Stack and broadening of the digital footprint, along with a wider coverage of credit bureaus.

On the supply front, banks and NBFCs sharpened their focus on the retail segment, including gold, housing, auto and unsecured personal loans. In the case of personal loans, better technology helped improve the underwriting capabilities of banks and NBFCs, including fintechs. Consequently, unsecured loans (credit cards and other personal loans) at banks rose 21% in fiscal 2024, though the growth normalised subsequently to 9% in fiscal 2025 amid concerns around overleveraging in unsecured retail loan portfolios.

Personal loans are inherently riskier because of the absence of collateral, owing to which, the lender's ability to recover the outstanding amount is compromised in case of borrower default. Hence, from an asset quality perspective, higher caution was required for non-bank lenders, as gross non-performing assets (GNPAs) remained elevated at 7.6% in fiscal 2025 and inched up subsequently to 8.1%, nine months into fiscal 2026. Further, loans in the days past due (DPD) 1-29 and 30-59 buckets increased during the period, indicating rising stress in special mention accounts (SMAs) 1 and SMAs 2.

Amid the high double-digit growth in unsecured loans, lenders turned cautious while onboarding borrowers with weaker credit profiles to prevent asset quality deterioration or higher write-offs. Further, elevated inflation, along with stagnant income, cramped borrowers' repayment capability and overleveraging likely worsened asset quality vulnerability. However, while any macroeconomic event impacting the income levels of households could have led to a sharp increase in GNPAs across lenders, the granularity of loans provided some comfort.

RBI tightens P2P lending norms

In a circular dated August 16, 2024, the RBI, issued guidelines on NBFC-peer-to-peer (P2P) lending platforms. P2P lending enables individuals to lend and borrow directly through RBI-regulated NBFC platforms. These platforms act as intermediaries, connecting lenders with borrowers, facilitating transactions and managing repayments, earning a fee for their services.

The new guidelines aim to increase transparency and compliance and prevent irregular practices in the industry:

- An NBFC-P2P cannot assume any credit risk arising from transactions carried out on its platform. Lenders bear the entire loss of the principal or the interest in case of default
- An NBFC-P2P cannot lend on its own nor cross-sell any insurance product that is a credit enhancement or a credit guarantee. Also, the lenders' funds cannot be deployed or used for other purposes
- The exposure limit across all P2P platforms is Rs 5 million for lenders, Rs 1 million for borrowers and Rs 0.5 million for a single lender to the same borrower

Prior to this circular, NBFC-P2P lending platforms were required to maintain two separate escrow accounts: one for lender funds awaiting disbursement and another for borrower repayments. While this structure remains in place:

- The updated regulations introduce stricter guidelines, mandating funds in these accounts be transferred within a tighter timeframe of one business day (T+1) from the date of receipt, ensuring greater efficiency and transparency in transactions

- Additional requirements include Board-approved policy for matching lenders and borrowers, monthly portfolio performance and NPA disclosures and revised fee structure (fixed amount or percentage of the principal amount)

These guidelines promote transparency and restrict violations of the 2017 master directions, ensuring a more regulated and secure P2P lending environment.

Asset quality

Asset quality to remain elevated in the near term

Overall stress persists in personal loan segment amid rising write-offs trends

Asset quality is expected to remain under pressure in the near term, with recent data indicating a rise in stress levels for both banks and NBFCs. In the first nine months of fiscal 2026, the GNPA ratio increased to 3.9% for banks and 8.1% for NBFCs, accompanied by a significant uptick in write-offs, with the write-offs by banks reaching 6.2% of their outstanding portfolio, while NBFCs logged a spike to 8.0% in the first quarter before returning to 7.5% in the third quarter. The aggregate stress ratio, which includes both GNPAs and write-offs, remained elevated at 10% for banks and at 15.6% for NBFCs.

Crisil Intelligence estimates the GNPA to have increased further and reached 4% for banks and 8.2% for NBFCs in fiscal 2026, with the continuing high write-offs. Looking ahead at fiscal 2027, the GNPA ratio is expected to remain elevated at a similar range of 3.5-3.7% for banks and between 8.0-8.2% for NBFCs.

The preceding fiscal year, 2025, was marked by aggressive write-offs as lenders sought to manage headline asset quality figures. Banks' GNPA ratio rose to 3.8%, while that of NBFCs moderated to 7.6% after a surge in the first quarter, which was attributed to overleveraging, and a decline in collection efficiency during the general elections. Write-offs as a percentage of the outstanding portfolio increased sharply, reaching 5.4% for banks and 7.8% for NBFCs. The aggregate stress ratio as of March 2025 stood at 9.2% for banks and 15.4% for NBFCs, underscoring that improvements in GNPA ratios masked underlying systemic stress.

Historically, banks maintained GNPA levels between 2.2 and 2.6% from fiscals 2019 to 2023 by focusing on higher ticket-size loans to predominantly salaried customers, while NBFCs saw asset quality improve since fiscal 2021 before recent challenges emerged. In fiscal 2024, banks reported a GNPA ratio of 2.8% and write-offs of 4.0%, with an aggregate stress ratio of 6.8%, while NBFCs had a GNPA ratio of 7.9% and write-offs of 5.8% during the same period.

Persistent stress is evident across the sector, particularly in the personal loan segment, with early delinquency buckets (1-29 and 60-89 DPD) showing rising accumulation, which could translate into higher non-performing loans. Small-ticket loan borrowers have been especially vulnerable, with asset quality deteriorating at an alarming rate. In response, lenders have tightened lending standards, restricting disbursements to salaried customers and existing borrowers with strong credit profiles. This strategy is expected to support better asset quality for new originations and help contain non-performing loans in the medium term, though the practice of netting off new loans against existing debt remains a key area to monitor.

GNPAs for banks and NBFCs to remain elevated in fiscal 2027, along with rising write-offs, indicative of the stressed asset quality

Note: E: Estimated, P: Projected
Source: Credit bureau, Crisil Intelligence

Slippages in 60+ DPD rise 30-bps for NBFCs (including fintechs) in the first nine months of fiscal 2026

While the softer buckets (30+ DPD % and 60+DPD %) for NBFCs cooled after the pandemic, they have been inching upwards since fiscal 2023. This is an indication of a stressed borrower profile owing to overleveraging, elevated inflation and uptick in loan pricing. The 60+ DPD bucket logged an increase of 30-bps in the first nine months of fiscal 2026 from the March 2025 levels amid rising asset quality stress.

Trend in delinquencies and write-offs in NBFCs

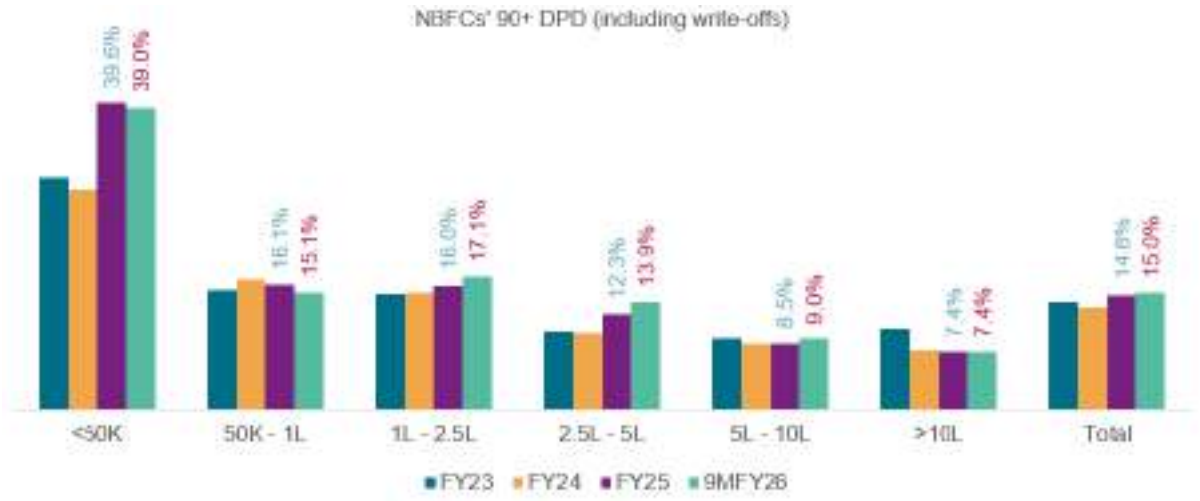
Source: Credit bureau, Crisil Intelligence

Lower ticket-size loans show weakest asset quality

The small ticket-size loan segment, which has long been a staple of NBFCs and fintechs, is now exhibiting signs of stress. Delinquencies in this category are substantially higher than in other segments, and the industry-wide asset quality decline is most severe in loans with a ticket size of less than Rs 50,000.

In the first nine months of fiscal 2026, the GNPA ratio of these loans, including write-offs, had surged to 39%. However, the overall impact on the portfolio due to the weakening asset quality of this segment was limited, as these loans accounted for only 6% of the NBFCs' total personal loan portfolio for the period.

Ticket size-wise asset quality stress in NBFCs



Source: Credit bureau, Crisil Intelligence

MSME finance – Review and outlook

The micro, small and medium enterprise (MSME) finance landscape has transformed significantly in recent years, with credit outstanding across banks, Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs) is estimated to have clocked a compound annual growth rate (CAGR) of 20.7% between fiscals 2021 and 2026. A combination of digital lending, government initiatives such as the Pradhan Mantri Mudra Yojana (PMMY) and credit guarantee schemes, a thriving economy and increasing adoption of formal credit channels has propelled this growth.

MSMEs play a vital role in the economy. As per the economic survey 2025-26, MSMEs contributed ~30% to India's gross domestic product (GDP) and ~45% to its exports in fiscal 2025 and employing more than 320 million people as of January 2026.

Other key factors that have boosted MSME finance include the shift towards cash flow-based underwriting and the increasing use of alternative data sources, such as goods and services tax (GST) returns and e-invoicing, which have enabled lenders to assess the creditworthiness of MSMEs more accurately.

The growing demand for MSME credit has led to the emergence of new players, such as fintechs, which offer innovative and customised lending solutions. As a result, MSMEs have been able to access more affordable credit, improve their working capital management and invest in growth initiatives.

MSME credit growth projected to remain steady in fiscal 2027

Type	Share in book FY26E (%)	Outstanding book (Rs billion) FY26E	CAGR FY21-26E (%)	Growth in FY26E (%)	Growth outlook for FY27P (%)
NBFCs and HFCs	26%	13,250	21.5%	21.7%	19-21%
Banks	74%	37,614	20.5%	22.7%	20-22%
Overall	**100%**	**50,865**	**20.7%**	**22.5%**	**19-21%**

Notes:

1.E: estimated, P: projected

2. Credit deployment data published by the Reserve Bank of India (RBI) has been revised and consequently, the comparable numbers for the previous fiscals have also been revised

3. Companies with a turnover of less than Rs 100 million and investment of less than Rs 250 million are classified as micro; a turnover between Rs 100 million and Rs 10 billion and investment between Rs 250 million and Rs 2.5 billion as small; and a turnover between Rs 10 billion and Rs 50 billion and investment between Rs 2.5 billion and Rs 12.5 billion as medium

Source: Company reports, Crisil Intelligence

In fiscal 2026, overall credit outstanding to MSMEs across banks and non-banks is estimated to reached Rs 50.9 trillion, representing a growth of 22.5% on-year. The growth was driven by strong performance across both bank and non-banks, recording a credit expansion of more than 20%.

Banks continue to hold a dominant 74% market share, with NBFCs accounting for the balance. MSME loans are a key component for fulfilling the priority sector lending requirements for banks, representing 36% of priority sector loans of banks as of fiscal 2025.

In fiscal 2026, banks strategically prioritised MSME finance to maintain margins and profitability in a declining interest rate environment. Additionally, many banks, particularly public sector banks, developed their digital product suites in MSME loans, which helped generate volumes. MSME loans also emerged as a key growth driver for banks' loan books, as large corporate clients increasingly turned to capital markets to meet their funding needs, especially during the first half of fiscal 2026, when RBI frontloaded repo rate cuts.

Unlike banks, NBFCs have a higher concentration of small-ticket loans to proprietors and traders. In fiscal 2026, NBFCs experienced a moderation in credit, especially in the unsecured business loan segment, due to rising early delinquencies. This was largely driven by overleveraging concerns among borrowers who had unsecured personal loans alongside secured/unsecured business loans. As a result, many NBFCs focused on growing their secured loan against property (LAP) portfolio to mitigate asset quality challenges.

Crisil Intelligence projects MSME credit growth to remain in the range of 19-21% in fiscal 2027, driven by strong government policy support, continued high economic growth and low interest rates.

However, a prolonged conflict in West Asia poses a downside risk to the outlook. The conflict has led to a surge in raw material costs, especially those industries dependant on crude oil or liquefied natural gas (LNG) for production, and disruptions in supply chain. The conflict has directly impacted manufacturing MSMEs and export oriented MSMEs. Industry clusters such as ceramic manufacturing in Gujarat and glass industries has been severely impacted as it relies heavily on gas for manufacturing. Rice exporters dependant on West Asia markets are also affected.

Recent government initiatives for the MSME sector

1. Key budget announcements

Union Budget 2026-27 introduced a comprehensive set of measures focused on improving liquidity, equity, capacity building and ease of business operations for MSMEs.

The measures include the following:

1. A Rs 100 billion SME growth fund was introduced to provide equity support
2. The Self-Reliant India (SRI) Fund will receive a top-up of Rs 20 billion in fiscal 2027. The SRI fund was established in 2021 with a goal of infusing Rs 500 billion in equity in MSMEs
3. To address liquidity issues faced by MSMEs, such as delayed payments and challenges in unlocking working capital, the government announced four key reforms to the Trade Receivables Discounting System (TReDS):
    i. Mandatory usage of TReDS for central public sector enterprises (CPSEs): CPSEs must use TReDS to settle MSME purchases. This move creates a massive, guaranteed volume of high-quality, government-backed receivables on the platform. The aim is to set a benchmark for large private companies to offer similar TReDS-based facilities to remain competitive in securing reliable MSME suppliers
    ii. Credit guarantee support via CGTMSE: The Budget introduced a credit guarantee mechanism for invoice discounting through the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to reduce perceived payment risk and attract wider participation from banks and NBFCs
    iii. Integration of Government e-Marketplace (GeM) with TReDS: This would enable sharing of information with financiers on government MSME purchases, facilitating faster and cheaper credit
    iv. Development of a secondary market for receivables: The Budget introduced TReDS receivables as asset-backed securities to deepen the secondary market, improve liquidity and speed up settlements.

In total, the government announced budgetary outlay of Rs 245.6 billion for the Ministry of MSMEs for fiscal 2027.

Trends in budgetary outlay for the Ministry of MSMEs

Source: Ministry of MSMEs, Crisil Intelligence

2. Interest subvention and credit guarantee under Export Promotion Mission

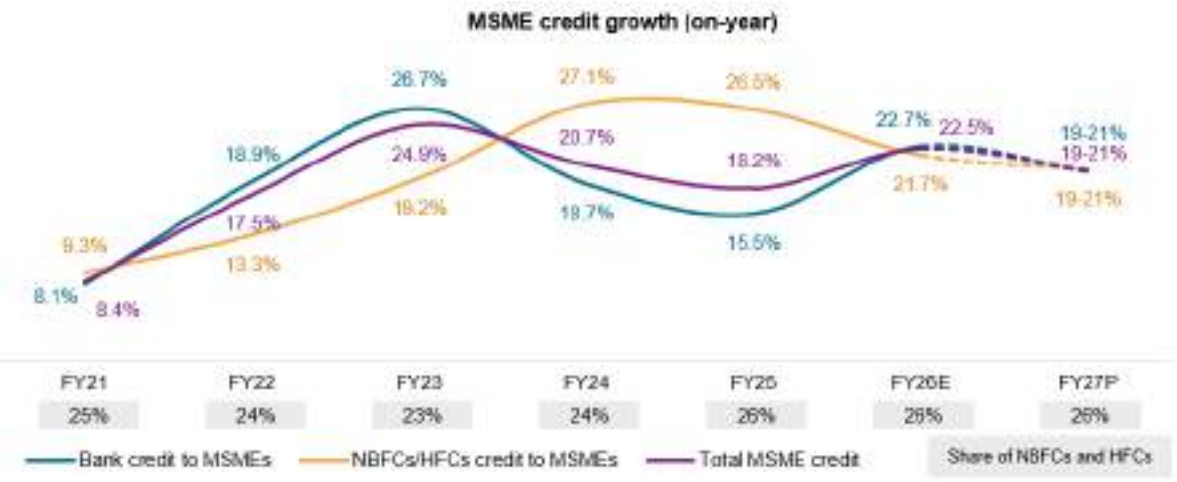
On January 2, 2026, the Ministry of Commerce and Industry operationalised two pivotal interventions under the Export Promotion Mission: i) *interest subvention* and ii) *collateral guarantee for export credit* to address critical barriers faced by MSME exporters, including high cost of credit and limited access to collateral-free finance

The scheme will provide interest subvention of 2.75% per annum, capped at Rs 5 million per MSME exporter per financial year

The scheme will also provide credit guarantee coverage of 85% for MSE exporters and 65% for medium enterprise exporters. The maximum credit guarantee has been capped at Rs 100 million

These initiatives aim to strengthen MSME export capabilities, promote market diversification and reinforce India's position in global value chains

Banks drive MSME credit growth in fiscal 2026



Notes:

1. E: Estimate, P: Projected

2. Credit deployment data published by the RBI has been revised and consequently, the comparable numbers for the previous fiscals have also been revised

Source: Company reports, Crisil Intelligence

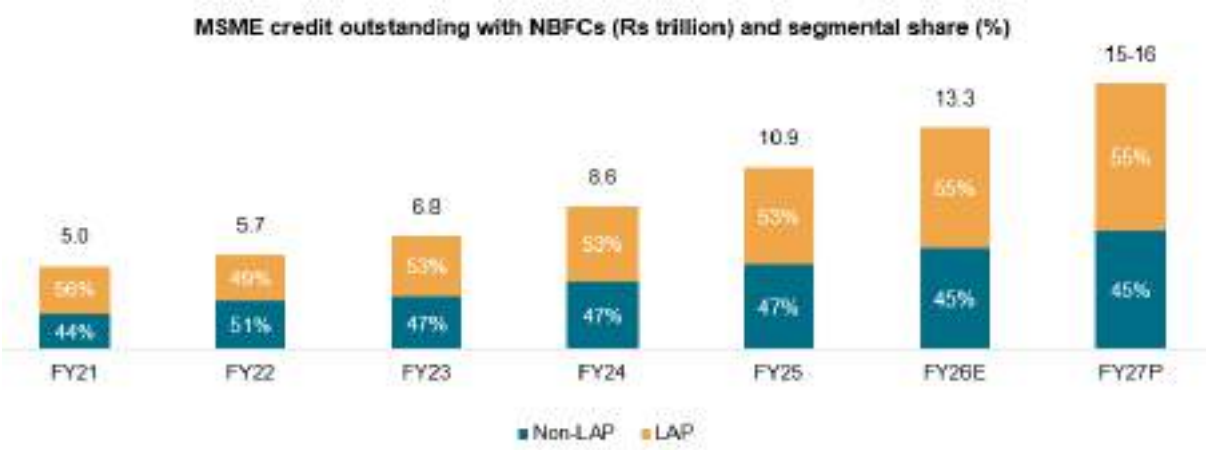
According to data from Udyam Udyog, ~75% of the registrations on the portal since its launch have been from MSMEs in the services sector. Manufacturing MSMEs account for only 25%. Furthermore, micro industries dominate registrations, accounting for a staggering 98.7% of the total registered entities. Small enterprises account for 1.1% of the registrations, while medium-sized enterprises make up a mere 0.1%.

According to the RBI's sectoral deployment data on banks, credit to manufacturing MSMEs grew 28.5% on-year in February 2026 (vs 12.2% in February 2025), while that to services-related MSMEs grew 22.3% on-year (vs 17.2%). However, the share of credit to manufacturing MSMEs stood at 41.7% (vs 40.9% in February 2025), compared with 58% (vs 59.1% in February 2025) for services sector MSMEs.

While banks largely focus on working capital and secured MSME loans, NBFCs cater to smaller-ticket-size loans in tier II and III cities and rural markets.

Crisil Intelligence projects MSME credit to grow 19-21% in fiscal 2027 across both banks and NBFCs. However, a prolonged conflict in West Asia poses a downside risk to this outlook.

NBFC's sharpen focus on secured loans amid overleveraging concerns in unsecured business loans



Note:

1. E: estimate, P: projected

2. Non-LAP segment includes secured and unsecured loans

Source: Company reports, Crisil Intelligence

Loan Against Property (LAP) are secured loans where borrowers pledge residential or commercial property as collateral. They typically cater to the financing needs of self-employed individuals and small businesses. LAPs can also be used for personal use as the purpose of the loan is not strictly regulated, because it offers the financier security in the form of real estate. LAPs are offered at a lower interest rate compared with a personal or corporate loan.

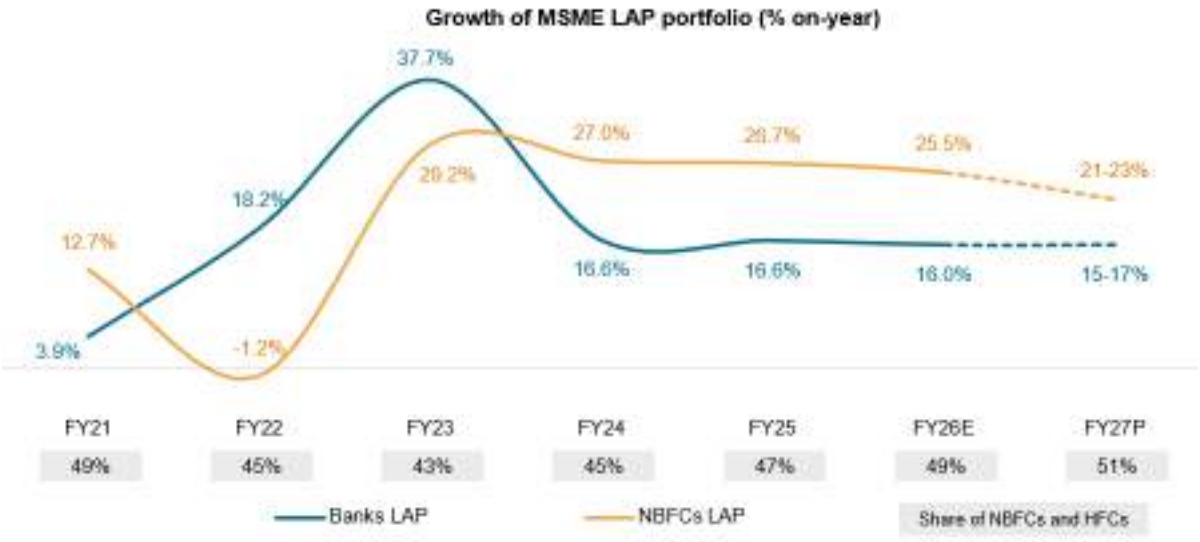
In fiscal 2025, LAPs dominated the MSME credit mix of NBFCs with a 53% share, as lenders focused on secured loans to support asset quality. Additionally, increasing focus of HFCs on the higher yielding LAP segment supported volumes. The share of the non-LAP portfolio stood at 47% as assessed income underwriting approach, especially due to the increasing digitisation of financial transactions, enabled credit access to MSMEs that were unable to provide collateral or documents (such as income tax data, invoices) because of their business model.

In fiscal 2026, the share of LAP in the MSME credit mix is estimated to have increased to 55%. During the first nine months of the fiscal, NBFCs slowed down exposure to unsecured business loans because of external trade headwinds and overleveraging concerns. As a result, many NBFCs tightened their underwriting models and cut down disbursements to unsecured business loans. Furthermore, due to weaker borrower cashflows, many customers who struggled to service their unsecured personal loans also saw weaker repayment capacity for secured loans. This led to spillover stress in the micro-LAP (loans below Rs 1 million) portfolio, as evident from rising early delinquencies.

In fiscal 2027, Crisil Intelligence estimates the share of the LAP portfolio to remain steady at 55%. NBFCs are likely to continue to focus on secured loans due to the asset quality risk in unsecured business loans. Nevertheless, lenders are expected to remain cautious on small-ticket LAPs. Additionally, in the low-interest rate regime, HFCs are growing their LAP books, given its higher yield relative to home loans. If the conflict in West Asia prolongs, it could force lenders to sharpen their focus on secured business loans.

LAP portfolio expected to grow steadily in fiscal 2027

NBFCs' LAP portfolio growth to continue outpacing that of banks



E: Estimated, P: Projected

Sources: Company reports, Crisil Intelligence

In fiscal 2026, the growth of LAP portfolio of banks is estimated to have remain rangebound at 16%, while that of NBFCs grew 25.5%, despite a slight moderation due to a cautious stance on micro-LAPs.

In fiscal 2025, banks saw a stable LAP growth of 16.6% as they focused on higher-yielding products to earn better lending margins. LAP loans for NBFCs grew 26.7% in fiscal 2025 as the lenders focused on secured lending to safeguard asset quality. Moreover, few HFCs focused on LAPs to earn a better yield compared to home loans, supporting growth in the LAP book.

Looking back, in fiscal 2023, the LAP market saw a rebound, with banks and NBFCs growing at 37.7% and 29.2%, respectively, the highest since the pandemic. However, growth slowed in fiscal 2024, with LAP portfolios of banks expanding 16.6% and NBFCs 27.0%. In fiscal 2023, banks took the lead owing to the perceived safety of collateral-backed loans. However, in fiscal 2024, non-banks, particularly HFCs, caught up with and even surpassed banks in LAP growth, driven by their focus on maintaining higher yields.

According to Crisil Intelligence, the LAP segment is expected to continue expansion in fiscal 2027, with banks clocking rangebound growth of 15-17% and NBFCs outpacing them at 21-23%. The growth will be driven by the increasing preference of banks and non-banks for secured lending to MSMEs due to asset quality pressure in the unsecured loan segment.

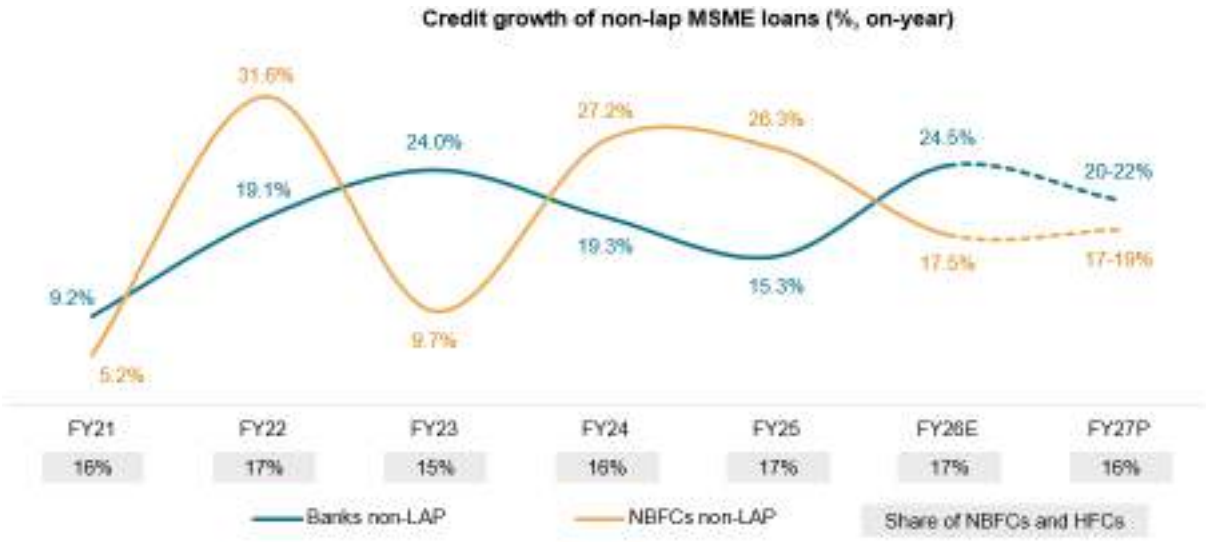
NBFCs to witness a slowdown in non-LAP growth due to asset quality stress

The non-LAP segment consists of loans with and without security. Working capital products such as cash credit, overdraft facilities and bill discounting, as well as other term loan products (asset-backed or hypothecated loans), are examples of non-LAP secured MSME loans. Hypothecated loans are term-based, where the collateral offered is a combination of real estate, asset, stock and so on.

Self-employed borrowers are provided unsecured MSME loans in the absence of a collateral. This type of lending is cash flow-based rather than collateral. Unsecured loans are reviewed based on factors such as scorecards, bureau checks, bank accounts, financial statements and returns from the goods and services tax (GST). When a small business reaches a bank’s cash credit and overdraft limits, it opts for an unsecured business loan to expand or sustain operations or get through a cash flow crisis. Many lenders offer such loans in addition to the secured loans.

Due to the non-availability of collateral, underwriting plays a key role in maintaining asset quality of unsecured business loans. Underwriting such loans requires expertise. The process involves deployment of new financial technology and leveraging the data on customers’ credit history. Competition in the secured loans market (especially retail) has compelled NBFCs and a few private banks to gain expertise in niche lending and build robust digital platforms to cash in on the fresh opportunities in the unsecured business loans space, while maximising profitability.

NBFCs slow down non-LAP MSME loans on rising stress in unsecured business loans; Banks to lead non-LAP MSME loans given their focus on working capital and term loans



Notes:

1. E: Estimate, P: Projected

2. The non-LAP segment includes secured and unsecured loans

Sources: Company reports, Crisil Intelligence

In fiscal 2026, banks are estimated to record a strong growth in non-LAP portfolio given their focus on working capital and term loans. However, for NBFCs, the growth rate is expected to have declined as they tightened their underwriting amid rising delinquencies and weaker borrower cash flows.

In fiscal 2025, the non-LAP segment slowed down as banks and NBFCs focused on secured lending by reducing exposure to unsecured MSMEs, particularly micro entities.

Previously in fiscal 2023, banks outperformed NBFCs in the non-LAP segment, achieving a robust growth rate of 24.0% driven by aggressive strategies, increased market presence, lower funding costs and sufficient liquidity. NBFCs, however, grew at a slower pace of 9.7%. In fiscal 2024, the trend reversed, with bank credit growth slowing to 19.3% due to the high base effect, while NBFCs witnessed significant acceleration in growth to 27.2%, with aggressive expansion in their market share.

Crisil Intelligence projects banks to record a strong non-LAP growth of 20-22%, while NBFCs are expected to witness a slight improvement at 17-19% in fiscal 2027.

Asset quality

Asset quality of MSME loans to deteriorate slightly due to stress in unsecured business loans and micro-LAP

Sources: Credit Bureau, Company reports, Crisil Intelligence

The asset quality of NBFC's MSME loans has been improving after peaking in fiscal 2022 on account of the pandemic.

In fiscal 2025, the gross non-performing asset (GNPA) ratio improved ~50 basis points (bps) to 4.6% primarily driven by improvement in asset quality of LAP loans. However, unsecured business loans recorded a rise in early delinquency.

In the first nine months of fiscal 2026, the asset quality of MSME loans weakened primarily due to rising delinquencies in the non-LAP loans and micro-LAP loans.

Crisil Intelligence expects GNPA ratio to remain elevated in fiscal 2027 at 4.5-5.5%. A prolonged conflict in West Asia can further impact the asset quality of the loans to MSMEs. The conflict has already led to supply chain disruptions and a surge in raw material costs. The impact is more pronounced in industries that rely on liquefied petroleum gas as well as export-oriented sectors like textiles, which are exposed to disruptions in supply chain.

Microfinance - Review and outlook

Last fiscal saw gradual stabilisation despite credit contraction, this fiscal set for return to positive growth

The performance of the microfinance industry will likely improve on-year in fiscal 2027, supported by a lower base, disciplined new book creation post implementation of guardrails, gradual normalisation in borrower leverage and improving portfolio quality.

The microfinance industry is expected to have logged ~10% degrowth in fiscal 2026. The decline was less sharp than ~13.5% in fiscal 2025 and some green shoots were visible.

Lender-wise trends diverged. Non-banking financial company-microfinance institutions (NBFC-MFIs) are estimated to have accounted for ~43% of the industry as of fiscal 2026 and have recorded a relatively moderate 3-5% contraction, reflecting gradual stabilisation after a prolonged stress cycle.

Banks are estimated to have accounted for ~26% of the industry, with a sharp estimated credit decline of ~28% in fiscal 2026. This was because banks consciously reduced microfinance exposure, shifted focus toward secured segments such as gold loans and other lower-risk retail products. Even key banks with relatively large MFI portfolios materially scaled back exposure.

Other players—primarily small finance banks (SFBs) and diversified NBFCs—remain key contributors within the balance industry mix and are estimated to have collectively increased their share in fiscal 2026 (estimated at 31% in fiscal 2026 vs 28% in fiscal 2025).

In fiscal 2027, NBFC-MFIs are expected to recover with 14-18% growth, supported by stronger disbursement momentum, lower borrower overleveraging, improving new book quality and gradual portfolio seasoning. Banks are likely to remain cautious, with growth projected at (-5%) to 0%, selectively re-entering the segment only after gaining greater confidence in asset quality and borrower leverage. Meanwhile, other players such as diversified NBFCs and SFBs are expected to grow 8-12%, supported by calibrated expansion and gradual improvement in sector conditions.

Overall, fiscal 2027 is expected to mark a return to positive industry growth of 5-10%, driven by prudent lending, better quality-led disbursements, lower stress and gradual normalisation across lender categories.

Accelerated write-offs, prudent lending and sharp portfolio pullback by banks led to another year of industry contraction in fiscal 2026

Type	Share (FY26E)	Outstanding book (Rs billion) FY26E	CAGR (FY21 - FY26E)	Growth FY26E	Growth outlook for FY27P
NBFC-MFIs	43%	1,430	12%	(-3%) to (-5%)	14-18%
Banks	26%	881	-5%	-28%	(-5%) to 0%
Others*	31%	1,043	10%	0%	8-12%
Total	**100.0%**	**3,354**	**5%**	**-10%**	**5-10%**

E: Estimated; P: Projected
Source: Microfinance Institutions Network (MFIN), Crisil Intelligence
**Others include SFBs, NBFCs and non-profit MFIs*

Credit outstanding estimated to have contracted in fiscal 2026 after implementation of guardrails

NBFC-MFI credit outstanding is estimated to have declined 3-5% in fiscal 2026 versus a significantly sharper decline of ~13.7% in fiscal 2025. While the sector remained under pressure, larger NBFC-MFIs showed visible signs of gradual stabilisation after a prolonged period of borrower stress and elevated overleveraging.

Effective April 2025, revised guardrails materially tightened underwriting standards. They restricted the number of active microfinance lenders per borrower to three (from four), capping aggregate borrower indebtedness at Rs 200,000 (including unsecured retail obligations), and tightening lending eligibility for overdue borrowers. These measures raised rejection rates, moderated fresh disbursements and accelerated a transition towards more cautious, quality-led lending.

As a result, the proportion of borrowers with exposure to more than three microfinance lenders among key NBFC-MFIs (accounting for ~43% of industry share as of December 2025) declined materially from ~16% as of June 2025 to ~6% as of December 2025. This indicated meaningful structural improvement in borrower-level overleveraging. While these measures weighed on near-term credit growth through higher rejection rates, moderated disbursements and cautious underwriting, they materially strengthened portfolio quality and created a healthier base.

Accordingly, while fiscal 2026 is estimated to remain a year of contraction, the improving borrower mix, disciplined new book creation and lower overleveraging visible towards the latter part of the fiscal are expected to support a stronger recovery trajectory in fiscal 2027. On the lower base of fiscal 2026, NBFC-MFI credit growth is projected at 14-18% in fiscal 2027, though expansion is likely to remain prudent and increasingly quality-led.

Fiscal 2026 contraction for NBFC-MFIs is expected to pave the way for a healthier recovery in fiscal 2027

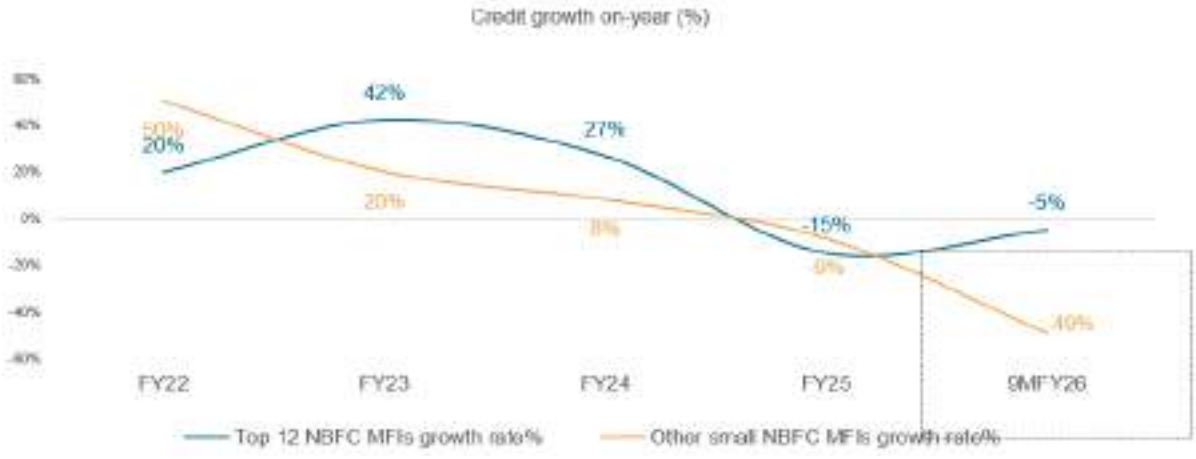
E: Estimated; P: Projected
Source: Microfinance Institutions Network (MFIN), Company reports, Crisil Intelligence

Even as the NBFC-MFI sector's share stabilised in fiscal 2026, a notable divergence emerged (seen as of December 2025 in the below chart) within segment among the larger and smaller players. The top 12 NBFC-MFIs, estimated to account for ~91% of NBFC-MFI industry share as on December 2025, demonstrated materially better resilience and earlier signs of recovery, aided by stronger funding access, better operational scale, diversified borrowing profiles and disciplined portfolio recalibration.

In contrast, smaller NBFC-MFIs, estimated to account for the remaining ~9% share, continued to face sharper stress due to weaker operating leverage, higher borrowing costs, geographic concentration and prolonged pressure on portfolio quality. As a result, the weaker performance of smaller players partially offset aggregate growth, making industry recovery appear more muted.

Broader recovery is expected in fiscal 2027 as smaller players also gradually stabilise, aided by improving borrower quality, disciplined new book seasoning and policy support such as the Credit Guarantee Scheme for Micro Finance Institutions 2.0 (CGSMFI-2.0).

Top 12 NBFC-MFIs recovered relatively faster by 9MFY26, while small players weighed on industry growth



Source: Microfinance Institutions Network (MFIN), Company reports, Crisil Intelligence

MFIN's guardrails led to slower portfolio growth in fiscal 2026, even as disbursements improved

Source: MFIN, Crisil Intelligence

In the first nine months of fiscal 2026, NBFC-MFI disbursements recorded muted ~0.2% on-year growth. While disbursement trends improved sequentially, elevated repayments, accelerated write-offs and selective liquidity deployment by key NBFC-MFIs constrained translation into portfolio growth. Several leading NBFC-MFIs indicated deployment remained deliberately prudent despite available liquidity, with stronger conversion into credit growth expected only from fiscal 2027.

Share of NBFC-MFIs is estimated to have been dominant in fiscal 2026 as banks continue to recalibrate exposure

Source: MFIN, Crisil Intelligence

With the microfinance sector portfolio recalibrating in fiscal 2026, shifts were visible not only in growth trends but also in lender mix and competitive positioning. The share of NBFC-MFIs is estimated to have increased to ~43% in fiscal 2026 from ~31% in fiscal 2021, reflecting their relatively stronger operational focus, dedicated business model and ability to sustain presence despite sector-wide stress.

In contrast, the share of banks, which historically dominated with ~44% in fiscal 2021, is estimated to have reduced materially to ~26% in fiscal 2026. The shrinking was on the back of banks consciously scaling back their microfinance exposure—including key banks with meaningful MFI portfolios—and redirecting focus towards secured and lower-risk retail segments.

SFBs retained a relatively stable share over the period, while diversified NBFCs gradually expanded participation as they continued to widen their portfolios, scale operations and selectively increase exposure. Overall, fiscal 2026 highlighted an increasing consolidation in favour of specialised and scaled players, with NBFC-MFIs estimated to remain dominant and likely to gradually strengthen share further in fiscal 2027 as sector recovery improves.

Despite elevated sector stress, average ticket sizes continued to rise, indicating lenders increasingly prioritised stronger repeat borrowers over broad-based borrower acquisition

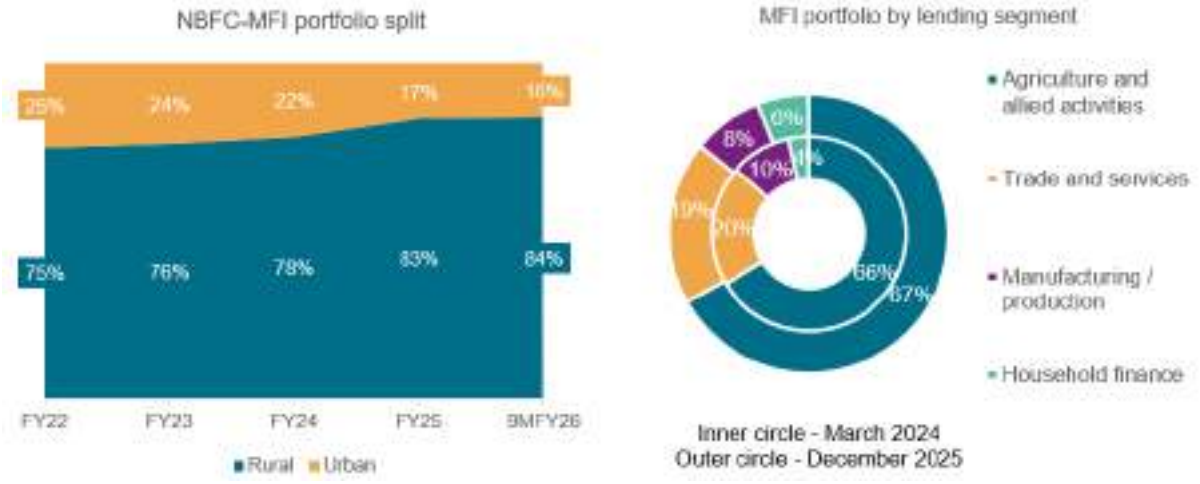
ATS (Rs)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
NBFC-MFI	45,586	46,761	46,969	49,933	51,679	51,488	53,892	55,954	57,576
NBFCs	50,501	55,055	59,101	58,097	57,805	60,037	66,433	68,599	71,666
Banks (JLG)	47,973	48,108	48,457	49,210	53,728	55,116	54,863	65,687	58,169
SFBs	49,008	50,116	49,962	50,819	54,019	54,139	54,139	60,779	63,137

Source: MFIN, Crisil Intelligence

Average ticket sizes (ATS) across lender categories continued to increase in fiscal 2026 despite elevated stress, suggesting lenders increasingly focused on larger-ticket lending to stronger existing borrowers with better repayment track records rather than expanding aggressively through new customer acquisition.

At the same time, unique borrower counts declined. As of December 2025, the unique borrower count for the microfinance industry stood at ~66 million versus ~79 million in the prior year period. The NBFC-MFI borrower count declined to ~32 million from ~38 million. This suggests lenders actively pivoted from aggressive customer addition in favour of stricter borrower selection, stronger repayment profiles and preservation of portfolio quality.

Rural share of NBFC-MFI portfolios continued to deepen as lenders expanded further into underpenetrated geographies amid sustained grassroots credit demand



Source: MFIN, company reports, Crisil Intelligence

The rural share of the NBFC-MFI book has been expanding gradually, reflecting continued rural penetration by microfinance players amid relatively lower formal banking access in these markets.

This increasing rural orientation suggests even as lenders became more selective, structural demand for microfinance remained robust in underbanked geographies. Segmentally, agriculture and allied activities continued to account for the dominant share of the portfolio mix, reinforcing the sector's linkage to livelihood-led and grassroots economic activity.

Asset quality

Microfinance asset quality shows early signs of stabilisation, supported by improving early-stage delinquencies and accelerated write-offs, though legacy stress continues to weigh on overall GNPA

Delinquencies in early days past due (DPD) buckets show sign of improvement for NBFC-MFIs

Source: MFIN, Crisil Intelligence

As of December 2025, the portfolio at risk (PAR) 90+ for NBFC-MFIs stood at 5.6%, up 20 basis points from 5.4% as of March 2025 while remaining unchanged from September 2025. In contrast, PAR 30+ declined to 7.0% from 8.4% in March 2025 and 7.6% in September 2025, indicating moderation in early-stage delinquencies. This improvement reflects better collection efficiency, tighter borrower engagement and stronger control over forward flows among key NBFC-MFIs.

Improvement in 90-180 buckets signals better flow control, while legacy 180+ stress remains elevated

Age-wise delinquency trends indicate the 90–180 bucket improved materially to 1.7% as of December 2025 from 3.1% in March 2025, suggesting fewer accounts progressing into deeper delinquency stages. However, overall gross non-performing asset (GNPA) remained elevated due to the continued overhang of the legacy 180+ DPD pool. While this older stress bucket remained high during the first nine months of fiscal 2026, it is estimated to reduce gradually with sustained recovery and portfolio clean-up measures.

Accelerated write-offs and disciplined new books are estimated to have driven GNPA moderation in fiscal 2026

E: Estimated; P: Projected
Source: MFIN, Crisil Intelligence

Overall GNPA for fiscal 2026 is estimated to decline to 4.7%, supported by strategic write-offs, stricter underwriting and improving portfolio quality in incremental disbursements. A more disciplined new book is increasingly contributing a larger share to the portfolio, while controlled forward flows are limiting fresh slippages into severe delinquency categories. Although legacy stress continues to keep GNPA elevated, these measures are estimated to support gradual moderation through fiscal 2026**.**

Asset quality is projected to improve further in fiscal 2027, though regulatory and macro monitorables remain important

GNPA is projected to improve to 3.5 – 4.5% in fiscal 2027, supported by continued write-offs, stronger underwriting discipline, healthier borrower selection and normalisation in forward flows. However, despite the expected improvement, sector asset quality is likely to remain above historical pre-stress levels, with certain regulatory and macro factors remaining monitorable.

One key monitorable is the Bihar Micro Finance Institutions (Regulation of Money Lending and Prevention of Coercive Actions) Bill, 2026, passed on February 26, 2026. The bill seeks to address coercive recovery practices and borrower overleveraging through measures such as state registration requirements and a two-lender cap per borrower. Given Bihar accounts for ~15% of the NBFC-MFI assets under management (AUM), the regulation may support stronger long-term credit discipline. However, in the near term, implementation could lead to moderation in disbursement momentum, higher compliance requirements and some disruption in borrower repayment behavior during the transition. Regulatory tightening may also influence collection efficiencies and PAR 30+ trends in the interim.

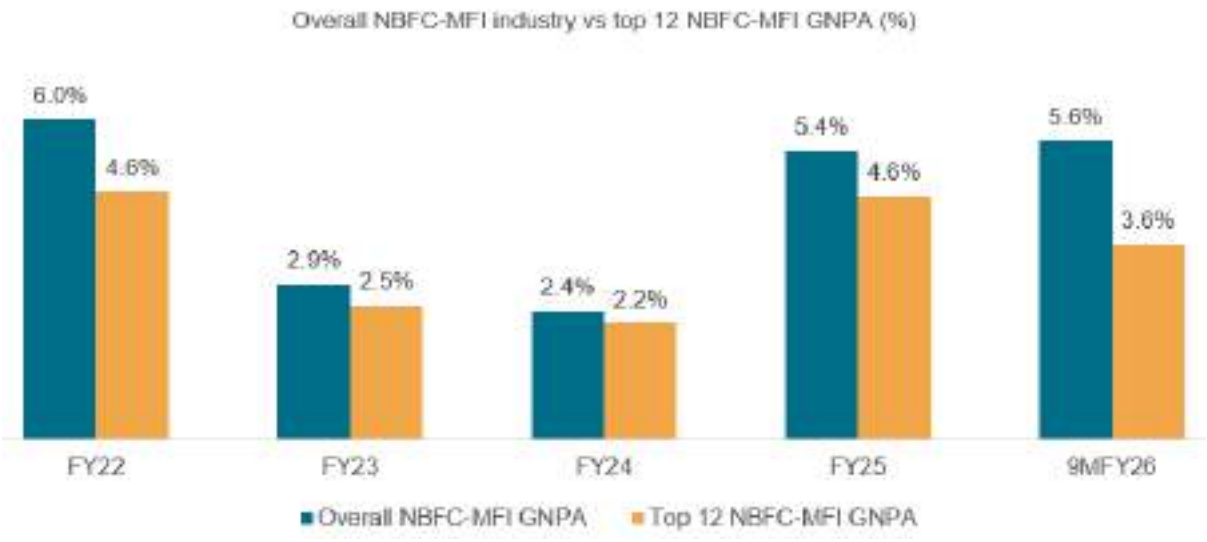
Additionally, the expected El Niño conditions in fiscal 2027 remain an important monitorable, as weaker monsoons or delayed rainfall could affect rural incomes, borrower cash flows and repayment buffers in certain geographies. Accordingly, while fiscal 2027 GNPA is estimated to be lower than fiscal 2026, these factors remain relevant from an asset quality monitoring perspective.

Divergence between larger and smaller NBFC-MFIs is becoming more pronounced

A notable sector trend is the relatively stronger performance of larger NBFC-MFIs versus smaller peers. The top 12 NBFC-MFIs have shown better GNPA improvement through stronger recovery frameworks, tighter credit filters and better operational discipline.

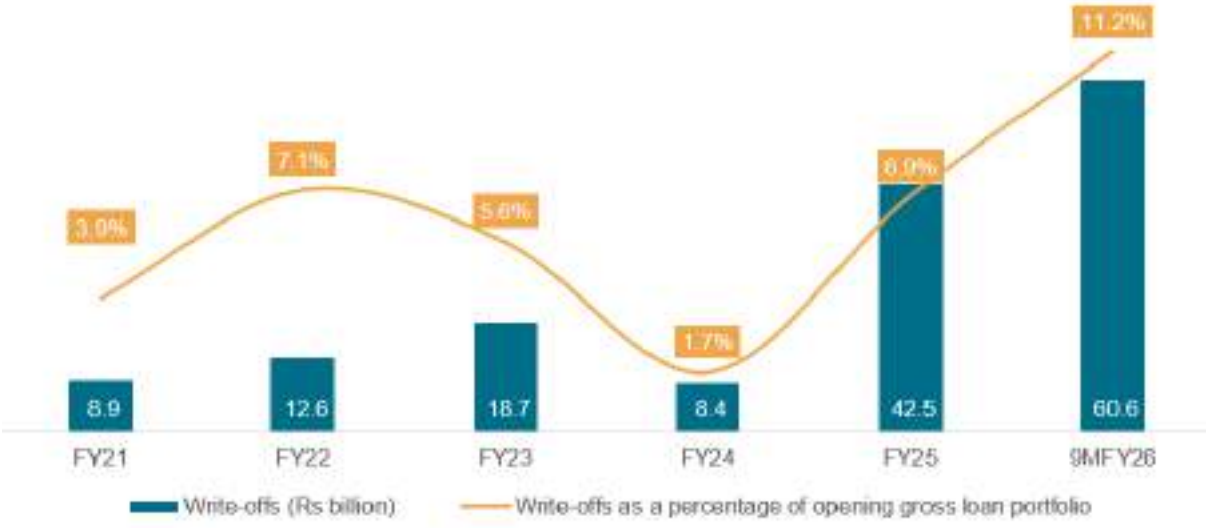
Smaller and mid-sized NBFC-MFIs continue to face pressure from borrower overleveraging, regional disruptions and comparatively weaker collection infrastructure, causing them to weigh on sector averages. Additionally, increasing funding selectivity by banks is making liquidity access more difficult and costly, which may further widen this performance gap.

GNPAs of the top 12 NBFC-MFIs lower than the industry's



Source: MFIN, Company reports, Crisil Intelligence

Strategic write-offs accelerated sharply in fiscal 2026 as NBFC-MFIs prioritised legacy portfolio clean-up

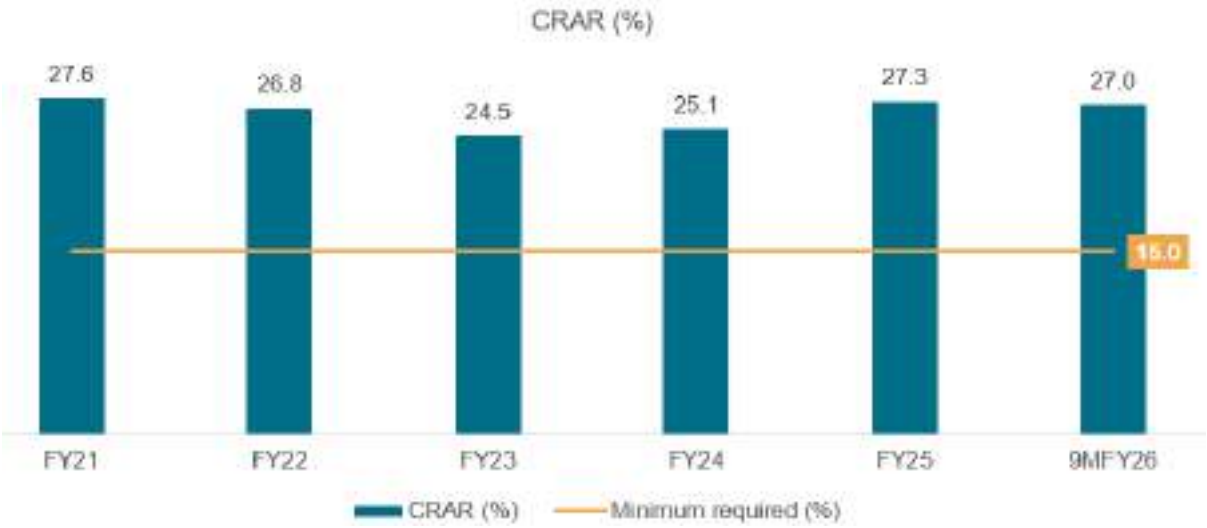


Note: Write-offs represent aggregate write-offs of CreditAccess Grameen, Fusion Finance, Muthoot Microfin and Spandana Sphoorty.
Source: Company reports, Crisil Intelligence

NBFC-MFIs significantly increased write-offs in fiscal 2026 to accelerate the reduction of legacy stressed assets, in line with the broader improvement visible in early-stage delinquency trends. Write-offs as a percentage of opening gross advances rose to ~11% in the first nine months of fiscal 2026, from 3.7% in the same period of fiscal 2025 and 6.9% for full-year fiscal 2025.

Aggregate write-offs in the first nine months of fiscal 2026 were already ~1.4x full-year fiscal 2025, reflecting a sharper focus on recognising and cleaning up older stress pools, while supporting a gradual reduction in the legacy GNPA overhang in the full-year fiscal 2026 (estimated).

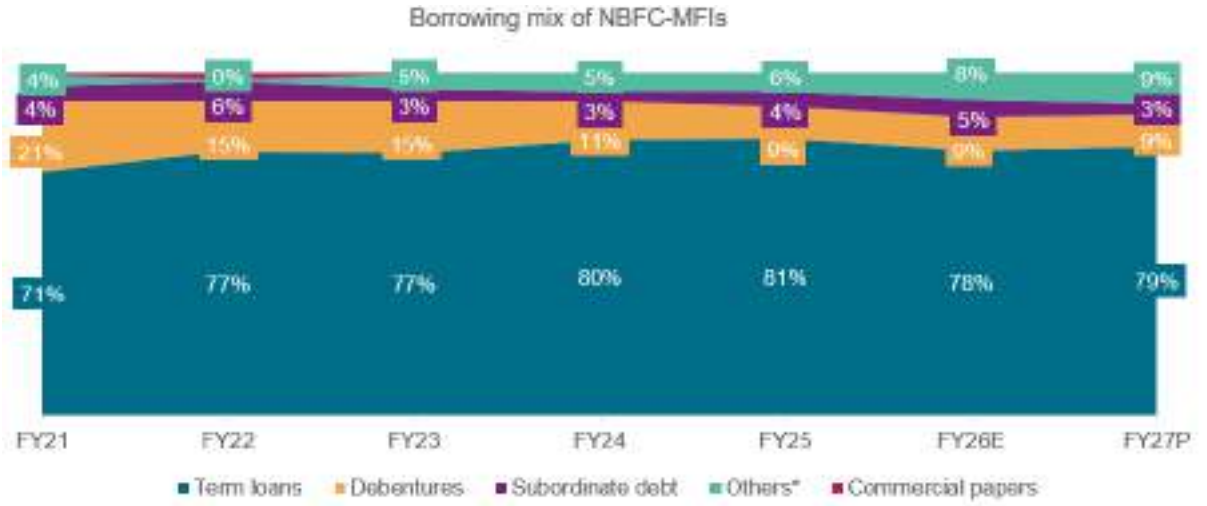
Capital buffers provide a cushion against rising delinquencies in loan portfolios



Note: Entities considered for CRAR analysis are CreditAccess Grameen, Muthoot Microfin, Annapurna Finance, Fusion Finance, Spandana Sphoorty, Chaitanya India Fin Credit, Satin Creditcare, IIFL Samasta, Belstar Microfinance, Asirvad Microfinance, Arohan Financial, Svatantra Microfin
Source: Company reports, Crisil Intelligence

Borrowing mix

Bank borrowing to increase slightly in fiscal 2027; ECB share to rise, while debenture issuances may remain rangebound



E: Estimated; P: Projected
** Primarily includes external commercial borrowings (ECBs) and securitisation*
Source: MFIN, Crisil Intelligence

Bank borrowings remained the largest funding source for NBFC-MFIs, though their share is estimated to have declined to ~78% in fiscal 2026 from 81% in fiscal 2025, amid tighter lender selectivity and increased focus on funding diversification. In the first nine months of fiscal 2026, bank borrowing stood at ~76%. However, lending momentum is estimated to have improved in the fourth quarter as asset quality trends showed early signs of stabilisation, supporting lender confidence, particularly toward larger and better-rated NBFC-MFIs.

In fiscal 2027, the share of bank borrowing is estimated to increase slightly to 79% as improving book quality, lender confidence and credit guarantee-related support aid incremental bank funding. However, lending is still expected to remain relatively selective, especially for smaller and mid-sized NBFC-MFIs.

The share of debentures may remain stable as funding diversification continues, though market yields remain monitorable

Non-convertible debentures (NCDs) are estimated to remain stable at ~9% in fiscal 2026. During the first nine months of fiscal 2026, NCD issuances grew as lenders sought diversification and softer bond yields in the first half supported issuances. However, the fourth quarter saw relatively lower issuances as bond yields due to geopolitical uncertainty.

In fiscal 2027, the share of NCDs is estimated to remain broadly stable at ~9% as NBFC-MFIs diversify their sources of borrowing. However, higher yields may limit material expansion in share. Larger and higher-rated NBFC-MFIs are likely to remain relatively better placed to access this market at comparatively favourable rates.

ECB share could increase as larger NBFC-MFIs diversify funding access; securitisation also expected to strengthen

The "others" category is estimated at ~8% in fiscal 2026 compared with 6% in fiscal 2025, reflecting increasing contribution from ECBs and securitisation. ECBs have increasingly emerged as an important alternate funding source, particularly for larger NBFC-MFIs with stronger credit profiles and scale advantages. Regulatory support is also expected to strengthen this avenue, with the ECB limit for eligible MFIs increased to $1 billion from $750 million, expanding overseas borrowing flexibility for qualifying players.

Accordingly, the share of ECB is estimated to increase in fiscal 2027 as larger NBFC-MFIs diversify funding sources and optimise borrowing costs through overseas markets where feasible.

Securitisation volumes in microfinance are estimated at ~12% of total securitisation in fiscal 2026 as against 11% in fiscal 2025, reflecting improving sector performance following revised guardrail implementation. As a result, the "others" category is projected to increase to ~9% in fiscal 2027.

Trend analysis of NCD, CP issuances and ECBs

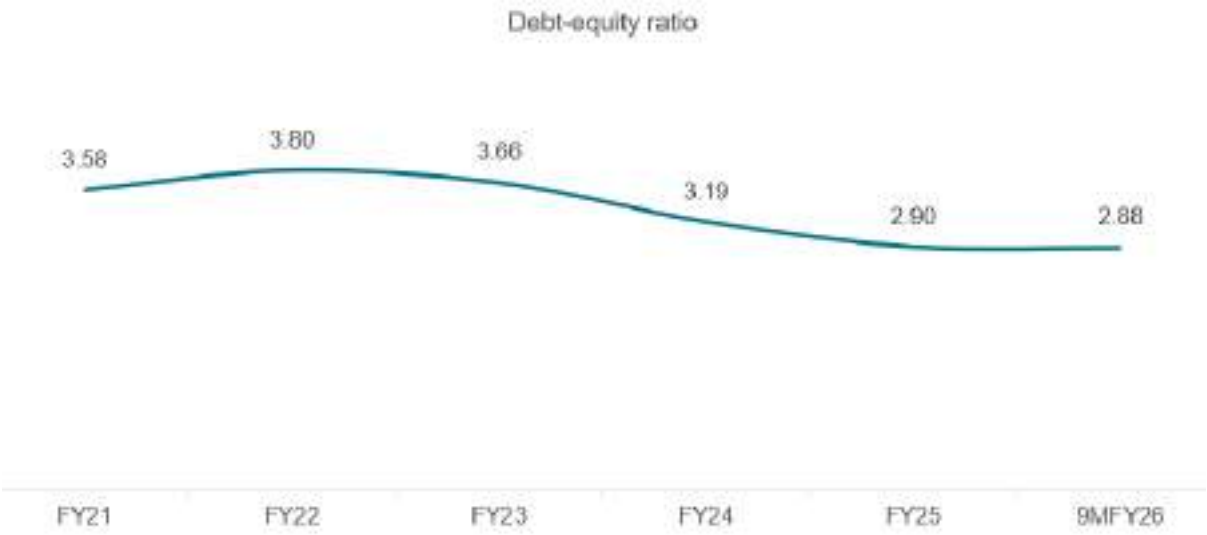
Source: RBI, F'track, Prime Database, Crisil Intelligence

Note 1: For the above analysis of NCD issuances. The entities considered are Annapurna Finance, Arohan Financial, Asirvad Microfinance, Belstar Microfinance, Chaitanya India Fin Credit, CreditAccess Grameen, Fusion Finance, IIFL Samasta, Muthoot Microfin, Satin Creditcare, Spandana Sphoorty, Svatantra Microfin

2. For analysis of CP issuances, entities covered are Asirvad Microfinance, Chaitanya India Fin Credit, CreditAccess Grameen, IIFL Samasta, Muthoot Microfin, Satin Creditcare, Spandana Sphoorty

3. For the analysis of ECBs, entities covered are Annapurna Finance, Arohan Financial, Asirvad Microfinance, CreditAccess Grameen, Fusion Finance, Muthoot Microfin, Satin Creditcare, Spandana Sphoorty, Svatantra Microfin.

Debt-equity ratio of NBFC-MFIs came down in line with portfolio contraction



Note: Entities considered for debt-equity analysis are CreditAccess Grameen, Muthoot Microfin, Annapurna, Fusion, Spandana Sphoorty, Satin Creditcare, Belstar Microfinance, Arohan Financial, Svatantra Microfin.

Source: Company reports, Crisil Intelligence

Rating analysis of key NBFC-MFIs

Microfinance segment sees multiple downgrades due to stress

Entity	Credit rating (As of March-26)
Annapurna Finance	Crisil A-
Arohan Financial	ICRA A
Asirvad Microfinance	Crisil AA-
Belstar Microfinance	Crisil AA
Credit Access Grameen	Crisil AA-
Fusion Finance	Crisil A-
IIFL Samasta	Crisil AA-
Muthoot Microfin	Crisil A+
Repco Micro Finance	ICRA A-
Satin Creditcare	ICRA A
Spandana Sphoorty	ICRA BBB+
Svatantra Microfin	Crisil AA

Note: As of March 2026

Source: Rating agencies, Crisil Intelligence

Profitability

Transmission of rate cuts to lending yields remain muted; credit costs moderate but stay elevated, while return on assets (RoA) seen subdued in fiscal 2026

Yields in the segment have historically remained high because of higher-risk borrower segments, including small businesses, household manufacturing units, farmers and daily wage workers, whose repayment ability is more vulnerable to business and income disruptions. Accordingly, lenders are factoring this risk into pricing, with larger players typically disbursing loans at 18-23%.

In fiscal 2026, lending yields are estimated to have been marginally lower than fiscal 2025. While rate cuts during the year were supportive, transmission was limited as the segment is serving relatively riskier borrower pools. Yields also declined slightly because of higher reversals of interest income, as elevated bad loans and overdue accounts led to greater income reversals on stressed portfolios.

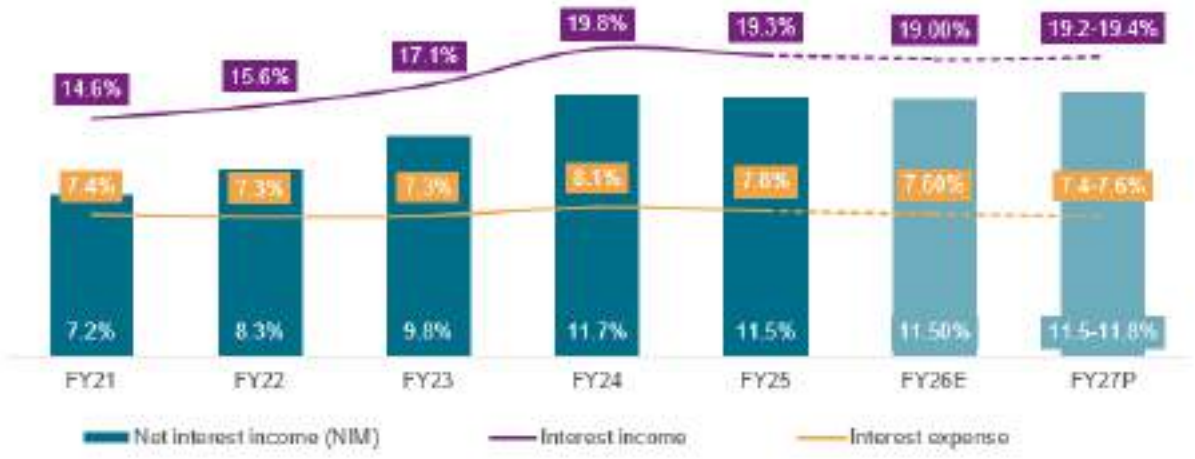
As a result, interest income as a percentage of average assets for fiscal 2026 is estimated at ~19.0%, slightly lower than 19.3% in fiscal 2025. In fiscal 2027, interest income is estimated to improve to 19.2-19.4%, supported by healthier credit demand, stronger portfolio quality in the new book and relatively lower interest reversals.

Cost of funds in fiscal 2026 is estimated to have declined marginally despite the cumulative 125-bps repo rate cuts from February 2025 to December 2025, with benefits varying across players. Larger NBFC-MFIs, supported by stronger ratings, scale advantages and diversified borrowing access, were relatively better placed to secure bank funding and alternative sources at more favourable rates. However, for smaller and mid-sized NBFC-MFIs, the cost of funds was elevated as banks and lenders remained selective, often extending funding at higher rates.

Interest expense, as a percentage of average assets, is estimated to have declined marginally to ~7.5% in fiscal 2026. In fiscal 2027, this is expected to be at 7.4-7.6% as gradual transmission from the repo rate cuts, improving lender confidence, potential normalisation in bank lending and alternative funding avenues such as ECBs and securitisation support funding diversification.

As a result, net interest margin (NIM) is estimated to remain broadly at ~11.5% in fiscal 2026, with a slight improvement to 11.5-11.8% projected for fiscal 2027.

NIMs likely to remain rangebound in fiscal 2026 and increase marginally in fiscal 2027, supported by higher yields and slightly lower cost of funds



E: Estimated P: Projected
Note: Computation of the ratios is on average total assets
Source: Company reports, Crisil Intelligence

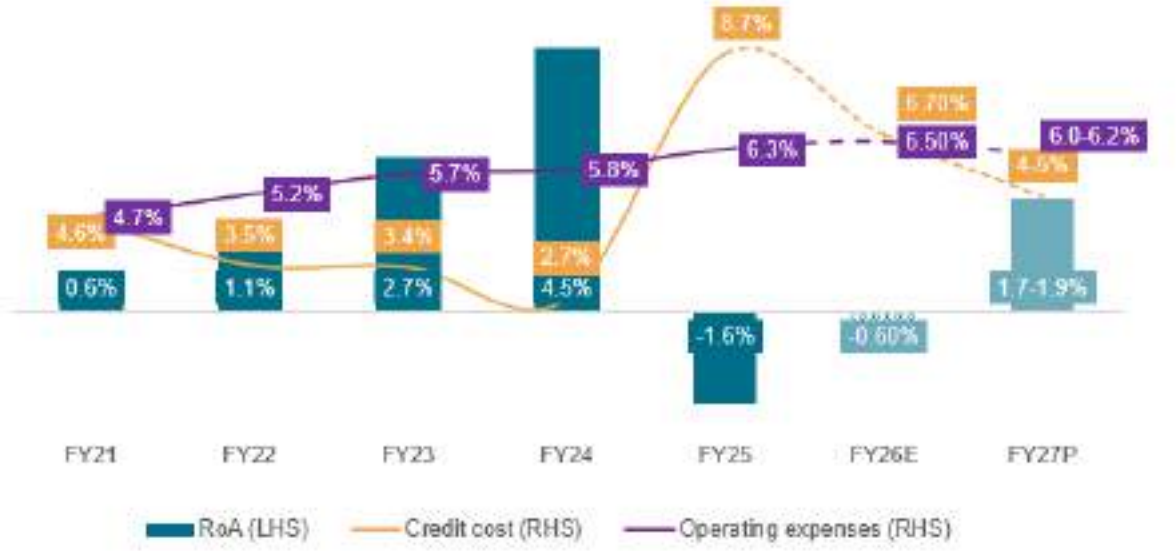
Credit cost as a percentage of average total assets is estimated at ~6.7% in fiscal 2026, lower than 8.7% in fiscal 2025 but still elevated because of higher write-offs and continued legacy stress recognition, despite improving asset quality. With gradual improvement in asset quality, credit cost is expected to moderate further to 4-5% in fiscal 2027.

Operating expenses are estimated to remain elevated at ~6.5% in fiscal 2026 due to higher field intensity, collection efforts, incremental hiring and elevated attrition. In fiscal 2027, operating expenditure (opex) is expected to

normalise to 6.0-6.2% of average assets, supported by staff rationalisation, productivity gains and better branch utilisation.

RoA is estimated at -0.6% in fiscal 2026. Profitability is expected to improve in fiscal 2027, supported by slight margin expansion, moderation in credit costs and gradual opex normalisation, with RoA projected at 1.7-1.9%. However, this remains below pre-stress RoA levels, indicating that profitability recovery is expected to remain gradual.

Credit costs have moderated but remain elevated, implying muted RoA for fiscal 2026



E: Estimated; P: projected
Note: Computation of the above ratios is on average total assets
Source: Company reports, Crisil Intelligence

Microfinance – Industry overview

Key moves that are shaping the industry

Revised regulatory regime ensures level playing field and benefits NBFC-MFIs

In its master directions on microfinance loans released in March 2022, the RBI has done away with the interest rate cap on loans given by NBFC-MFIs. Entities providing microfinance loans will have to put in place a Board-approved policy for the pricing of loans. The policy should include the interest rate model, the range of spread of each component for various categories of borrowers, and the interest rate ceiling and all other charges on MFI loans.

With microfinance loans provided by NBFC-MFIs and banks/SFBs now subject to the same rules, the RBI has ensured a level playing field for NBFC-MFIs, banks and SFBs.

The increase in annual household income cap for microfinance borrowers to Rs 300,000 in both urban and rural areas, removal of the two-lender norm for lending by NBFC-MFIs and providing NBFC-MFIs greater flexibility to offer non-MFI loans (MFI loans should account for 60% of the total assets for NBFC-MFIs as per notification dated June 6, 2025 and subsequently consolidated in November 2025) will increase market opportunities and enable NBFC-MFIs to achieve a more balanced portfolio.

Following the RBI's revised regulations for MFI loans effective October 1, 2022, some MFIs have increased interest rates for borrowers by 150-200 bps, especially for customers with untested credit behaviour.

The key changes in the regulatory framework and their potential impact on NBFC-MFIs are:

Area of regulation	Earlier regulations		New regulations (effective April 1, 2022)
	For NBFC-MFIs	For banks and SFBs	For all regulated entities*
Loan pricing	Margin cap at 10% for large MFIs (loan portfolios >Rs 1 billion) 12% for small MFIs (loan portfolios <Rs 1 billion)	No restrictions for banks and SFBs	No pricing cap. Underwriting of loans to be done on risk-based analysis, and a risk premium to be charged based on the borrower. A Board-approved policy for pricing of loans to be put in place. The policy should include the interest rate model, the spread of each component for various categories of borrowers, and the interest rate ceiling and all other charges on MFI loans. Regulated entities to exercise regulatory freedom responsibly and ensure fair, reasonable and transparent pricing, especially for small value loans. The Board will review interest rates to pass on efficiency gains to clients and restrict deductions from loan amounts to only processing fees and credit life insurance.
Processing fees	Not more than 1% of the gross loan amount		
Qualifying criteria	85% loans unsecured	Must meet the target set for priority sector loans	The minimum requirement of microfinance loans has been revised to 60% (as per June 6, 2025, notification) of an NBFC-MFI's total assets. The maximum limit on microfinance loans for NBFCs, other than NBFC-MFIs, has been revised to 25% of the total assets from 10%.
Household income	Rural areas: Rs 125,000 per annum Urban areas: Rs 200,000 per annum	No restrictions for banks and SFBs	Annual household income: Up to Rs 300,000 for urban as well as rural areas. (higher than the amount stated in the consultation paper issued in June 2021 – up to Rs 125,000 for rural areas and Rs 200,000 for urban and semi-urban areas) Board-approved policy for the assessment of household income.
Ticket size of loans	Rs 75,000 in the first cycle and Rs 125,000 in the subsequent cycles		
Tenure of loans	Not less than 24 months for loan amount in excess of Rs 30,000		

Lending to the same borrower	Not more than two lenders allowed per borrower	More than two banks can lend to the same borrower	Limit on maximum loan repayment obligation of a household towards all loans: 50% of monthly household income. This requirement is mandated by RBI regulations**,** Members of MFIN on August 1, 2024, also agreed to the following guardrails: • Restrict the number of microfinance lenders to a borrower to a maximum 4. • Limit the total microfinance indebtedness to Rs 200,000. With nearly 80% of the loans having a tenure of 1.5 years (18 months) or more. Additionally, MFIN introduced another set of guardrails from April 2025: • Restricting number of microfinance lenders to a microfinance client to 3 instead of 4 • Capping total indebtedness of a microfinance client, including unsecured retail loans to Rs 200,000 • No lending to a delinquent client who is overdue for over 60 days with an outstanding amount exceeding Rs 3,000
Overall borrower indebtedness	Should not exceed Rs 125,000	No restrictions for banks and SFBs	

**Regulated entities include all commercial banks (including SFBs, local area banks and regional rural banks), excluding payments banks; all primary (urban) co-operative banks, state cooperative banks and district central cooperative banks, and all NBFCs (including MFIs and housing finance companies)*
Source: RBI, Crisil Intelligence

MFIN guardrails to protect borrowers from over-leveraging

India's self-regulatory microfinance association, MFIN, has been collaborating with members to ensure that flexibility is utilised in a responsible and efficient manner, ultimately benefiting borrowers. To achieve this, the MFIN has taken proactive measures, including streamlining guidelines to reduce interest rates and implementing safeguards to prevent borrowers from over-leveraging and defaulting on repayments.

Two key initiatives have been introduced to promote responsible lending practices:

i. Capping the number of microfinance lenders a borrower can access to four to prevent over-indebtedness
ii. Limiting microfinance indebtedness to Rs 200,000, which, given that nearly 80% of loans have a tenure of 1.5 years or more, effectively reduces repayment obligations to well below the regulatory limit

Further, the RBI has mandated accurate estimation of borrowers' monthly repayment obligations through credit bureau reports, which must be capped at 50% of the monthly household income. However, estimation of this will depend on the availability of information in credit bureau reports, as submission of the monthly obligation details by lenders is not mandatory. Monthly obligation details will also not be available in case of bullet repayment structure loans, such as gold loans and Kisan Credit Cards, thereby creating a challenge in calculating income estimates.

Considering rising stress and continuing its vigilant monitoring, the MFIN introduced new norms on November 25, 2024, which has been implemented from April 1, 2025:

- Restricting the number of microfinance lenders to a microfinance client to three instead of four
- Capping the total indebtedness of a microfinance client, including unsecured retail loans to Rs 200,000
- No lending to a delinquent client who is overdue for over 60 days with an outstanding amount exceeding Rs 3,000
- Board members closely monitoring interest rates. Further, not to deduct charges from the sanctioned amount, other than processing fees and credit life insurance
- Also, in order to strengthen KYC process, the sector has set an ambitious and aspirational target to seed PAN for 50% of borrower accounts by March 2025

Regulatory actions against NBFC-MFIs by the RBI

In its monetary policy statement on June 7, 2024, the RBI cautioned regulated entities to exercise their regulatory freedom responsibly, emphasising the need to maintain fair and transparent pricing of small-value loans.

The central bank warned that any instance of unfair or usurious practice in microfinance lending would prompt a re-examination of the revised regulatory framework for microfinance loans, which was introduced in March 2022.

In line with this warning, the RBI has taken swift action against entities found to be violating these principles, as was the case with its recent enforcement action against two MFIs.

The RBI recently issued a cease-and-desist order against Asirvad Micro Finance and Arohan Financial Services owing to material supervisory concerns, effective from the close of business on October 21, 2024, which was subsequently lifted in January 2025. The concerns related to:

- The pricing policies of the NBFC-MFIs not in compliance with the Fair Practices Code
- Failure to adhere to regulatory guidelines on assessing household income and considering existing and proposed monthly repayment obligations when disbursing microfinance loans

Credit Guarantee Scheme for Microfinance Institutions – 2.0 (CGSMFI-2.0)

The Government of India introduced the Credit Guarantee Scheme for Microfinance Institutions-2.0 (CGSMFI-2.0) on March 20, 2026. The scheme was launched against the backdrop of acute funding stress in the microfinance sector, where a sustained deterioration in asset quality had led to a significant pullback in bank lending to MFIs - disproportionately impacting smaller entities with limited access to alternative funding channels.

Objective & Nodal Agency

The scheme provides guarantee cover to banks and eligible financial institutions (Member Lending Institutions or MLIs) through the National Credit Guarantee Trustee Company Limited (NCGTC) - a wholly owned entity under the Department of Financial Services (DFS), Ministry of Finance - against expected losses on financial assistance extended to NBFC-MFIs and MFIs for on-lending to small borrowers.

Eligibility & Scope

Eligible borrowers are existing or new small borrowers falling within the RBI's regulatory definition of microfinance. The scheme covers all loans sanctioned by MLIs to NBFC-MFIs/MFIs from March 20, 2026, up to June 30, 2026, or until guarantees aggregating Rs 20,000 crore are issued - whichever is earlier. Coverage is restricted to incremental lending only, ensuring funds support fresh credit creation rather than refinancing of existing exposure.

Tiered Guarantee Structure

MFIs are classified into small, medium, and large based on AUM, with guaranteed coverage calibrated as follows:

- 80% of the amount in default for small MFIs
- 75% for medium, and
- 70% for large NBFC-MFIs/MFIs.

This tiering explicitly favours smaller players, reflecting the sector's skewed stress distribution.

MLIs are additionally mandated to allocate at least 5% of total sanctioned amounts to small MFIs and 10% to medium MFIs, to ensure balanced credit distribution across the sector.

Key Scheme Parameters

- Guarantee fee is set at 0.50% p.a. on the sanctioned amount in year one, and on the outstanding amount thereafter. Loan tenure under the scheme is capped at three years, inclusive of a one-year moratorium, with disbursement to be completed within three months of sanction.
- Interest rates on MLI loans to NBFC-MFIs/MFIs are capped at EBLR or 1-year MCLR + 2% p.a.
- On on-lending to end borrowers, lenders must price at least 1% below their average lending rate of the preceding six months - a built-in borrower protection measure.

The scheme will facilitate increased credit flow to the MFI sector. It is estimated that the scheme will facilitate on-lending by NBFC-MFIs/ MFIs to approximately 36 lakh small borrowers.

Bihar Micro Finance Institutions (Regulation of Money Lending and Prevention of Coercive Actions) Bill, 2026

The Bihar Assembly passed this bill on February 27, 2026. Its primary objectives are to protect borrowers from exploitation, prohibit coercive recovery practices, and ensure transparent lending operations.

Applicability and Scope

The law applies to all individuals and entities engaged in the business of advancing micro or small loans within Bihar, including digital lending platforms, irrespective of their place of registration. It defines "Micro Loan" as a loan given to a household with an annual income of up to Rs 300,000, or such limit as the Bihar Government may fix by notification.

Section 2(2) exempts Scheduled Commercial Banks, Regional Rural Banks, and RBI-registered NBFCs. However, Section 2(3) makes the provisions on prohibition of coercive recovery practices applicable to these exempted entities as well, when they operate in Bihar.

Registration

No entity can grant or recover loans without obtaining a Certificate of Registration from a state-appointed Registering Authority. Existing lenders are required to obtain this registration within 90 days from commencement of the law. Registration is valid for three years and is subject to renewal.

Lending Norms

- **Interest cap**: Total interest recovered on a loan cannot exceed the principal amount.
- **Multiple lending**: A maximum of two microfinance institutions are permitted to lend to the same borrower.
- **Disclosure:** Lenders must provide a written loan agreement in Hindi, clearly stating all terms, charges, and the repayment schedule. A pre-loan disclosure statement must be delivered to the borrower at least 72 hours before disbursement.
- **Security**: The law prohibits demanding any security or collateral for loans below a threshold to be prescribed by the government. For loans above this threshold, only specified forms of security are permissible, and their value cannot exceed the loan amount by more than 25%.

Prohibition of Coercive Practices

Section 7 provides an exhaustive list of prohibited recovery practices, categorised as:

- Physical coercion, violence, and intimidation
- Psychological harassment and mental torture, including contacting borrowers outside the hours of 7:00 AM to 8:00 PM
- Digital harassment and cyber coercion
- Economic coercion and livelihood interference
- Social pressure and community harassment

Penalties

- Unregistered lending is punishable with imprisonment of up to three years and a fine.
- Engaging in coercive recovery practices can lead to imprisonment of up to five years and a fine.
- If a borrower commits suicide and it is proven that coercive methods were used prior to the event, the lender is deemed to have abetted the suicide under the Bharatiya Nyaya Sanhita, 2023.
- Most offences under the Act are classified as cognisable and non-bailable.

Borrower Relief

- Borrowers are not required to repay loans advanced by unregistered lenders, or loans that violate the interest rate caps or other provisions of the law.
- Lenders are prohibited from initiating civil recovery proceedings before any civil court, tribunal, authority, or arbitrator for such loans.

- Where a borrower has already repaid amounts exceeding the prescribed limits, they are entitled to a refund with interest at 12% per annum from the Borrower Protection Fund or directly from the lender.

Overriding Effect

Section 30 states that in the event of a conflict with any other law, the provisions of this Act will prevail for matters concerning microfinance and loan recovery within the State of Bihar.

Karnataka and Tamil Nadu Act

The need to enact state-level legislation to regulate the microfinance sector became increasingly pressing due to the exploitation of vulnerable sections of society by unregulated microfinance institutions and money lending agencies. Accordingly, the Karnataka Micro Loan and Small Loan (Prevention of Coercive Actions) Act, 2025 (February 12, 2025) and the Tamil Nadu Money Lending Entities (Prevention of Coercive Actions) Act, 2025 (June 9, 2025) were enacted by the respective state governments to address these issues.

These Acts seek to curb predatory practices and protect vulnerable groups from coercive recovery methods by microfinance institutions and moneylenders and provide for penalties such as imprisonment and fines for violations.

Overall, the Acts seek to regulate the microfinance sector and prevent coercive actions by MFIs and money lending agencies, while providing relief to vulnerable borrowers. Both the Acts exclude entities regulated by the RBI.

Key success factors

- **Ability to attract funds/raise capital and maintain healthy capital position**

The microfinance industry had seen rapid growth over the past few years, before moderating in fiscal 2026 followed by fiscal 2025, owing to the issues of over leveraging. Despite this, a large portion of the market remains underpenetrated, necessitating MFIs to raise funds at regular intervals to sustain growth. This remains a challenge for several MFIs owing to perceived risk of the borrower segment, their susceptibility to sociopolitical issues and volatility in asset quality.

The ability of MFIs to raise funding from diverse sources and maintain a capital position much higher than the prescribed regulatory minimum is vital for long-term sustainability. To provide support, the RBI rolled back the 25% increase in risk weights on consumer loans, excluding microfinance loans, amid rising industry stress.

- **Geographically diversified portfolio helps MFIs mitigate risks**

A large, well-diversified portfolio in various geographies enables players to mitigate risks associated with a concentrated portfolio. Apart from this, wider scale of operations helps reduce operating expenses as a percentage of outstanding loans.

Rural areas are still underpenetrated in India; hence, players operating in/focused on these areas are likely to see faster growth in their portfolios.

- **Ability to control asset quality and ageing of NPAs**

The vulnerability of MFI portfolios to local issues and events that impact the repayment ability of borrower households makes it critical for them to have a strong hold on asset quality and regularly engage with borrowers to control slippages. MFIs, thus, need to put in place methods and use analytics to understand and predict the quality of the portfolio, and minimise the frequency and size of asset quality-related risks.

- **Competitive dynamics**

The microfinance segment has seen intense competition between banks, NBFC-MFIs, vanilla NBFCs and SFBs. Over the past few fiscals, the NBFC-MFI segment has clearly outpaced other lenders, increasing their market share to estimated 43% as of March 2026 from 32% as of March 2020. To be sure, this increase in market share has come at the cost of banks. The NBFC-MFI were able to capture market share on account of their consistently rising ticket size, increased penetration into new geographies and sustained support from investors (impact and private equity funds).

OUR BUSINESS

In this section, any reference to "we," "us" or "our" refers to KLM Axiva Finvest Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Audited Financial Statements set forth elsewhere in this Prospectus.

In relation to the financial information derived from the audited financial statements of our Company for the financial year ended March 31, 2026, readers should note that, as disclosed in Note 5.6 and Note 49 thereto, appearing on pages F-166 and F-200, respectively, the comparative figures for the financial year ended March 31, 2025 have been regrouped, reclassified and/or rearranged, wherever necessary, to conform to the presentation, classification and disclosure requirements adopted for the financial year ended March 31, 2026. Accordingly, financial information for prior periods included in this section should be read together with the notes to the Audited Financial Statements.

We have included various operational and financial performance indicators in this section, some of which may not have been derived from our Audited Financial Statements and which may not have been subject to an audit or review of the Statutory Auditor. The manner in which such operational and financial indicators are calculated and presented, and the assumptions and estimates used in the calculation, may vary from that used by other entities in the business similar to ours. You should consult your own advisors and evaluate such information in the context of the Audited Financial Statements and other information relating to our business and operations included in this Prospectus.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 18 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" on page 20 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

The industry-related information contained in this section is derived from the CRISIL Report, which has been exclusively commissioned and paid for by our Company only for the purposes of confirming our understanding of the industry in connection with the Issue.

Overview

We are a non-deposit taking systemically important non-banking finance company ("**NBFC – Middle Layer**") primarily serving low- and middle-income individuals and businesses that have limited or no access to formal banking and finance channels. We had originally obtained a Certificate of Registration in the name of Needs Finvest Limited dated December 13, 1997, bearing registration no. 09.00006 issued by the RBI to commence the business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the Certificate of Registration under Section 45 IA of the RBI Act. Subsequently, the name of our Company was changed to KLM Axiva Finvest Limited, and we have obtained fresh Certificate of Registration dated March 15, 2016 bearing registration no. 09.00006 from RBI. We operate primarily in four business verticals: (i) gold loan business, lending money against the pledge of household jewellery, (ii) micro, small and medium enterprises loan, (iii) personal loan and (iv) microfinance loan. As on June 30, 2026, we operate through 551 branches across 6 (six) states namely Kerala, Karnataka, Tamil Nadu, Telangana, Andhra Pradesh and Maharashtra managed through our corporate office located at Kochi.

As of Fiscal 2026, Fiscal 2025, and Fiscal 2024, our AUM was ₹ 1,63,622.85 lakhs, ₹1,62,588.76 lakhs, and ₹1,67,600.28 lakhs, respectively. Our AUM decreased at a CAGR of (1.19%) from ₹ 1,67,600.28 lakhs as of March 31, 2024, to ₹ 1,63,622.85 lakhs as of March 31, 2026.

Our product portfolio:

Our loan customers are typically businessmen, vendors, traders, farmers, salaried individuals and families, who for reasons of convenience, accessibility or necessity, avail of our credit facilities.

Gold Loans:

Our gold loan business is typically loans against pledge of household gold jewellery by individuals. We provide

loans against gold jewellery with a tenure ranging up to 12 months. We offer variety of gold loan schemes to our customers to suit their individual needs. The schemes differ in relation to the amount advanced per gram of gold, tenure, interest rate chargeable and amount of loan. As of March 31, 2026, March 31, 2025, and March 31, 2024, we had an aggregate principal balance of ₹ 1,23,559.68 lakhs, ₹1,10,159.14 lakhs, and ₹ 1,02,255.18 lakhs, of outstanding gold loans. For the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024, our gold loan portfolio yield representing interest income on gold loans as a percentage of average outstanding gold loans, for the same period were 24.15%, 24.61%, and 22.50%, respectively. For March 31, 2026, March 31, 2025, and March 31, 2024, income from interest earned on our gold loans constituted 82.73%, 76.71%, and 69.81%, of our total income, respectively.

Micro, small and medium enterprises loans and other loans:

We provide loans up to ₹ 1,000 Lakhs to micro, small and medium enterprises ("**MSME**") customers, a category which primarily includes small and medium size enterprises, including businessmen, traders, manufacturers and self-employed professionals. The MSME loan segment includes working capital loans against residential and commercial property with a tenure ranging up to 40 months. Other loans include personal loans and vehicle loans. We provide personal loans up to ₹ 20 lakhs to our individual customers for their personal needs against tangible collateral as well as security in other forms with a tenure ranging up to 40 months. We also provide two-wheeler loans to women customers. As of March 31, 2026, March 31, 2025, and March 31, 2024, we had an aggregate principal balance of ₹34,636.10 lakhs, ₹39,146.88 lakhs, and ₹46,080.21 lakhs of outstanding MSME loan respectively. For the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024, our MSME loan portfolio yield representing interest income on MSME loans and other loans as a percentage of average outstanding of MSME loans and other loans, for the same period were 10.41%, 10.68%, and 12.68%, respectively. For the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024, income from interest earned on our MSME loans and other loans constituted 11.25%, 13.36%, and 16.85%, of our total income, respectively.

Microfinance loans:

We also provide micro finance loans to women customers. We provide microfinance loans up to ₹ 0.50 lakhs each to a group of 10 – 15 women customers for their business and personal needs. These loans are provided essentially for use in their small businesses or other income generating activities. As of March 31, 2026, March 31, 2025, and March 31, 2024, we had an aggregate principal in our microfinance loan segment ₹5,427.07 lakhs, ₹13,282.73 lakhs, and ₹19,264.89 lakhs of outstanding Microfinance loan. For financial years ended March 31, 2026, March 31, 2025, and March 31, 2024, our microfinance loan portfolio yield representing interest income on microfinance loans as a percentage of average outstanding of microfinance loans, for the same period were 8.57%, 12.09%, and 17.26%, respectively. For the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024, income from interest earned on our microfinance loans constituted 2.35%, 5.77%, and 9.19%, of our total income, respectively.

The following table sets forth certain information relating to our operations and financial performance in the periods specified:

(₹ in Lakhs)

Particulars	March 31, 2026	March 31, 2025	March 31, 2024
Gold Loan	1,23,559.68	1,10,159.14	1,02,255.18
MSME Loan	34,636.10	39,146.88	46,080.20
Microfinance Loan	5,427.07	13,282.73	19,264.89
Total AUM	**1,63,622.85**	**1,62,588.76**	**1,67,600.28**
Gross NPA	5,194.07	3,323.81	2,753.14
Gross NPA/AUM%	3.17%	2.04%	1.64%
Net NPA	3,570.07	1,774.39	1,144.16
Net NPA/AUM%	2.18%	0.93%	0.68%
Equity	21,619.21	27,469.20	23,833.34
Return on Equity %	4.10%	7.35%	9.66%
Revenue from Operations	33,052.19	33,319.18	30,562.49
Profit after Tax (before OCI)	886.08	2,019.36	2,302.87

As of March 31, 2026, March 31, 2025, and March 31, 2024, our total outstanding debt including interest

(excluding unamortised expenses of public issue) was ₹ 166,409.96 lakhs, ₹ 164,546.35 lakhs, and ₹1,67,764.62 lakhs, respectively, and our finance cost was ₹ 18,113.91 lakhs, ₹17,453.40 lakhs, and ₹15,476.76 lakhs, respectively.

Our AUM in Gold loan, MSME loan, and Micro Finance loan has increased / (decreased) at a CAGR of 9.92%, (13.30%), and (46.92%), from March 31, 2024 to March 31, 2026, respectively.

Key Operational and Financial indicators of our Company

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

Based on the Audited Financial Statements

(in ₹ lakhs)

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
BALANCE SHEET			
Assets			
Property, Plant and Equipment	13,228.63	14,066.00	13,987.50
Financial Assets	1,63,419.41	1,66,347.75	1,74,492.06
Non-financial Assets excluding property, plant and equipment	10,092.57	8,886.40	5,345.22
Total Assets	**1,86,740.61**	**1,89,300.15**	**1,93,824.78**
Liabilities			
Financial Liabilities			
-Derivative financial instruments			-
-Trade Payables	24.26	57.48	100.67
-Debt Securities	64,759.85	61,609.69	67,699.69
-Borrowings (other than Debt Securities)	5,526.55	9,456.69	15,745.48
-Subordinated liabilities	86,176.04	82,705.94	77,159.75
-Other financial liabilities	7,018.26	6,352.09	6,703.52
Non-Financial Liabilities			
-Current tax liabilities (net)	-	-	772.58
-Provisions	-	-	-
-Deferred tax liabilities (net)	-	-	-
-Other non-financial liabilities	1,616.44	1,648.54	1,809.75
Equity (Equity Share Capital and Other Equity)	**21,619.21**	**27,469.72**	**23,833.34**
Total Liabilities and Equity	**1,86,740.61**	**1,89,300.15**	**1,93,824.78**
PROFIT AND LOSS			
Revenue from operations	33,052.19	33,319.18	30,562.49
Other Income	1,066.58	746.55	1,029.83
Total Income	**34,118.77**	**34,065.73**	**31,592.32**
Total Expense (including tax expenses)	**33,205.68**	**32,084.95**	**29,289.45**
Profit after tax for the year	886.08	2,019.36	2,302.87
Other Comprehensive income	(63.98)	-	-
Total Comprehensive Income	822.10	2,019.36	2,302.87
Earnings per equity share (Basic)	0.33	0.85	1.14
Earnings per equity share (Diluted)	0.33	0.85	1.14

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Cash Flow			
Net cash from / used in (-) operating activities	20,163.86	20,046.39	(2,714.93)
Net cash from / used in (-) investing activities	(43.71)	(1,739.85)	(4,224.51)
Net cash from / used in (-)financing activities	(21,787.15)	(18,412.29)	1241.34
Net increase/decrease (-) in cash and cash equivalents	(1667)	(105.75)	(5,698.10)
Cash and cash equivalents as per Cash Flow Statement as at end of year/period	1,949.24	3,616.23	3,721.98
Additional Information			
Net worth	20,927.97	26,778.47	23,142.10
Cash and cash equivalents	1,949.24	3,616.23	3,721.98
Loans	1,59,902.58	1,60,814.37	1,65,991.29
Loans (Principal Amount)	1,52,815.79	1,51,319.90	1,55,297.16
Total Debts to Total Assets	0.84	0.81	0.83
Interest Income	33,052.19	33,319.18	30,562.49
Interest Expense	18,113.91	17,453.40	15,476.76
Impairment on Financial Instruments	474.50	518.97	40.60
Bad Debts to Loans	-	-	-
% Stage 3 Loans on Loans (Principal Amount)	3.40%	2.20%	1.77%
% Net Stage 3 Loans on Loans (Principal Amount)	2.34%	1.04%	0.74%
Tier I Capital Adequacy Ratio (%)	12.98%	15.79%	13.47%
Tier II Capital Adequacy Ratio (%)	6.72%	8.11%	6.97%

Notes :

1. *Total Debts to Total assets= Debt Securities + Borrowings (other than debt securities) + Subordinated Debts/ Total Assets.*
2. *Net worth = Equity Share Capital + Other equity excluding revaluation reserve*.
3. *The Fiscal 2025 figures have been updated consequent to the regrouped / rearranged of the audited financial statements for Fiscal 2026.*

Structure of the Group

As on date of this Prospectus, our Company does not have any holding company nor any subsidiary. As on June 30, 2026, our Promoter holds 2,83,35,054 Equity Shares aggregating to 10.55 % of the equity share capital of our Company.

Our Strengths

Diversified product offerings presenting significant growth opportunities

We offer a diverse range of financial products and services targeted at the low and middle income customer segments. Our gold loan/personal loan segment extends loan to individuals for their personal needs. Our MSME loan segments extend loans to dealers, retailers and related service providers in various industries. Our vehicle loans are two-wheeler loans targeted towards women customers. Our microfinance loans are targeted for income generation for women entrepreneurs. We cover a diversified customer demographic through our various financing products. As of March 31, 2026, March 31, 2025, and March 31, 2024, gold loan segment represented 75.51%, 67.75%, and 61.01%, MSME loan and other loans segment represented 21.17%, 24.08%, and 27.49%, Microfinance loan segment represented 3.32%, 8.17%, and 11.49%, respectively of the total AUM of the Company. We believe that our diversified product portfolio and customer base aligned with increasing market demand is a key component of our growth and success. Our diverse revenue stream reduces our dependence on any particular product line thus enabling us to spread and mitigate our risk exposure to any particular industry,

business, and geography or customer segment.

Growing distribution network

As on June 30, 2026, we had a distribution network of 551 branches spread across Kerala, Karnataka, Tamil Nadu, Telangana, Andhra Pradesh and Maharashtra. We believe that our presence allows us to continue to capitalise on opportunities to grow our loan portfolio and our in house ability to appraise credit quality is a key to our efficient credit decisions. With our growing network and dedicated distribution and operations teams, we seek to ensure that our credit assessment processes are robust and we provide financial facilities to creditworthy customers. Below data shows our growth in network. The branch details of our company as on June 30, 2026, March 31, 2026, March 31, 2025, and March 31, 2024, is as given below:

States	As at June 30, 2026	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Kerala	269	272	322	327
Karnataka	109	117	134	133
Tamil Nadu	98	103	125	125
Telangana	38	40	44	44
Andhra Pradesh	33	33	34	34
Maharashtra	4	5	9	7
Total	**551**	**570**	**668**	**670**

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

Web Link: https://admin.klmaxiva.com/uploads/List_of_Branches_June_30_2026_b28460217c.pdf

Satisfactory customer service

We have established an effective process for origination, monitoring and collecting receivables which enable us to generate stable growth with control over the asset quality. We adhere to a strict set of market survey and location guidelines while selecting branch sites to ensure that our branches are set up close to our customers. We believe that our customers appreciate this convenience, as well as extended operating hours that we typically offer, which are often more compatible with our customers' work schedules.

Our target customers mainly hail from rural/semi-urban area. Under such customer segment, the knowledge of local culture and long relationship with the customers play a key role for growth in our operation. We have adopted distinguished and cost effective business origination policy, where we originate the business through our branch networks in association with marketing officers termed as customer service points. These customer service points are local residents of the area and have the domain knowledge of that area. They identify potential customers in defined area and maintain long term relationship with the existing customers. Each of our branches is staffed with persons who possess local knowledge and understanding of customers' needs and who are trained to appraise collateral and disburse loans within a short span of time. Although disbursement time may vary depending on the loan ticket size and the security pledged. We believe our customer service and response time are our key competitive strengths that differentiate our services and products from those provided by commercial banks.

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

Risk management forms an integral part of our business as we are exposed to various risks relating to our business. The objective of our risk management system is to measure and monitor the various risks we are subject to and to implement policies and procedures to address such risks. We have an internal audit system which consists of audit and inspection, for risk assessment and internal controls. The audit system comprises of accounts audit and loan appraisal. In accordance with our internal audit policy, our branches are subject to surprise audit every month on random basis. We have designed stringent evaluation process and credit policies to ensure the asset quality of our

loans and the security provided for such loans. Our credit policy comprises classification of target customers in terms of track record, classification of assets, differentiated loan to value ratio for different class of customers and assets, limits on customer exposure etc. Further, in order to build quality assets and reduce NPA level, we have developed a culture of accountability by making our marketing officers responsible for loan administration, monitoring as well as recovery of the loans they originate.

For effective and timely portfolio management, we have put in place a centralized risk analytics team publishing credit and portfolio performance reports for management's review. We utilise advance statistical tools like customer behaviour scorecards for early identification of potential risks in our portfolios and to take corrective actions accordingly as required. The reports provide detailed information on various portfolio segments and ascertain the risk. In addition, periodic collection reviews are conducted on delinquent customers and segments to identify and evaluate any problem areas, to drive collection efficiencies and future acquisitions.

Experienced management team and skilled personnel

We believe that the expertise and industry knowledge of our senior management team has enabled us to accelerate the growth in our business. Although we have a relatively brief operating history, our senior management team has experience in gold loan, micro finance and consumer finance businesses with a track record of successfully growing businesses. Our board of directors has experience across a broad range of disciplines. Our Whole time Director Shibu Theckumpurath Varghese has over two decades of experience in the financing business and have developed a good understanding of the local area dynamics. This has enabled our Company to grow our loans portfolios. We have an experienced management team, which is supported by a capable and motivated pool of employees. Our senior managers have diverse experience in various functions, related to our business. Our senior managers have an in-depth understanding of the specific industry, products and geographic regions they cover, which enables them to appropriately support and provide guidance to our employees. For further details, refer to "*Our Management*" on page 155.

Our Strategies

Our business strategy is designed to capitalize on our competitive strengths and enhance our market standing. Key elements of our strategy include:

Growth of the business through increasing geographical presence in rural and semi-urban areas

We intend to continue to grow our loan portfolio by expanding our network through the addition of new branches. In order to optimize our expansion, we carefully assess potential markets by analyzing demographic, competitive and regulatory factors, site selection and availability, and growth potential. A good reach to customers is very important in our business. Increased revenue, profitability and visibility are the factors that drive the branch network. Currently, we are present in key locations which are predominantly in South India for sourcing business namely Kerala, Karnataka, Tamil Nadu, Telangana, Andhra Pradesh and Maharashtra. Our strategy for branch expansion includes further strengthening our presence in South Indian states by providing higher accessibility to customers as well as leveraging our expertise and presence in southern Indian states. We also seek to expand our business through branch expansion in non-southern states. As a strategy, we will continue to leverage on the infrastructure provided by entities operating under the 'KLM' brand name. We expect that our diverse revenue stream will reduce our dependence on any particular product line thus enabling us to spread and mitigate our risk exposure to any particular industry, business, geography or customer segment. Offering a wide range of products helps us attract more customers thereby increasing our scale of operations. At the core of our branch expansion strategy, we expect to penetrate new markets and expand our customer base in rural and semi-urban markets where a large portion of the population has limited access to credit either because they do not meet the eligibility requirements of banks or financial institutions, or because credit is not available in a timely manner at reasonable rates of interest, or at all. A typical loan customer expects rapid and accurate appraisals, easy access, quick approval and disbursement. We believe that we meet these criteria when compared to other money lenders, and thus our focus is to expand our loan financing business. At the core of our branch expansion strategy, we expect to penetrate new markets and expand our customer base to include customers who otherwise would rely on the unorganized sector.

Further strengthen and grow our gold loan and microfinance business

Our Company started offering customized loans to small enterprises finance segment in 2013-14 and has continually focused on expanding our customer base for this product since then. We see a significant opportunity

for our Company to expand our customer base in small enterprise finance segment. We intend to focus on the industry opportunity and leverage our established presence to further grow our gold loan and microfinance business.

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To implement advanced processes and systems

We intend to invest in our existing technology systems and processes to create a stronger organization and ensure good management of customer credit quality. We also intend to invest in our technology-enabled operating procedures to increase operational and management efficiencies as well as ensure strong customer credit quality. Our focus on the effective use of technology is aimed at allowing employees across our branch network to collect and enter data to a centralized management system, providing our senior management real-time access to credit processing and decision making. We continue to implement technology led processing systems to make our appraisal and collection processes more efficient, facilitate rapid delivery of credit to our customers and augment the benefits of our relationship based approach. We also believe that deploying strong technology systems will enable us to respond to market opportunities and challenges swiftly, improve the quality of services to our customers, and improve our risk management capabilities. Our Company has implemented ERP system across all branches from February 29, 2020. We believe that the accurate and timely collection of such data gives us the ability to operate our business in a centralized manner and develop better credit procedures and risk management. As we continue to expand our geographic reach and scale of operations, we intend to further develop and invest in our technology to support our growth, improve the quality of our services and achieve superior turnaround time in our operations.

Further strengthen our risk management and loan appraisal

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

Description of our business line

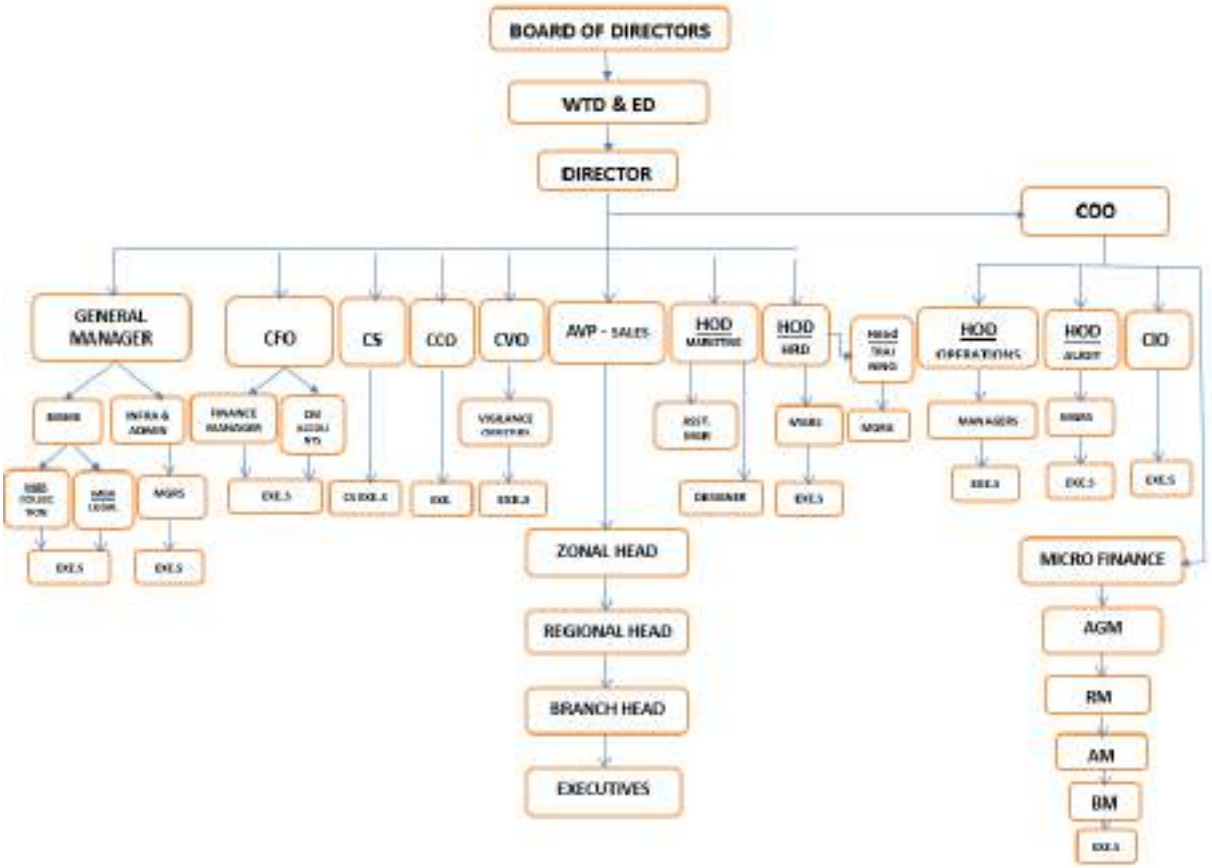
We primarily operate four principal lines of business, namely gold loan business, micro, small and medium enterprises loan, personal loan and microfinance. The table below sets forth details in relation to our total credit exposure as of the dates indicated:

(₹ In lakhs)

Particulars	March 31, 2026	March 31, 2025	March 31, 2024
Gold loan	1,23,559.68	1,10,159.14	1,02,255.18
MSME loan and Other loans	34,636.10	39,146.88	46,080.21
Personal loan	-	-	-
Microfinance loan	5,427.07	13,282.73	19,264.89
Vehicle loan	-	-	-
Total AUM	**1,63,622.85**	**1,62,588.76**	**1,67,600.28**

CORPORATE STRUCTURE

The following chart presents the corporate structure of our Company:



Our Business Operations

Gold Loan

One of our primary business is disbursement of gold loans, which are typically small ticket loans collateralized by gold jewellery. For the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024, the assets under management for gold loan was ₹1,23,559.68 lakhs, ₹1,10,159.14 lakhs, and ₹1,02,255.18 lakhs, which represented 75.51%, 65.81%, and 61.01% of our total assets under management. For the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024, income from interest earned on our gold Loans constituted 82.73%, 76.71%, and 69.81%, respectively, of our total income.

Loan disbursement process

The principal form of collateral accepted by us is gold jewellery. The amount that we finance against the security of gold jewellery is typically based on the value of the jewellery. We value the gold jewellery brought by our Gold Loan customers based on our centralized policies and guidelines, including policy on interest rate fixation. We currently lend up to 75% of the value of the jewellery. We appraise the jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. Our gold loans are therefore well collateralized because the actual value of the collateral in all cases are generally higher than our appraised value.

The amount we lend against an item and the total value of the collaterals we hold fluctuates according to the gold prices but not exceeding the LTV ratio as prescribed by RBI from time to time. However, an increase in gold price will not result automatically in an increase in our gold loan portfolio unless the per gram rate are revised by our corporate office. Similarly, since adequate margins are kept at the time of disbursement of loan, a decrease in the price of gold has little impact on our interest income. However, a sustained decrease in the market price of gold may decrease in the size of our subsequent loan portfolio and our interest income.

We rely on the disposition of collateral to recover the principal amount of an overdue gold loan and the interest due thereon. We also have recourse against the customer for the loan. Since the disbursement of loans is primarily

based on the value of collateral, the customer's creditworthiness is not a factor in the loan decision. However, we comply with 'know your customer' norms adopted by the Board and require proof of identification and address proof. We also photograph customers with web-cameras installed in our branches.

All our gold loans have terms of up to 12 months. However, our customers have the option to redeem the loan at any time during the period of loan tenure. In the event that a loan is not repaid on time and after providing due notice to the customer, the unredeemed collateral is disposed of on behalf of the customer in satisfaction of the principal and all interest charges. In general, collateral is disposed of only when the recoverable amount is equal to or more than the realizable value of the collateral.

Loan appraisal process

Our gold loan approval process is generally linked with the appraisal of gold jewellery that serves as collateral, which takes only a few minutes. Each of our branches is staffed with persons who have been trained and have experience in appraising the gold content of jewellery. The appraisal process begins with weighing the jewellery using calibrated weighing machines. Jewellery is then subject to prescribed primary tests for the quality of gold, including stone tests and acid tests, followed by additional tests, if required, such as salt tests, sound tests, weight tests, pointed scratching tests, flexibility tests, color tests, smell tests, usability tests, magnifying glass tests and finishing tests. Once the jewellery passes these tests, loans are disbursed based on the rates per gram of gold approved by the corporate office.

Our customers are provided the option to accept loan disbursements in cash or by cheque, as permissible under RBI guidelines. At the time of disbursement, an undertaking is signed by the customer. It states the name and address of our Company's relevant branch office and the customer, a detailed description of the gold jewellery provided as collateral, the amount of the loan, the interest rate, the date of the loan, and other terms and conditions.

The pledged gold jewellery are separately packed by staff of the branch, and then placed in a polythene pouch with the relevant documents on the loan and the customer and stored in the safe or strong room of the branch. The safes and strong rooms in which the gold jewellery is kept are built as per industry standards and practices. The strong rooms are vaults with reinforced concrete cement structures. Currently, almost all of our branches are using strong rooms or safe vaults.

We monitor our loan accounts and recovery of dues on an ongoing basis. Once a loan is fully repaid, the pledged gold jewellery is returned to the customer. When a customer does not repay a loan on or before its maturity, we initiate the recovery process and dispose of the collateral to satisfy the amount owed to us, including both the principal and the accrued interests. Before starting the recovery process, we inform the customer through registered letters or legal notices.

When a loan is repaid, we give the customer an option to pledge the security again and obtain another loan. The procedure of re-pledging entails the same procedure as that of a pledge and is accompanied by the same mode of documentation that a pledge entails. If the loan is not repaid when the loan falls due, we are able to sell the gold collateral in satisfaction of the amount due to us. We also reserve the right to sell the collateral even before a loan becomes past due in the event the market value of the underlying collateral is less than amounts outstanding on the loan, after serving notice to the customer.

Micro, small and medium enterprises loan ("MSME and Other Loans")

Currently, we offer business loans to the micro, small and medium enterprises segment for a tenor of up to 40 months. Our target customers in the micro, small and medium enterprises segment typically comprises self-employed professionals, wholesale and retail dealers, merchants, small and medium scale manufacturing concerns etc. Our MSME Loan segment is typically customized to suit the requirements of our customers after having assessed and understood their business model. We provide personal loan to our existing and new customers. Our officials reach out directly to our personal loan customers and visit them at their doorstep to carry out loan origination and credit evaluation, so as to ensure speedy processing of loans. We target customer segments who do not have easy access to bank or other modes of financing for immediate short or medium term funding requirements, within reasonable time. The average tenor for such loans is typically up to 20 months. For the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024, the assets under management for MSME loans and other loans was ₹ 34,636.10 lakhs, ₹ 39,146.88 lakhs, and ₹46,080.21 lakhs, which represented 21.17%, 24.08%, and 27.49%, of our total assets under management.

We believe that the MSME Loan segment is still under banked to a large extent and barring certain public financial institutions and public sector banks, lending in this sector has traditionally been addressed by the unorganized players in most regions in India. Accordingly, we see a significant opportunity for our Company to expand our customer base in MSME segment.

Microfinance

In the Fiscal 2017, we have introduced microfinance operations entail providing micro credit lending to our women customers who are predominantly located in rural and semi-urban areas and the purpose of loans sanctioned to them is mainly for utilisation in small businesses or for other income generating activities but not for personal consumption. Primarily, we utilise a clustered group lending model to provide unsecured loans to our customers. This model relies on a form of 'social collateral' and ensures credit discipline through peer support within the group. This model presupposes our members being prudent in conducting their financial affairs and prompt in repaying their outstanding borrowings.

We provide microfinance loans up to ₹ 0.50 lakhs each to a group of 10 – 15 women customers for their business needs. A customer is eligible for a subsequent cycle of the loan if their track record of repayment is good and meets certain other requirements relating to their conduct within the group. In addition, we also extend midterm loans to certain eligible microfinance customers, based on their requirements. All our microfinance loans are offered at fixed interest rates, with principal and interest typically payable in weekly instalments. Interest rates for our microfinance product offerings are a function of our operating and funding costs, in particular our personnel and administrative costs, as well as the RBI limits on microfinance loan interest rates. For the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024, the assets under management for microfinance loans were ₹ 5,427.07 lakhs, ₹ 13,282.73 lakhs, and ₹ 19,264.89 lakhs, which represented 3.32%, 8.17%, and 11.49%, of our total assets under management.

Interest Rate Model

All of our loans (a) are offered at fixed or variable interest rates, and (b) have principal and interest payable in weekly, fortnightly or monthly instalments and sometimes the loans are repaid at one go. The interest rates we charge our borrowers are principally based on our operating and funding costs, particularly our personnel and administrative costs, which we believe are significantly higher than those of most commercial banks and traditional non-banking finance companies. We have in the past progressively reduced the interest rates we charge to our borrowers whenever our costs have reduced, either as a result of economies of scale or lowered funding costs. We may continue to reduce our interest rates in the future as we achieve such economies of scale in other markets or further economies of scale in existing regions.

Loan Evaluation, Credit Appraisal and Disbursement

Loan evaluation

Due to our customer profile, in addition to a credit evaluation of the borrower, we rely on guarantor arrangements, the availability of security, referrals from existing relationships and close client relationships in order to manage our asset quality. All customer origination and evaluation, loan disbursement, loan administration and monitoring as well as loan recovery processes are carried out by our executives at each branch, who are responsible for (i) loan origination, (ii) credit evaluation, (iii) pre-lending field investigations and (iv) post lending credit appraisal. The team of officials responsible for origination of a loan is also responsible for the timely servicing of loans, recoveries, and monitoring performance of each loan from origination to closure of the loan. We offer incentivized salary structures to such officials where their incentives are directly linked to recovery of instalments of the principal amount and interest on the loans. We do not utilize or engage direct selling or other marketing and distribution agents or appraisers to carry out these processes. We follow certain procedures for the evaluation of the creditworthiness of potential borrowers. Our credit appraisal process is as follows:

When a customer is identified and the requisite information for a financing proposal is received, a branch manager or our branch executive personally visits such customer at their homes and/or place of business to assess the loan requirements and creditworthiness of such customer. We also require an applicant to provide appropriate references from existing or former customers. The proposal form requires the customer to provide information on the age, address, employment details and annual income of the customer, as well as information on outstanding loans.

Credit Appraisal

We undertake various credit control checks, diligence and field investigations on a prospective customer which inter-alia includes an internal data de-duplication check, CIBIL database check, fraud verification, asset verification and valuation, trade credit reference checks and other legal and technical verification procedures which also includes detailed analysis of financial statements, bank statements and other documents put together constitute the credit file for all customers. From time to time, our management lays down loan approval parameters which are linked to the value of the underlying security and/or collateral. The borrower is charged prepayment charges in the event of termination of the loan by prepayment. Security received from the borrower, including unutilized post-dated cheques, if any, is released on repayment of all dues or on collection of the entire outstanding loan amount, provided no other existing right or lien for any other claim exists against the borrower. After having completed our internal verification procedures all documents submitted by the prospective customer are checked and verified as required and any discrepancies and/or gaps in such documentation are highlighted and sent to the prospective customer for corrections, explanations and resubmissions as required.

The files provided are at length reviewed by the credit managers for evaluation using credit evaluation tool. Based on the document review the credit managers conduct personal discussions with the customers at their workplace. The discussion is intended to gather information about the business model of the customer, his positioning in the value chain, dependence of suppliers and/or customers and to ascertain any business risks like export dependence, raw-material supplies, etc. which might adversely impact the business cash flows and hence diminish repayment capacity. Based on the all the information gathered, and assessment of customer's business risks, debt servicing ability and collateral risks, the credit manager puts the transaction proposal to appropriate approving committee in the hierarchy for decision.

Approval and Disbursement Process

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

There are four progressive levels of approvals which a proposal can be put to which are based on loan product, loan amount and identified risks. All proposals require minimum of two approvals and up to four approvals for larger ticker size loans. For gold loan, the branch manager is authorized to approve a loan if the proposal meets the criteria established for the approval of a loan. For MSME loan, personal loan and microfinance, our corporate office is authorised to provide final approval in consultation with the branch. The applicant is intimated of the outcome of the approval process, as well as the amount of loan approved, the terms and conditions of such financing, including the rate of interest (annualized) and the application of such interest during the tenure of the loan. With due sanctioning of the loan, we execute agreements in connection with the loan and creation of security in relation thereto, if any, with the customer. Margin money and other charges, if any, are collected prior to loan disbursements. The disbursing officer retains evidence of the applicant's acceptance of the terms and conditions of the loan as part of the loan documentation.

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

Loan administration and monitoring

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

and internal auditors. All customer accounts are reviewed on a regular basis.

We monitor the completeness of documentation, creation of security etc. through regular visits to our branches by the regional as well as corporate office executives and internal auditors. All borrower accounts are reviewed at least once a year, with a higher frequency of reviews for the larger exposures and delinquent borrowers. The branch managers review collections regularly and personally contact borrowers that have defaulted on their loan payments. Branch managers are assisted by the officers responsible for loan origination, who are also responsible for the collection of instalments from each borrower serviced by them. We believe that close monitoring of debt servicing efficiency enables us to maintain high recovery ratios.

Collection and Recovery

We believe that our loan recovery procedure is particularly well-suited to our target market for each of our products. The entire collection operation is administered in-house through our branch officials and we do not outsource loan recovery and collection operations. In case of default, the reasons for the default are identified by the officer responsible for each loan and appropriate action is initiated, such as requiring partial repayment and/or seeking additional guarantees or collateral.

In the event of a default on three loan instalments, the relevant officer is required to make a personal visit to the borrower to determine the gravity of the loan recovery problem. We may initiate the process for repossession of the underlying asset and/or enforcement of the charge if required. Our officers are trained to repossess assets and/or enforce the security interest and no external agency is involved in such processes. Repossessed assets are held at designated secured facilities for eventual disposal. The notice to the customer specifies the outstanding amount to be paid within a specified period, failing which the asset may be disposed of and/or the charge enforced. In the event there is a short fall in the recovery of the outstanding amount from enforcement of the charge, legal proceedings against the customer may be initiated.

Branch Network

As on June 30, 2026, we had 551 branches in the states of Kerala, Karnataka, Tamil Nadu, Telangana, Andhra Pradesh and Maharashtra. We propose to target establishing our operations through new branch network in cities and towns where we historically had relatively limited operations. We typically introduce our products in a particular location only after having evaluated the regional market and the demand for each individual product. Currently, not all of our branch offer our full range of products. As a part of our strategy, we target to gradually introduce our entire range of product offerings at each of our existing branch network.

The branch details of our company for June 30, 2026, March 31, 2026, March 31, 2025, and March 31, 2024 is as given below:

States	As at June 30, 2026	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Kerala	269	272	322	327
Karnataka	109	117	134	133
Tamil Nadu	98	103	125	125
Telangana	38	40	44	44
Andhra Pradesh	33	33	34	34
Maharashtra	4	5	9	7
Total	**551**	**570**	**668**	**670**

Marketing, Sales and Customer Care

Our Company undertakes publicity through media, both print and electronic to increase the visibility of our brand. Our media plan ensures the visibility and reach of our KLM brand within the desired budget. These advertisements are carried out across various states wherever our Company has presence. This helps individual branches to target the public and thereby generate business from the locality. For the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024, our total advertisement expenditure was ₹ 599.53 lakhs, ₹ 484.26 lakhs, and ₹ 268.91 lakhs, respectively.

Risk Management

Risk management forms an integral part of our business as we are exposed to various risks relating to the Loan business. The objective of our risk management systems is to review the operations of the organization followed by identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats and to provide a framework that enables future activities to take place in a consistent & controlled manner and to improve the decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats. Our Risk Management Committee assists the Board in addressing various risk such as operational risk, credit risk, liquidity risk, interest rate risk compliance risk, strategic risk.

Asset and Liability Management ("ALM")

Our business operations require steady flow of working capital and hence managing the day-to-day liquidity becomes a critical function. The ALM, amongst other functions, is concerned with risk management, providing a comprehensive as well as a dynamic framework for measuring, monitoring and managing liquidity, market risk and interest rate risk. The ALM ensures proper balance of assets and liabilities of the company as per guidelines issued by Reserve Bank of India from time to time. The ALM also computes and monitors monitor periodically the maturity pattern of the various liabilities and assets of the company.

Credit Risk

Credit risk is the possibility of loss due to the failure of any counterparty abiding by the terms and conditions of any financial contract with us. We aim to reduce the aforesaid credit risk through a rigorous loan approval and collateral appraisal process, as well as a strong NPA monitoring and collection strategy. Our Company has established separate department for customer relation to ensure the quality of customers acquired. Team of Credit Manager, Branch Manager and Customer Relation Executive is responsible for customer acquisition, maintenance, follow up, credit recovery etc. Before each disbursement the aforesaid team carries out proper check on customer's identity through KYC documentation, customer visit, background verification etc. The loan application is processed only after the approval of Credit Manager who approves the customer upon physically verifying the customer's address and documents provided.

Operational Risk

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

We regularly conduct internal audit at all the branches of the Company on a concurrent basis by a team of internal auditors. Internal audit team identifies and resolves failure in procedure implementation, identifying manipulations, malpractices, fraud, security issues etc. Internal auditor conducts regular checking ensures that all branch activities are carried out as per norms/procedures as mentioned in the operational policy. All our branches are reviewed monthly and were ranked based on their performance. The scope of these audits is reviewed periodically and modified to keep pace with a dynamic business environment.

Financial Risk

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

reviews the liquidity position of our Company and ensures availability of sufficient funding in advance.

Market Risk

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

Internal Audit Department

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

Risk Management Audit

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

ALM Management Policy

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

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

The frequency of holding ALCO meetings is quarterly.

Liquidity Risk Management

Liquidity risk is the non-availability of cash to pay a liability that falls due. A company deemed to be financially sound if it is in a position to carry on its business smoothly and meet all the obligations – both long term as well as short term – without strain. Liquidity Risk arises largely due to maturity mismatch associated with assets and liabilities of the Company. Liquidity risk stems from the inability of the Company to fund increase in assets, manage unplanned changes in funding sources and meet financial commitments when required. Our Company has implemented liquidity management policy for reducing the risk relating to liquidity issues.

The major funding source for the Company is by way of equity share, capital, debentures and subordinated debts. Though these are external sources of funds the Company is exposed to following risks:

- Interest Rate risk arises because of increase in cost of funds due to an overall increase in the interest rates economy.
- Asset-Liability Mismatch can lead to severe liquidity shortfall and result in significantly higher costs of funds.
- A high degree of leverage risk can severely impact the liquidity profile of the Company and lead to default in meeting its liabilities.

Company has implemented liquidity management policy for reducing the risk relating to liquidity issues. Currently the policies relating to liquidity are as follows:

- The Company is maintaining high capital adequacy ratio over and above limits prescribed by regulators.
- The Company ensures to keep liquidity to cover unexpected repayment obligation.
- Promoting fund infusion by way of Non-Convertible debentures and subordinated debts so that due date for interest and maturity can be pre known.
- Funding from long terms sources and lending as short term loans.
- Reducing the percentage of unsecured lending so that repayment up to a level is not affected.

Interest Rate Risk ("IRR")

Interest rate risk is the risk where changes in the market interest rates might adversely affect an NBFC's financial condition. The changes in the interest rates affect the NBFCs in a larger way. The immediate impact of changes in the interest rates is on NBFCs earnings by changing its Net Interest Income. The interest rate risks are viewed from earning perspective and economic value perspective, respectively. It is the intention of the RBI to move over to the modern techniques of Interest Rate Risk Measurement like Duration Gap Analysis, Simulation and Value at Risk over time when NBFCs acquire sufficient expertise and sophistication in acquiring and handling MIS.

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

Our results of operations are substantially dependent upon the level of our net interest margins. Interest rates are sensitive to many factors beyond our control, including the RBI's monetary policies, domestic and international economic and political conditions and other factors. Rise in inflation, and consequent changes in the bank rates, repo rates and reserve repo rates by the RBI has led to an increase in interest rates on loans provided by banks and financial institutions.

Compliance Risk

We are regulated principally by and have reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us may continue to change as India's economy and commercial and financial markets evolve. We ensure compliance with regulatory and statutory requirements. We have dedicated departments working together for monitoring, review and compliance of the applicable provisions reporting to Board of Directors.

Asset Classification

Non-performing Assets ("NPA")

Based on the RBI Scale Based Master Directions, the norms for asset classification, details of the classification of our gross NPAs for significant classes of our assets as of March 31, 2026, March 31, 2025, and March 31, 2024, are as furnished below:

(₹ in lakh)

Asset Type	March 31, 2026	March 31, 2025^	March 31, 2024^
Standard	1,58,428.78	159,264.95	1,64,847.13
Sub-standard	1,734.24	1,228.51	1,108.55
Doubtful	3,459.83	2,095.30	1,644.60
Loss	-	-	-
Gross NPA	5,194.07	3,323.81	2,753.15
Total Loans & Advances	163,622.85	162,588.76	1,67,600.28
Gross NPA % of Total Loans & Advances	3.17%	2.04%	1.64%
Less Provisions	(1,624.00)	(1,774.39)	(1,608.99)
Net NPA	3,570.07	1,549.42	1,144.16
Net NPA % of Total Loans & Advances	2.18%	0.95%	0.68%

^*based on Audited Ind AS Financial Statements.*

Secured loans are classified or provided for, as per management estimates, subject to the minimum provision required as per RBI SI Master Directions.

Resource Planning Policy

We maintain a well-diversified funding profile that is underpinned by our established relationships with our lenders and investors. We have historically and seek to continue to secure funding through a variety of sources. Further, our Company has put in place a Board approved policy for resource planning ("**Resource Planning Policy**") dated June 27, 2024, the Resource Planning Policy has been formulated by our Company to mobilise our resources raised from various sources including funds raised through issuance of non-convertible debentures, subordinated debts, perpetual debt instrument and funds raised by way of banks or institutional funding.

NPA Management Policy

Our Company has put in place NPA Policy. Every NBFC is required to have a policy in accordance with RBI guidelines for managing the Non-performing assets of the Company. The Board of Directors of every NBFC granting loans shall frame a policy for the company and implement the same in term of RBI Circular no. DNBS. 157/CGM(CSM)-2002 dated April 12, 2002.

As per the circular NPA policy of the Company shall, inter alia, stipulate the following:

a. A cut off date within which the repayment of demand or call loan shall be demanded or called up;
b. The sanctioning authority shall, record specific reasons in writing at the time of sanctioning demand or call loan, if the cut off date from demanding or calling up such loan is stipulated beyond a period of one year from the date of sanction;
c. The rate of interest which shall be payable on such loans;
d. Interest on such loans, as stipulated shall be payable either at monthly or quarterly rests;
e. The sanctioning authority shall record specific reasons in writing at the time of sanctioning;
f. A cut off date for review of performance of the loan, not exceeding six months commencing from the date of sanction;
g. Such demand or call loans shall not be renewed unless the periodical review has shown satisfactory compliance with the terms of sanction.

A demand or call loan, which remained overdue for six months from the date of demand or call or on which interest amount remained past due for a period of six months, will be considered as non-performing (NPA) loan and suitable provisions as envisaged by RBI from time to time is provided for by the Company.

Normal tenor of a gold loan can be up to a period of 12 months from the date of advance. Interest is payable at the time of maturity date. To be categorised as NPA, the loan shall have remained overdue (inclusive of unpaid interest), for a period of six months or more or on which interest amount remained overdue for a period of six months or more from the due date. Effectively, a gold loan qualifies to be categorised as NPA from the 19th month, when it remains un paid or interest has not been serviced for 18 months from the date of advance or for 6 months from the due date. In the case of non-repayment, i.e., within a period of nine or 12 months, as applicable, from the date of pledging, the asset will be disposed of by our Company after the expiry of either nine or twelve months and 15 days of grace, by sale through public auction. Our Company may also consider settlement of loan dues by way of concessions in interest as a one –time settlement on a case to case basis only with the approval of corporate office.

The auction procedure shall be transparent. And prior notice will be given to customer by registered post/courier informing about the auction. The auction shall be announced to the public by issuing advertisements in at least two newspapers, two in vernacular language describing the date of auction, venue of auction, and the details of gold etc. Auction will be conducted by an approved auctioneer appointed by our Company. The Company will provide full list of articles to be auctioned, the auction proceeds should be credited to the company's account within a maximum period of 30 days from the date of auctions, the auctioneer and the Company will enter into a written agreement for conducting the auction. The auctioneers tenure will be one year with reappointment every year and the fees payable is pre-fixed subject to a ceiling 5% of the auction proceeds. Our Company or its promoters concerns will not participate in the auction.

Capital Adequacy Ratio

As per the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025, every NBFC-ML including us are subject to capital adequacy requirements. Currently, we are required to maintain a minimum capital ratio consisting of Tier 1 and Tier 2 capital which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off balance sheet items. Also, the total of Tier 2 capital, at any point of time, shall not exceed one hundred percent of Tier 1 capital. Additionally, we are required to transfer up to 20% of our net profit to a reserve fund and make provisions for NPAs. We had a capital adequacy ratio of 19.69%, 23.90%, and 20.41 % on March 31, 2026, March 31, 2025, and March 31, 2024, respectively. We have satisfied the minimum capital adequacy ratios prescribed by the RBI for the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024.

Technology

We use information technology as a strategic tool for our business operations to improve our overall productivity and efficiency. We believe that through our information systems which are currently in place, we are able to manage our operations efficiently, market effectively to our target customers, and effectively monitor and control risks. We believe that this system has improved customer service by reducing transaction time and has allowed us to manage loan collection efforts better and to comply with regulatory record-keeping and reporting requirements. All our branches are computerised. A need was felt for a centralised IT platform for our continued aggressive growth along with risk management. Accordingly, we have implemented centralised IT platform and are streamlining the past records to improve the operational efficiency. Further, our Company has implemented the ERP system across all branches from February 29, 2020.

Our Company has also constituted an Information Technology Strategy Committee to direct and manage information security governance for our Company's enterprise. Information Technology Strategy Committee is responsible for policy maintenance activities including reviews and revisions and for monitoring compliance with Information Technology Policy ("**IT Policy**") approved by the Information Technology Strategy Committee and to assist in the enforcement of the IT Policy. The Information Technology Strategy Committee also conducts annual risk assessments in order to determine the level of security risk and the efficacy of security controls within the Company.

Our Borrowings and Credit Ratings

Source of funding

We have expanded our sources of funds in order to reduce our funding costs, protect interest margins and maintain a diverse funding portfolio. This will enable us to achieve funding stability and liquidity. We have depended on issuance of equity shares & secured non-convertible debentures through private placement & public issues and subordinate debt as primary source of funding.

Please refer to sections titled "*Financial Statements*" and "*Financial Indebtedness*" on pages 174 and 176.

Credit Ratings:

Credit Rating Agency	Instrument	Date	Ratings	Rated amount in ₹ lakhs
Acuité Ratings & Research Limited	Proposed Issue of Non-Convertible Debentures	Rating letter dated July 31, 2026	ACUITE BBB- (Negative)	₹ 10,000 Lakhs

Security threats and measures taken to mitigate them

The principal security risks to our operations are robbery and employee theft or fraud. We have extensive security and surveillance systems to counter external security threats. To mitigate internal threats, we undertake careful pre-employment screening, including obtaining references before appointment. We have also installed surveillance cameras across our branches to protect against robbery, all branch employees work behind wooden, glass and steel counters, and the back office, strong room/safe and computer areas are locked and closed to customers. We also keep the pledged gold in joint custody stored securely in strong rooms. Since we handle high volumes of cash and gold jewellery at our locations, daily monitoring, spot audits and immediate responses to

irregularities are critical to our operations. We have an internal auditing program that includes unannounced branch audits and cash counts at randomly selected branches.

Competition

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

Insurance

We believe that we maintain all material insurance policies that are customary for companies operating in similar businesses. These include a money insurance policy in respect of cash-in-safe and in-transit. We also maintain insurance coverage against losses occasioned by burglary for the gold and cash-in-safe.

Property

Our registered office is at Door No. 8-13, Plot No. 39, First Floor, Ashoka Complex, Above Indian Bank, Mythripuram Colony, Gayathrinagar X Road, Vaishalinagar P.O., Hyderabad, Telangana - 500 079. Our corporate office is at KLM Grand Estate, Bypass Road, Edappally, Ernakulam, Kerala-682024. As at June 30, 2026, we had 551 branches. We enter into lease and/or leave and license agreements in connection with the premises required for our business outlet. Except our branch located in Kothamangalam, Kerala, and our Corporate Office, all of our branches, registered office are located on leased premises.

Intellectual Property

Our corporate logo " " and trade name are registered with the Trade Marks Registry under class 36 and received a Certificate of Registration of Trademark bearing number 3270689 dated March 30, 2017. Additionally, we have also registered the logo for 'KLM Axiva Finvest' with the Trade Marks Registry under class 36 and received Certificate of Registration of Trademark bearing number 3899321 on January 26, 2019.

Human Resource

As of June 30, 2026, we have 1,888 full-time employees. In addition, we have temporary sales, marketing and recovery personnel who work on a commission basis. We adhere to a policy of nurturing dedicated talent by conducting regular training programmes. We provide training to our employees both as a commitment to their career development and also to ensure quality service to our customers. These trainings are conducted on joining as part of employee initiation and include additional on-the-job trainings.

HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was incorporated on April 28, 1997, as 'Needs Finvest Limited', a public limited company under the Companies Act, 1956 with a certificate of incorporation issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. Our Company also obtained the certificate of commencement of business dated May 6, 1997 from the Registrar of Companies, Andhra Pradesh at Hyderabad. The name of our Company was changed to 'KLM Axiva Finvest Limited' pursuant to a resolution passed by the shareholders of our Company at the EGM held on January 25, 2016 and a fresh certificate of incorporation dated February 29, 2016 issued by the RoC. The Corporate Identity Number of our Company is U65910TG1997PLC026983.

Our Company had originally obtained a Certificate of Registration in the name of Needs Finvest Limited dated December 30, 1997 bearing registration no. 09.00006 issued by the RBI to commence the business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the Certificate of Registration under Section 45 IA of the RBI Act. Subsequently, the name of our Company was changed to KLM Axiva Finvest Limited and we had obtained fresh Certificate of Registration dated March 15, 2016 bearing registration no. 09.00006 from RBI.

Our erstwhile Promoter Princy Josekutty has disassociated herself from the Company with effect from June 18, 2021 and had transferred 47,000 Equity Shares to Shibu Theckumpurath Varghese.

As on the date of this Prospectus, list of our Group Companies are as follows:

1. KLM Tiana Gold & Diamonds Private Limited;
2. Carbomix Polymers (India) Private Limited
3. Ente Naadu Nidhi Limited.

Registered office of our Company

The registered office of our Company is located at Door No. 8-13, Plot No. 39, First Floor, Ashoka Complex, Above Indian Bank, Mythripuram Colony, Gayathrinagar X Road, Vaishalinagar P.O., Hyderabad, Telangana – 500 079.

Change in Registered Office of our Company

Date	Details of registered office	Reason for Change
At Incorporation	Flat No.12, 3rd Floor, Krishna Complex, D. No. 4-1-938, Tilak Road, Abids, Hyderabad – 500001	-
April 08, 2009	D.No.3-4-186, Tobacco Bazar, Lane Behind Mahankali Temple, Secunderabad, Telangana – 500003	For effective and efficient business
January 22, 2017	Subodh Business Centre, 408, Malik Chambers, Hyderguda, Hyderabad, Telengana – 500029	For effective and efficient business
August 31, 2020	Door No. 3-3-408/1, First Floor, RTC Colony, Opposite SBI Bank, LB Nagar, Mansoorabad, Rangareddi, Hyderabad – 500 074, Telangana, India	For administrative and operational convenience
August 13, 2022	Door No. 8-13, Plot No. 39, First Floor, Ashoka Complex, Above Indian Bank, Mythripuram Colony, Gayathrinagar X Road, Vaishalinagar P.O., Hyderabad, Telangana-500 079	For administrative and operational convenience

Change in Corporate Office of our Company

Date	Details of corporate office	Reason for Change
May 14, 2024	KLM Grand Estate, Bypass Road, Edappally, Ernakulam, Kerala-682024	For administrative and operational convenience

Main objects of our Company

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

1. *To carry on and undertake the business of finance, whether by making loans or advances or otherwise, gold loan, hire purchase, leasing and to finance lease operations of all kinds, purchasing, selling, hiring or letting on hire all kinds of Plant and Machinery and equipment that the Company may think fit to any Company, body corporate, firm, society, trust, association or individual and to assist in financing of all and every kind and description of hire purchase or deferred payment or similar transactions and to subsidise, finance or assist in subsidising or financing the sale and maintenance of any goods, articles or commodities of all and every kind and description upon any terms whatsoever and for the purpose to purchase or otherwise deal in all forms of immovable and movable property including lands and buildings, plant and machinery, equipment, ships, aircrafts, automobiles, such as motor vehicles, motor cars, two wheelers, computers, and all consumer, commercial and industrial items and to lease or otherwise deal with them in any manner whatsoever including resale thereof, regardless of whether the property purchased and leased be new and/ or used to carry on finance against shares, securities and any other valuable articles.*

2. *To invest, lend, advance, deposit or deal with the money belonging to, entrusted to or at the disposal or Company, or to give credit to any Company, Companies, Firms or persons, and in particular to the customers of the Company, with or without security and on such terms as may seem expedient and to give guarantees or securities for any such persons, firms, or Companies.*

3. *To subscribe, purchase, acquire, hold, sell, invest, dispose off or otherwise deal, for self and on behalf of others in shares, stocks, debentures, bonds, units, mortgages, obligations and securities issued to or guaranteed by Company or Mutual Fund and Government, Trust, Municipal. Local or other authority, and to invest by original subscription, syndicate participation, tender, purchase or otherwise out of the funds of the Company obtained either by subscription of capital, borrowings or by receipt of income from any trust which may be discretionary or otherwise or by gift of money received by the company from any person and also to invest in Badia finance and fiancé against shares and securities.*

4. *To become a corporate member of Stock Exchange, Security Exchange, OTC Exchange, any other recognized stock exchanges with trading privileges and to act as brokers and dealers for shares, securities, stocks, financial instruments, bonds, debentures, foreign exchanges and render consultancy services to their clientele whether in India and in abroad for investment in shares, debentures, bonds and all kinds of securities and to act as underwriters, issue managers, Lead Manager, Co-Managers, Portfolio Managers for all public issues including euro – issues or otherwise.*

5. *To carry on the business as full-fledged money changers subject to the rules and regulations prescribed in this behalf by the Reserve Bank of India, from time to time.*

6. *To carry on the business of sub-agency of Money Transfer Companies, to solicit and procure Insurance Business, such as Life, General and Health Insurance as a Corporate Agent /Sub Agent.*

Key milestones and major events

Financial year	Particulars
2012-2013	Present management acquired KLM Axiva Finvest Limited formerly known as Needs Finvest Limited and got permission for management change from RBI in 2013
2015-2016	Company extended the area of business to states of Tamil Nadu and Karnataka
2016-2017	Company raised funds through issue of non-convertible debentures through private placements and issue of subordinated debts
2017-2018	Our Company had started a Microfinance division in September 2017.
2019-2020	Our Company, by virtue of our total assets exceeding ₹ 50,000 lakhs, became a systemically important non-deposit taking NBFC with effect from March 9, 2020. Further RBI, on October 16, 2020, intimated our Company that it will fall under the category of Non-Banking Financial Company - Systemically Important Non-Deposit Taking company.

Key Agreements

Share purchase agreement dated March 9, 2013 entered into amongst Varalakshmi Kanapala, Satyanarayana Konapala, Konapala Rajasekhar, Balla Ramalingeswara Rao, Uppu Nagaratnam, K V L Narayana, Vatti Satyavathi, Vatti Arjuna Rao and Sri Lakshmi K (collectively referred as "Sellers"), Biji Shibu, Jijo M Varghese,

Simi Gijo, Princy Josekutty, Ann Jose, Bindu Peeyus, Chinnamma Kuriakose, John J Pullan and Aleyamma Varghese (collectively referred as "**Purchasers**"), and our Company.

Our Company, Sellers and Purchasers entered into a share purchase agreement dated March 9, 2013 ("**SPA**"), pursuant to which Sellers agreed to sell and Purchasers agreed to purchase, 100% of the issued and paid up equity share capital of the Company. The consideration of ₹ 85,34,588 (Rupees Eighty Five Lakhs Thirty Four Thousands Five Hundred and Eighty Eight only) was discharged by the Purchasers for transfer of 758,300 Equity Shares of our Company at a price of ₹11.25 per Equity Shares.

Holding Company

As on the date of this Prospectus, our Company does not have a holding company.

Subsidiary

As on the date of this Prospectus, our Company does not have a subsidiary.

OUR MANAGEMENT

In compliance with the Companies Act, 2013, our Company is required to have not less than three Directors and not more than fifteen Directors. As on the date of this Prospectus, we have 6 (six) Directors on the Board which include 2 (two) Executive Directors and 4 (Four) Non-Executive Directors including 2 (two) Independent Directors.

Board of Directors

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

Details relating to Directors

Name, designation, and DIN	Age (years)	Address	Date of Original Appointment / Re-appointment	Other Directorships
Sreenivasan Thettalil Parameswaran Pillai **Designation:** Chairman and Non-Executive Director **DIN:** 03048551	82	Sreelekha, J3, Jawahar Nagar, Thiruvananthapuram, Kerala – 695 003, India	**Date of original appointment:** May 23, 2023 **Date of Re-appointment:** September 30, 2024	**Indian Companies** Nil **Foreign Companies** Nil
Shibu Theckumpurath Varghese **Designation:** Whole-Time Director **DIN:** 02079917	61	Theckumpurath House, Chelad P.O. Kothamangalam, Ernakulam, Kerala - 686691	**Date of original appointment:** July 27, 2016 **Date of Re-appointment:** August 30, 2024	**Indian Companies** Nil **Foreign Companies** Nil
Biji Shibu **Designation:** Executive Director **DIN:** 06484566	56	Theckurnpurath House, Chelad P.O. Kothamangalam, Ernakulam, Kerala - 686691	**Date of original appointment:** March 9, 2013 **Date of Re-appointment:** September 26, 2025	**Indian Companies** 1. Carbomix Polymers (India) Private Limited; 2. KLM Tiana Gold & Diamonds Private Limited; and **Foreign Companies** Nil
Kaippillil Mathew Kuriakose **Designation:** Independent Director **DIN:** 08924909	71	Kaippillil, Vaikkara, Asamannoor, Ernakulam, Kerala – 683 549, India	**Date of original appointment:** May 23, 2023 **Date of Re-appointment:** May 23, 2024	**Indian Companies** 1. Astoria Nidhi Limited **Foreign Companies** Nil
Erin Lizbeth Shibu	24	Theckumpurath Kothamangala	**Date of original appointment:**	**Indian Companies**

Name, designation, and DIN	Age (years)	Address	Date of Original Appointment / Re-appointment	Other Directorships
Designation: Additional Director (Non-Executive, Non-Independent)* **DIN:** 11139980		m, Ernakulam, Kerala – 686 691	November 14, 2025 **Date of Re-appointment:** Not Applicable	Nil **Foreign Companies** Nil
Vadakumpadan Thomas Joy **Designation:** Independent Director **DIN:** 11524831	71	Vadakumpadan, Darsana Road, Ernakulam, Aluva, Kerala – 683 101	**Date of original appointment:** February 13, 2026 **Date of Re-appointment:** Not Applicable	**Indian Companies** Nil **Foreign Companies** Nil

** Erin Lizbeth Shibu also holds office of profit in the capacity as Vice President-Finance of our Company.*

Our Company confirms that permanent account number, aadhar number, driving license number, bank account number and passport number of the Directors shall be submitted to the Stock Exchange at the time of filing of the Draft Prospectus.

Brief Profile of Directors

Sreenivasan Thettalil Parameswaran Pillai, aged 82 years, is the Chairman and Non-Executive Director of our Company. He holds a bachelor of arts degree in english and a master of arts degree in english from the University of Kerala.

Shibu Theckumpurath Varghese, aged 61 years, is the Whole-Time Director of our Company. He holds a bachelor's degree in arts from Gandhiji University. He also served as a director in Ente Naadu Nidhi Limited. He has been associated with our Company since July 27, 2016.

Biji Shibu, aged 56 years, is the Promoter and Executive Director of our Company. She holds a bachelor's degree in arts from Mahatma Gandhi University. She is also serving as a director in Carbomix Polymers (India) Private Limited, and KLM Tiana Gold & Diamonds Private Limited. She has been associated with our Company since March 9, 2013.

Kaippillil Mathew Kuriakose, aged 71 years, is an Independent Director of our Company. He holds a masters degree in philosophy from the University of Kerala and a master of arts degree from Vikram University.

Erin Lizbeth Shibu, aged 24 years, is an Additional Director (Non-Executive, Non-Independent) of our Company. She holds a bachelor's degree in commerce from University of Madras. She has been associated with our Company since June 01, 2025. She also holds office of profit in the capacity as Vice President-Finance of our Company.

Vadakumpadan Thomas Joy, aged 71 years is an Independent Director of our Company. He holds a bachelor's degree in commerce from University of Kerala and is a Certified Associate of the Indian Institute of Bankers. He has been associated with our Company since February 13, 2026.

Confirmations

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

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

None of our Directors have been identified as a 'wilful defaulter', as defined under SEBI NCS Regulations.

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

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

None of our Directors was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Prospectus, in accordance with the SEBI Delisting Regulations, as amended.

None of our promoters or directors is a Fugitive Economic Offender.

No fine or penalties levied by the Board /Stock Exchanges is pending to be paid by the issuer at the time of filing the offer document.

We are not in default of payment of interest or repayment of principal amount in respect of non-convertible securities, if any, for a period of more than six months.

Relationship between Directors

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

Name of Director	Designation	Relationship with other Directors
Shibu Theckumpurath Varghese	Whole time Director	Husband of Biji Shibu
Biji Shibu	Executive Director	Wife of Shibu Theckumpurath Varghese
Erin Lizbeth Shibu	Additional Director (Non-Executive, Non-Independent)	Daughter of Biji Shibu and Shibu Theckumpurath Varghese

Remuneration and terms of appointment of the Directors

Executive Directors

The present remuneration structure of Executive Directors consists of fixed salary, commission and other perquisites. The following table sets forth all compensation paid to the Executive Directors:

1. Shibu Theckumpurath Varghese

   Shibu Theckumpurath Varghese was appointed for a period of 3 years, with effect from August 30, 2016 as the Whole-Time Director of our Company by a resolution of the Board of Directors dated August 30, 2016 and the approval of the members pursuant to an AGM held on September 26, 2016. Further, Shibu Theckumpurath Varghese was re-appointed for a further period of 5 years with effect from August 30, 2024 with the approval of the members pursuant to an EGM held on June 21, 2024.

   Pursuant to the EGM held on June 21, 2024, the remuneration payable to Shibu Theckumpurath Varghese is been increased from ₹8,00,000 per month to ₹15,00,000 per month subject to any statutory modifications or re-enactment of the Companies Act, 2013 w.e.f. September 01, 2024.

2. Biji Shibu

   Biji Shibu was appointed as a Director with effect from March 09, 2013, by a resolution of the Board of Directors dated March 09, 2013. Further, Biji Shibu was re-appointed as a Director by a resolution dated August 18, 2023. Pursuant to the EGM held on June 21, 2024, the designation of Biji Shibu was changed from Non-Executive Director to Executive Director of our Company, with effect from July 1, 2024. Furthermore, during the same EGM, the remuneration payable to Biji Shibu was enhanced from ₹12,00,000/- per annum to ₹36,00,000/- per annum, with effect from July 1, 2024 onwards.

Non-Executive Directors

The Board of Directors, by way resolution dated December 16, 2025 approved payment of sitting fees of ₹1,00,000/- per meeting for attending meeting of the Board and ₹50,000/- per meeting for attending meetings of

committees of Board, subject to a maximum of ₹ 1,50,000 per quarter to each of the Independent Directors of the Company. As of date of this Prospectus, the Indpendent Directors of our Company are Kaippillil Mathew Kuriakose and Vadakumpadan Thomas Joy.

The shareholders of our Company, at their meeting held on September 26, 2025, approved payment of annual remuneration of ₹13,33,332/- to Sreenivasan Thettalil Parameswaran Pillai, payable on a monthly basis. Further, the Board of Directors of our Company, at its meeting held on November 14, 2025, approved payment of remuneration of ₹50,000 per month to Erin Lizbeth Shibu for holding office of profit in the capacity as Vice President-Finance of our Company. Such remuneration is not paid to her in her capacity as an Additional Director (Non-Executive, Non-Independent) of our Company, but in relation to her holding such office of profit, subject to such approvals as may be required under applicable law.

Except for Sreenivasan Thettalil Parameswaran Pillai and Erin Lizbeth Shibhu, none of the Non-Executive Directors including the Independent Directors of our Company were been paid any remuneration, other than sitting fees, during Fiscal 2026, in their capacity as Non-Executive Directors.

Remuneration paid to our Directors

The following table sets forth the remuneration (which includes sitting fees) paid by our Company to our Directors during current financial year and last three financial years ended March 31, 2026, March 31, 2025, and March 31, 2024:

Name of Directors	Designation	Current Financial Year (up till July 31, 2026)	Fiscal 2026	Fiscal 2025	Fiscal 2024
Shibu Theckumpurath Varghese	Whole Time Director	60,00,000	1,80,00,000	1,45,00,000	81,00,000
Biji Shibu	Executive Director	12,00,000	36,00,000	30,00,000	7,00,000
Ambramoli Purushothaman [1]	Independent Director	Nil	Nil	Nil	20,000
Sivadas Chettoor[2]	Independent Director	Nil	Nil	Nil	40,000
Sreenivasan Thettalil Parameswaran Pillai[3]	Chairman and Non-Executive Director	5,00,000	13,33,332	12,99,999	11,00,000
Kaippillil Mathew Kuriakose[4]	Independent Director	1,50,000	5,10,000	3,80,000	2,00,000
Joseph Paul Menacherry[5]	Independent Director	Nil	3,60,000	3,80,000	1,80,000
Abraham Thariyan[6]	Independent Director	Nil	3,60,000	3,80,000	1,80,000
Erin Lizbeth Shibu[7]	Additional Director (Non-Executive, Non-Independent)	2,00,000	3,00,000	Nil	Nil
Vadakumpadan Thomas Joy[8]	Independent Director	1,50,000	Nil	Nil	Nil

[1]*Independent Directorship Tenure completed on April 12, 2023.*
[2]*Resigned with effect from May 19, 2023.*
[3]*Appointed with effect from May 23, 2023.*
[4]*Appointed with effect from May 23, 2023.*
[5]*Resigned with effect from March 01, 2026.*

[6]*Resigned with effect from December 16, 2025.*
[7] *Appointed with effect from November 14, 2025. Amounts disclosed against Erin Lizbeth Shibu represent remuneration paid to her for holding office of profit in the capacity as Vice President-Finance of our Company, and do not represent remuneration paid to her in her capacity as Additional Director (Non-Executive, Non-Independent).*
[8] *Appointed with effect from February 13, 2026.*

Remuneration paid to the Directors for the current year and Fiscals 2026, 2025, and 2024 by our Subsidiaries and Associates

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

Borrowing Powers of the Board

Pursuant to the resolution passed by the shareholders of our Company at their EGM held on January 05, 2022 and in accordance with provisions of Section 180(1)(c) of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Articles of Association of our Company, the Board has been authorised to borrow money on and behalf of the Company from time to time as deemed by the Company to be requisite and proper for the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company as per the latest annual audited financial statements (apart from temporary loans obtained from the company's bankers in the ordinary course of business) shall not exceed an amount of ₹ 2,50,000 lakhs.

Interest of the Directors

Except Biji Shibu, Shibu Theckumpurath Varghese nad Erin Lizbeth Shibu, no other Directors are interested in the promotion of our Company. As of June 30, 2026, Biji Shibu, Shibu Theckumpurath Varghese, and Erin Lizbeth Sibhu, held 2,83,35,054 or 10.55%, 4,15,62,421 or 15.47%, and 76,08,546 or 2.83% Equity Shares of our Company, respectively.

All the Directors of our Company, including our Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. All the Independent Directors of our Company are entitled to sitting fees for attending every meeting of the Board or a committee thereof. Erin Lizbeth Shibu may be deemed to be interested to the extent of remuneration paid to her for holding office of profit in the capacity as Vice President-Finance of our Company.

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

Our Directors have no interest in any immovable property acquired or proposed to be acquired by our Company in the preceding two years from the date of this Prospectus nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

All our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Prospectus and statutory registers maintained by our Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made with them.

As on the date of this Prospectus, our Directors have not taken any loan from our Company. Except as disclosed in the section "*Related Party Transactions*" on page 173, none of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustee

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

None of the Directors, have made any contribution as part of the Issue or separately.

None of the Directors of our Company are interested in the benefits / interests arising out of the objects of the issue.

Except as stated in the sections titled "*Related Party Transactions*" on page 173 and to the extent of compensation and commission if any, and their shareholding in our Company, our Directors do not have any other interest in our business.

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

Debenture holding of Directors

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

Changes in the Directors of the Company during the last three financial years and the current financial year

The changes in the Board of Directors of our Company in the preceding three financial years and current financial year preceding the date of this Prospectus are as follows:

Name, Designation and DIN	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Sivadas Chettoor **Designation:** Independent Director **DIN:** 01773249	January 28, 2022	-	May 19, 2023	-
Ambramoli Purushothaman **Designation:** Independent Director **DIN:** 07706484	April 12, 2022	April 12, 2023	-	Expiry of Tenure
Sreenivasan Thettalil Parameswaran Pillai **Designation**: Chairman and Non-Executive Director **DIN:** 03048551	May 23, 2023			
Kaippillil Mathew Kuriakose **Designation**: Independent Director (Non-Executive and Independent Director) **DIN:** 08924909	May 23, 2023			

Name, Designation and DIN	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Joseph Paul Menacherry **Designation:** Independent Director **DIN:** 06540233	June 8, 2023		March 01, 2026	Resignation
Abraham Thariyan **Designation:** Independent Director **DIN:** 07132831	June 21, 2023		December 16, 2025	Resignation
Issac Jacob **Designation:** Non-Executive and Independent Director **DIN:** 02078308	March 17, 2023	November 8, 2023	-	Vacation under 167 of Companies Act, 2013
Erin Lizbeth Shibu **Designation:** Additional Director (Non-Executive, Non-Independent) **DIN:** 11139980	November 14, 2025			
Vadakumpadan Thomas Joy **Designation:** Independent Director **DIN:** 11524831	February 13, 2026			

Note: This does not include changes such as regularisations or change in designations

Shareholding of Directors

Details of the Equity Shares held in our Company by our Directors, as on June 30, 2026, is provided in the table given below:

Name of Director	Number of Shares held	Percentage of the total paid-up capital (%)
Shibu Theckumpurath Varghese	4,15,62,421	15.47%
Biji Shibu	2,83,35,054	10.55%
Erin Lizbeth Shibu	76,08,546	2.83%
Vadakumpadann Thomas Joy	66,701	0.02%
Total	**7,75,72,722**	**28.87%**

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

Name of the KMP/SMP	Designation	Current Financial Year (up till June 30, 2026)	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
Thanish Dalee	Chief Financial Officer	9,07,020.00	36,28,080.00	30,65,814	28,92,276
Naveena P. Thampi	Company Secretary and Compliance Officer	3,75,000.00	15,00,000.00	12,96,000	72,000
Erin Lizbeth Shibu	Vice President – Finance	1,50,000.00	3,00,000.00	Nil	Nil
Tom Jyothis Kochupurackal	Chief Information Officer	6,19,914.00	24,79,656.00	21,51,768	20,49,300
K. B. Venugopal	Chief Vigilance Officer	2,37,600.00	9,50,400.00	8,64,000	7,94,000
Jagadeeswaran S.	Chief Operating Officer	6,64,300.00	20,85,523	10,13,784	Nil
Minni Sajan	General Manager-Infra & Admin	6,11,289.00	24,45,156.00	20,66,214	19,49,253
K. Prakash	Assistant General Manager - Human Resources	3,56,043.00	14,24,172.00	11,81,580	10,91,580
Anilkumar	Assistant General Manager -Audit	2,24,334.00	8,97,336.00	7,78,680	7,21,600
Nisha Deepak	Head - Branding & Corporate Communications	1,91,361.00	7,65,444.00	6,46,998	6,02,000

Key Managerial Personnel

The Key Managerial Personnel of our Company, excluding the Whole Time Director and the Executive Director, are as follows:

1. ***Thanish Dalee***, aged 45 years, is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from the Mahatma Gandhi University, Kottayam and he is also a certified chartered accountant from the Institute of Chartered Accountants of India. He was appointed as the Chief Financial Officer of our Company on August 8, 2017.

2. ***Naveena P. Thampi***, aged 33 years, is the Company Secretary and Compliance Officer of our Company. She holds a master's degree in commerce from the Mahatma Gandhi University, Kottayam and she is also a fellow member of the Institute of Company Secretaries of India. She was appointed as the Company Secretary of our Company with effect from March 11, 2024.

For details about our Whole Time Director, please refer to "*Our Management*" on page 155.

All our Key Managerial Personnel are permanent employees of our Company.

Except for the remuneration drawn from our Company, our Key Managerial Personnels do not have any other financial or material interest in the Issue.

Senior Management

The Senior Management of our Company, excluding the Key Managerial Personnel, are as follows:

1. **Erin Lizbeth Shibu**, aged 24 years, is the vice president – finance of our company. She has been associated

with our Company since June 01, 2025

2. **Tom Jyothis Kochupurackal,** aged 47 years, is the chief information officer of our Company. He has been associated with our Company since May 03, 2021.

3. **K. B. Venugopal**, aged 66 years, is the chief vigilance officer of our Company. He has been associated with our Company since December 12, 2022.

4. **Jagadeeswaran S.,** aged 44 years, is the chief operating officer of our Company. He has been associated with our Company since September 23, 2024.

5. **Minni Sajan,** aged 51 years, is the general manager-infra & admin of our Company. She has been associated with our Company since February 10, 2004.

6. **K. Prakash,** aged 42 years, is the assistant general manager - human resources of our Company. He has been associated with our Company since May 11, 2020.

7. **Anilkumar,** aged 59 years, is the assistant general manager -audit of our Company. He has been associated with our Company since June 16, 2022.

8. **Nisha Deepak,** aged 43 years, is the head - branding & corporate communications of our Company. She has been associated with our Company since March 01, 2018.

Interests of Senior Management

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

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

- Extent of shareholding in the company or firms and trusts in which they are interested as director, member, partner and/or trustee, and to the extent of benefits arising out of such shareholding.

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

- To the extent of the shareholding in the Company, if any held by them or their relatives or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding and/ or the stock options granted to some of our key managerial personnel.

- To the extent of debentures of our Company held by them or to be subscribed by them in this Issue and to the extent of any interest/redemption proceeds paid/payable to him and other distributions in respect of the said debentures.

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

Relationship with other Senior Management Personnel

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

Shareholding of our Company's Senior Management Personnel

Except as disclosed below, none of the Senior Managerial Personnel hold any Equity Shares in our Company as on the date of this Prospectus:

Name of the Senior Management Personnel	Designation	Number of Equity Shares held	Percentage of the total paid-up capital (%)
Thanish Dalee	Chief Financial Officer	55,000	0.02
Erin Lizbeth Shibu	Vice President - Finance	76,08,546	2.83

Details of various Committees of the Board

1. Audit Committee

Audit committee was constituted by the Board of directors through its resolution dated August 14, 2015 and was last reconstituted on April 27, 2026. It currently comprises of the following directors:

Name	Designation	Designation in committee
Vadakumpadan Thomas Joy	Independent Director	Chairperson
Kaippillil Mathew Kuriakose	Independent Director	Member
Biji Shibu	Executive Director	Member

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

1. *Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;*
2. *Recommend appointment, remuneration and terms of appointment of auditors, of the Company;*
3. *Approval of payment to statutory auditors, for any other services rendered by them;*
4. *Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for its approval, with particular reference to:*
   a) *matters required to be included in the Directors' 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 judgement 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) *modified opinion(s) in the draft audit report.*
5. *Review with the management, the quarterly financial statements before submission to the Board for approval;*
6. *Review 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 utilised for the 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 issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;*
7. *Review and monitor the auditor's independence and performance, and effectiveness of audit process;*
8. *Approval or any subsequent modification of transactions with related parties of the Company;*
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. *Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems.*
13. *Review 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. *Discuss with internal auditors of any significant findings and follow-up thereon;*
15. *Review 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. *Discuss 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. *Look 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. *Review the functioning of the Whistle Blower mechanism / oversee the vigil mechanism;*
19. *Approval of appointment of Chief Financial Officer after assessing qualifications, experience and background, etc. of the candidate;*
20. *Review the utilisation of loans and / or advances from / investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;*
21. *Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.*
22. *The Audit Committee shall mandatorily review the following:*
    a. *Management Discussion and Analysis of financial condition and results of operations;*
    b. *Management letters / letters of internal control weaknesses issued by the statutory auditors;*
    c. *Internal audit reports relating to internal control weaknesses;*
    d. *Appointment, removal and terms of remuneration of the chief internal auditor*
    e. *Statement of deviations:*
        i. *quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations);*
        ii. *annual statement of funds utilised for purpose other than those stated in the offer document / prospectus in terms of the Listing Regulations;*
23. *Monitor the end use of funds raised through public offers and related matters;*
24. *Examine the financial statements and the auditor's report thereon;*
25. *Review financial statements of the Company's subsidiaries if any, in particular the investments made by the subsidiaries;*
26. *Guidance on implementation of Indian Accounting Standards (Ind As);*
27. *Formulate the scope, functioning, periodicity of and methodology for conducting the internal audit;*
28. *Shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the listed entity and such approval shall be applicable in respect of transactions which are repetitive in nature;*
29. *The Committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;*
30. *All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the Company;*
31. *The Audit Committee must ensure that an Information System Audit of the internal systems and processes is conducted to assess operational risks faced by the Company;*
32. *The rationale and justification for any change in the Expected Credit Losses (ECL) model and any adjustments to the ECL model output shall be approved by the Audit Committee;*
33. *Approval of the classification of accounts that are past due beyond 90 days but not treated as impaired, with the rationale for the same;*
34. *Carry out any other role as mandated by the Board from time to time and / or enforced by any statutory laws, notifications, circulars, RBI master directions, or amendments as may be applicable.*

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by a board resolution dated August 14, 2015 and reconstituted as on April 27, 2026. It currently comprises the following Directors:

Name	Designation	Designation in committee
Kaippillil Mathew Kuriakose	Independent Director	Chairperson
Vadakumpadan Thomas Joy	Independent Director	Member
Erin Lizbeth Shibu	Additional Director (Non-Executive, Non-Independent)	Member

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

1. *Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal*

2. *Specify the manner for effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;*
3. *Formulate 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;*
4. *For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:*
    a. *use the services of an external agencies, if required;*
    b. *consider candidates from a wide range of backgrounds, having due regard to diversity; and*
    c. *consider the time commitments of the candidates.*
5. *Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;*
6. *Devise a policy on Board diversity;*
7. *Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;*
8. *Consider extension or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of Independent Directors;*
9. *Recommend to the Board, all remuneration, in whatever form, payable to senior management;*
10. *to ensure 'fit and proper' status of proposed/ existing directors as per RBI Master Direction DNBR.PD.008/03.10.119/2016-17;*
11. *Carry out any other role as mandated by the Board from time to time and / or enforced by any statutory laws, notifications, circulars, RBI master directions, or amendments as may be applicable.*

3. Finance Committee

The Finance Committee was constituted by a Board Resolution dated March 31, 2016 and was last reconstituted on April 09, 2021 and it currently comprises:

Name	Designation	Designation in committee
Shibu Theckumpurath Varghese	Whole-Time Director	Chairperson
Biji Shibu	Executive Director	Member

The scope, function of the Finance Committee and its terms of references are as follows:

1. *To oversee annual audit process;*
2. *To allot, transfer, transmit, dematerialize, re-materialise, split and consolidate equity shares and other securities issued by the Company;*
3. *Review company's financial policies, working capital and cash flow management and make such reports and recommendations to the Board with respect thereto as it may deem advisable;*
4. *Borrow monies from banks/financial institutions by way of short term/long term loans, cash credit requirements, overdraft facility, commercial papers (CP) and/or by way of other instruments (other than Debentures), securitization/assignment of receivables and exercise all powers for taking necessary actions connected therewith upto a limit of ₹500 crores.*
5. *Approval/Review of banking arrangements, cash management and arrangements with other financial institutions;*
6. *Opening and closing of accounts with Banks, change in authorised signatories and perform such other actions connected with Bank accounts of the Company;*
7. *Carry out any other functions as mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable;*
8. *Regularly review and make recommendations about the changes to the Charter of the Committee;*
9. *Invest the funds of the Company in Banks or Financial institutions or approved short term liquid funds up to ₹ 100 crores;*

10. *To authorize individuals to represent the company before civil courts, criminal courts, judicial forums and similar authorities.*
11. *Issuance of power of attorney to represent the company in various courts.*
12. *Other transactions or financial issues that the Board may desire to have them reviewed by the Committee.*

4. Asset Liability Management Committee

The Asset Liability Management Committee was constituted by a Board Resolution dated November 15, 2017, and was last reconstituted on June 29, 2026, and it currently comprises:

Name	Designation	Designation in committee
Shibu Theckumpurath Varghese	Whole-Time Director	Chairperson
Erin Lizbeth Shibu	Additional Director (Non-Executive, Non-Independent)	Member
Thanish Dalee	Chief Financial Officer	Member
Naveena P. Thampi,	Company Secretary	Member
Minni Sajan	General Manager – Admin & Infra	Member
Jersy Murukesh	Chief Manager – Accounts & Finance	Member

The scope and function of the Asset Liability Management Committee and its terms of reference are as follows:

1. *Ensuring adherence to the risk tolerance/ limits set by the Board as well as implementing the liquidity risk management strategy of the Company.*
2. *The role of the ALCO with respect to liquidity risk should include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of all branches.*
3. *The ALM Support Group consisting of the operating staff shall be responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO*
4. *To create an institutional mechanism to compute and monitor periodically the maturity pattern of the various liabilities and assets of the company.*
5. *To ensure proper balance of assets and liabilities of the company as per guidelines issued by Reserve Bank of India from time to time.*
6. *The objectives of the committee are as follows:*
   a. Liquidity risk management;
   b. Management of market risks;
   c. Funding and capital planning;
   d. Profit planning and growth projection.
7. *Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.*

5. **Risk Management Committee**

The Risk Management Committee was constituted by a Board Resolution dated November 15, 2017 and was last reconstituted on April 27, 2026, and it currently comprises:

Name	Designation	Designation in committee
Kaippillil Mathew Kuriakose	Independent Director	Chairperson
Biji Shibu	Executive Director	Member
Shibu Theckumpurath Varghese	Whole-Time Director	Member
Erin Lizbeth Shibu	Additional Director (Non-Executive, Non-Independent)	Member
Thanish Dalee	Chief Financial Officer	Member
Minni Sajan	General Manager – Admin & Infra	Member
Anilkumar	Assistant General Manager -	Member

Name	Designation	Designation in committee
	Audit	

The scope and function of the Risk Management Committee and its terms of reference are as follows:

1. *To review the operations of the Company followed by identifying potential threats to the Company and the likelihood of their occurrence, and taking appropriate actions to address the most likely threats;*
2. *To identify the risks, the Company is subject to, deciding how to manage it, implementing the management technique, measuring the ongoing effectiveness of management and taking appropriate correction action;*
3. *To provide a framework that enables future activities to take place in a consistent & controlled manner*
4. *To improve the decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats.*
5. *To contribute towards more efficient use/ allocation of the resources within the organization.*
6. *To optimize operational efficiency in the organization*
7. *To formulate a detailed risk management policy which shall include:*
   (a) *A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.*
   (b) *Measures for risk mitigation including systems and processes for internal control of identified risks.*
   (c) *Business continuity plan.*
8. *To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;*
9. *To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;*
10. *To periodically review the risk management policy, including by considering the changing industry dynamics and evolving complexity;*
11. *To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;*
12. *The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.*
13. *The Committee shall be responsible for evaluating the overall risks faced by the Company including liquidity risk.*
14. *The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.*
15. *Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.*

6. Stakeholder Relationship Committee

The Stakeholders Relationship Committee was constituted in compliance with the provisions of Section 178 of Companies Act, 2013 by a Board Resolution dated April 4, 2017, and was last reconstituted on August 02, 2024 and it currently comprises:

Name	Designation	Designation in committee
Kaippillil Mathew Kuriakose	Independent Director	Chairman
Biji Shibu	Executive Director	Member
Shibu Theckumpurath Varghese	Whole-Time Director	Member

The scope and function of the Stakeholder Relationship Committee are in accordance with Section 178 (6) of the Companies Act and its terms of reference include 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;*
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;*
5. *To monitor transfers, transmissions, dematerialization, re-materialization, splitting and consolidation and all matters connected therewith, of Equity Shares and other securities issued by the Company;*
6. *To coordinate with the statutory and regulatory authorities regarding investor grievances;*
7. *Carry out any other role as mandated by the Board from time to time and / or enforced by any statutory laws, notifications, circulars, RBI master directions, or amendments as may be applicable.*

7. Debenture Committee

The Debenture Committee was re-constituted by the Board of Directors through its resolution dated March 20, 2018, and was last reconstituted on April 09, 2021. The Debenture Committee comprises of the following persons:

Name	Designation	Designation in committee
Shibu Theckumpurath Varghese	Whole-Time Director	Chairman
Biji Shibu	Executive Director	Member

The terms of reference of the Debenture Committee include the following:

1. *To determine and approve, the terms and conditions and number of the debentures to be issued, the timing, nature, type, pricing and such other terms and conditions of the issue including coupon rate, minimum subscription, retention of oversubscription, if any, etc.,*
2. *to approve and make changes to this prospectus, the draft prospectus abridged prospectus, applications forms including any corrigendum, amendments supplements thereto, and the issue thereof;*
3. *to issue and allot the debentures and to approve all other matters relating to the issue;*
4. *to do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilisation of the issue proceeds, modify or alter any of the terms and conditions, including size of the Issue, as it may deem expedient, extension of issue and/or early closure of the issue in accordance with applicable laws;*

Other transactions or financial issues that the Board may desire to have them reviewed by the Committee.

8. **Corporate Social Responsibility (CSR) Committee:**

The CSR Committee was constituted by the Board of Directors through its resolution dated April 3, 2018 and was last reconstituted on June 21, 2023. The CSR Committee comprises of the following persons:

Name	Designation	Designation in committee
Kaippillil Mathew Kuriakose	Independent Director	Chairman
Shibu Theckumpurath Varghese	Whole-Time Director	Member
Biji Shibu	Executive Director	Member

The terms of reference of the CSR Committee include the following:

1. *To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;*
2. *To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;*
3. *To monitor the CSR policy of the Company from time to time;*
4. *To formulate and recommend to the Board, an annual action plan which shall include the following, namely: -*
    a. *the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;*
    b. *the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the Companies (CSR) Rules, 2014;*
    c. *the modalities of utilisation of funds and implementation schedules for the projects or programmes;*
    d. *monitoring and reporting mechanism for the projects or programmes; and*

e. details of need and impact assessment, if any, for the projects undertaken by the company.

5. *Carry out any other role as mandated by the Board from time to time and / or enforced by any statutory laws, notifications, circulars, RBI master directions, or amendments as may be applicable.*

9. Information Technology (IT) Strategy Committee

The IT Strategy Committee was constituted by the Board of Directors through its resolution dated August 26, 2021 and was last reconstituted on April 27, 2026. The IT Strategy Committee comprises of the following persons:

Name	Designation	Designation in committee
Erin Lizbeth Shibu	Additional Director (Non-Executive, Non-Independent)	Chairperson
Vadakumpadan Thomas Joy	Independent Director	Member
Kaippillil Mathew Kuriakose	Independent Director	Member
Shibu Theckumpurath Varghese	Whole-Time Director	Member

The terms of reference of the IT Strategy Committee include the following:

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 and controls.*
6. *Review and amend the IT strategies in line with the corporate strategies*
7. *Institute an effective governance mechanism and risk management process for all IT outsourced operations*

10. **Information Technology (IT) Steering Committee**

The IT Steering Committee was constituted by the Board of Directors through its resolution dated June 29, 2026. The IT Steering Committee comprises of the following persons:

Name	Designation	Designation in committee
Shibu Theckumpurath Varghese	Whole-Time Director	Chairperson
Erin Lizbeth Shibu	Additional Director (Non-Executive, Non-Independent)	Member
Thanish Dalee	Chief Financial Officer	Member
Tom Jyothis Kochupurackal	Chief Information Officer	Member
Jagadeeswaran S.	Chief Operating Officer	Member

The terms of reference of the IT Steering Committee include the following:

1. *Assist the ITSC in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs;*
2. *Oversee the processes put in place for business continuity and disaster recovery;*
3. *Ensure implementation of a robust IT architecture meeting statutory and regulatory compliance; and*
4. *Update ITSC and CEO periodically on the activities of IT Steering Committee.*

OUR PROMOTER

The Promoter of our Company is Biji Shibu. As on June 30, 2026, our Promoter holds 2,83,35,054 Equity Shares aggregating to 10.55% of the equity share capital of our Company. Further our erstwhile Promoter Princy Josekutty has disassociated herself from the Company with effect from June 18, 2021 and had transferred 47,000 Equity Shares to Shibu Theckumpurath Varghese.

Profile of our Promoter

Biji Shibu

Biji Shibu, aged 56 years, is the Promoter and the Executive Director of our Company

Date of Birth: May 21, 1970

Educational qualifications: She holds a bachelor's degree in arts from Mahatma Gandhi University.

Experience: She is associated with our Company from March 09, 2013

For further details, see "*Our Management*" on page 155.

Our Company confirms that the permanent account number, aadhaar number, driving license number, bank account number(s), passport number and personal address of the Promoter and permanent account number of Directors shall be submitted to the Stock Exchange at the time of filing of the Draft Prospectus.

There have been no changes in the Promoter's holding in our Company during last financial year beyond the threshold prescribed by RBI.

Interest of our Promoter in our Company

Except as stated under "*Our Management*" beginning on page 155 and as stated above, to the extent of their shareholding and debenture holding in our Company and to the extent of remuneration received by them in their capacity as Director, our Promoter does not have any other interest in our Company's business. Further, our Promoter has no interest in any property acquired by our Company in the last two years from the date of this Prospectus, or proposed to be acquired by our Company, or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Our Promoter does not propose to subscribe to the Issue and none of our Promoter have any interest in the promotion of the Issue.

Our Promoter's equity shareholding in our Company, as June 30, 2026, is as set forth below:

S. No.	Name of Promoter	Total number of Equity Shares	Number of shares held in dematerialised Form	Percentage of issued Equity Share capital (in %)	Equity Shares pledged or otherwise encumbered	% of Equity Shares pledged
1.	Biji Shibu	2,83,35,054	2,83,35,054	10.55	Nil	Nil

Other ventures of our Promoter

Our Promoter has investments in our Company including the following entities:

Promoter Group Entities:

1.	KLM Tiana Gold & Diamonds Private Limited
2.	Ente Naadu Nidhi Limited
3.	Home Shine Financial Services

Other Confirmations

Our Promoter has not been identified as Wilful Defaulters by any financial institution or bank or a consortium thereof in accordance with the guidelines on identification of Wilful Defaulters prescribed by the RBI.

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

No violations of securities laws have been committed by our Promoter in the past or no proceedings are currently pending against them.

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

Our Promoter has not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad. Further, our Promoter is a not a promoter of another company which is debarred from accessing the securities market or dealing in securities under any order or directions passed for any reasons by SEBI.

Our Promoter is not a Fugitive Economic Offender.

None of the members forming part of our Promoter Group have been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad.

RELATED PARTY TRANSACTIONS

For details of the related party transactions for the Fiscal 2024, Fiscal 2025 and Fiscal 2026 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Annexure IV – Financial Statements*" on pages F- 46 - Note 35, F- 117 – Note 33 and F - 186 – Note 33, respectively.

Related party transactions entered during the last three Fiscals i.e. 2024, 2025 and 2026, with regard to loans made or, guarantees given or securities provided:

(₹ in lakh)

Name of Related Party	Fiscal	Loans Made	Guarantees given	Securities provided
NIL	2024	NIL	NIL	NIL
NIL	2025	NIL	NIL	NIL
NIL	2026	NIL	NIL	NIL

Related party transactions entered during the current financial year for the period from April 01, 2026, till Cut-off Date, with regard to loans made or, guarantees given or securities provided

(₹ in lakh)

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

SECTION V - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1.	Audited Financial Statements as at and for the Financial Year ended March 31, 2024	F- 1 to F- 62
2.	Audited Financial Statements as at and for the Financial Year ended March 31, 2025	F- 63 to F- 132
3.	Audited Financial Statements as at and for the Financial Year ended March 31, 2026	F- 133 to F- 201

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

MATERIAL DEVELOPMENTS

Other than as disclosed below and elsewhere in this Prospectus, there have been no material developments since March 31, 2026 till the Cut-off Date, and there have arisen no circumstance that materially or adversely affect the operations, or financial condition or profitability of the Company or the value of its assets or its ability to pay its liabilities within the next 12 months.

a. The company has redeemed secured non – convertible debentures amounting to ₹ 3,433.67 lakhs, during April 01, 2026 to Cut-off Date.

b. The company has issued Sub – ordinated debts amounting to ₹ 14,909.27 lakhs, during April 01, 2026 to Cut-off Date.

c. The company has redeemed Sub – ordinated debts amounting to ₹ 7,575.46 lakhs, during April 01, 2026 to Cut-off Date.

FINANCIAL INDEBTEDNESS

As on July 1, 2026, the company had outstanding Total Borrowings of **₹ 1,65,870.93 Lakhs:**

Sr. No.	Nature of Borrowings	Amount Outstanding (₹ in lakhs)	%
1	Secured borrowings	74,567.81	43.59%
2	Unsecured borrowings	91,303.12	56.41%
	Total Borrowings	**1,65,870.93**	**100.00%**

Set forth below, is a summary of the borrowings by the company outstanding as on July 1, 2026 , together with a brief description of certain significant terms of such financing arrangements.

A. Details of secured borrowings:

The Company's secured outstanding borrowings as on July 1, 2026, amounts to ₹ 74,567.81 lakhs. The details of the secured borrowings are set out below:

Borrowings from Banks/ Financial Institutions:

The total borrowings obtained by the company in the form of term loans and demand loans from banks comes to ₹ 9,108.58 lakhs, the details of the same are set out below:

Sr. No.	Lender's Name and Type of facility	Date of Sanction	Amount Sanctioned (₹ in lakhs)	Principal outstanding as on July 1, 2026 (₹ in lakhs)	Repayment Date/Schedule	Security and Guarantee	Prepayment clause in Loan Agreement	Credit Rating	Asset Classification
1	Indian Overseas Bank- Term Loan	September 07,2024	3,667.00	1,444.44	1.To be repaid 35 Monthly instalments of Rs. 55,55,555/- and 36th instalment being ₹ 55,55,575 /- after 03 months' holiday period. Interest to be serviced separately as and when debited.	**Primary:** Exclusive first charge by way of hypothecation of standard book debts/ standard loan receivables, current assets etc., present and future of the branches of the company. Asset coverage ratio of 1.43 to be ensured. **Collateral:** 30% of the exposure by way of fixed deposits. **Guarantors:** 1. Shibu Theckumpurath Varghese 2. Biji Shibu	Recovery charges on prepayment will be made at the discretion of the bank	Acuite BBB Stable#	Standard
2	South Indian Bank Overdraft – Working Capital	February 13,2024	1,000.00	437.40	1.Repayable on demand.	**Primary:** 1. Hypothecation of Book debts, Loan Receivables and other current assets on first pari passu basis with Debenture Trustees of the company and	On prepayment Pre-closure charges	Acuite BBB Stable#	Standard

						other banks on MBA Asset coverage ratio of not less than 1.50 times to be ensured at all times for SIBs Exposure. **Collateral:** 1. EM of Property admeasuring to 7.92 ares of land situated under Sy No 1160/6B of village Kothamangalam, Taluk Kothamangalam, District Ernakulam, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future. 2. EM of property admeasuring to 9.27 Ares of land situated under Sy No 1160/6A, 1160/6B of village Kothamangalam, Taluk Kothamangalam, District Ernakulam, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future. 3. EM of property admeasuring to 8.75 Ares of land situated under Sy No 1159/9 village Kothamangalam, Taluk	will be collected for all operative limits (OD/ CCIPC/BP/DCFBP except UBP or UBD) if closed during the currency of the sanction, even if the limit is sanctioned for more than 1 year		

						Kothamangalam, District Ernakulam, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future. 4. EM of property admeasuring to 63.94 ares (61.92 Ares + 2.02 Ares) situated under Sy No 571/3-20 (61.92 Ares) and 571/4-4 (2.02 Ares) of village Muringoor Thekkummuri, Taluk Chalakudy, District Thrissur, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future. 5. EM of property admeasuring to 22.80 Ares of land situated under old Sy No 269/1C/2 & 269/1B/1; Re Sy No : 136/7 of village pattimattom, Taluk Kunnathunadu, District Ernakulam, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future.			

Sr. No.	Lender's Name and Type of facility	Date of Sanction	Amount Sanctioned (₹ in lakhs)	Principal outstanding as on July 1, 2026 (₹ in lakhs)	Repayment Date/Schedule	Security and Guarantee	Prepayment clause in Loan Agreement	Credit Rating	Asset Classification
						Guarantors: 1. Shibu T. Varghese 2. Biji Shibu			
3	Dhanlaxmi Bank – Cash Credit	April 03,2024	900.00	824.82	NA	**Primary:** 1. First ranking pari passu charge with existing secured creditors including debenture trustees on all current assets including book debts and receivables, cash and Bank balances, loans & advances both present and future of the Company at a margin of 30%. (For DP calculation only gold loan portfolio to be	Pre closure charges of 3% on sanctioned limit	Acuite BBB Stable#	Standard

						reckoned at the stipulated margin level of 30%). **Collateral:** 1. EM of 54.73 Ares (135.18 cents) of dry residential vacant land under Sy no 322/4 of 8.90 ares & Sy No 322/5 of 45.83 ares under TP No 18468, of Valakam Village, Valakam GP, Kunnakkal Desom, Muvattupuzha SRO, Muvattupuzha Taluk, Ernakulam District, Kerala standing in the name of M/s. KLM Axiva Finvest Limited (Also right of way). 2. 82.35Ares of Residential land and 479.03 Sq meter residential building (21.22 Ares in Re Sy no.470/11-3-3, 2.26 Ares in Re Sy no.470/11,22.54 Ares in Re Sy 470/11-3-2,19.95Ares in Re Sy 470/11-1-2 3.24 Ares in Re Sy 470/11-3 8.44 Ares in Re Sy 470/2 and 4.70 Ares in Re Sy 470/15 of Mazhuvannur Village, Kunnathunadu			

Sr. No.	Lender's Name and Type of facility	Date of Sanction	Amount Sanctioned (₹ in lakhs)	Principal outstanding as on July 1, 2026 (₹ in lakhs)	Repayment Date/Schedule	Security and Guarantee	Prepayment clause in Loan Agreement	Credit Rating	Asset Classification
						Taluk, Ernakulam District. owned by George Kuryap in capacity of GM, M/s.KLM Axiva Finvest Limited. 3. EM of 19.94 Ares of land (3.33 Ares in Sy No 385/2-2-4, 3.67Ares in Sy No. 385/2-2-5 and 2.82 Ares in Sy no.385/2-2-6 of Koovapady Village, Kunnathunad Taluk, Ernakulam District owned by Mr Shibu T Varghese,Wholetime Director M/s.KLM Axiva Finvest Limited. **Guarantors:** 1. Shibu T V 2. Biji Shibu			

Sr. No.	Lender's Name and Type of facility	Date of Sanction	Amount Sanctioned (₹ in lakhs)	Principal outstanding as on July 1, 2026 (₹ in lakhs)	Repayment Date/Schedule	Security and Guarantee	Prepayment clause in Loan Agreement	Credit Rating	Asset Classification
4	State Bank of India – Cash Credit	December 29,2023	2,500.00	1,504.89	Repayable On Demand	**Primary:** 1. Hypothecation of Book Debts , Loan Receivables and other Current Assets on First Pari Passu basis with Debenture Trustees of the Company and other Banks in MBA. **Collateral:** 1. Exclusive Equitable Mortgage charge over the commercial plot bearing survey number:Sy.no 549,570/3-2,570 /3-3, Situated at door no 5/699, muringoor Thekkummuri, Chalakkudy. 680308, Admeasuring total Area:4.09 Acres,Belonging to KLM Axiva Finvest	Pre closure charges on OD/CC facilities are subjected to bank's discretion	Acuite BBB Stable#	Standard

						Limited(Sale Deed No.561/2019). 2.Exclusive Equitable Mortgage charge over the Commercial Plot bearing Survey Number: Sy. No 379 /1,-2 and 379 /2, situated near Vallakkunnu junction, Oppo. Two Pole Structure No. IIKU/RS/207, R S Road, Vallakkunnu, Irinjalakuda, Thrissur 680683 Admeasuring Total Area: 2.93 Acres, Belonging to KLM Axiva F'invest Limited [Sale Deed No 1291'/2022). 3.Exclusive Equitable Mortgage charge over the Commercial plot bearing Survey Number: Sy. No L267 /g-z,with a commercial building bearing Door No 30/564 of Kothamangalam Municipality, in Kothamangalam Village,Kothamangalam Taluk Ernakulam District, Admeasuring Total Ar."" 7.78 Ares,Belonging to KLM Axiva Finvest Limited (sale Deed No 836/2022).			

						4.Exclusive Equitable Mortgage Charge over the commercial building bearing Survey number: Re-Sy. No 26/2, all in block no.280, situated in Edappally North Village, Kanayannur Taluk, Ernakulam District, Admeasuring Total Area: 3.24 Ares, Belonging to KLM Axiva Finvest Limited (Sale Deed No 1854/2019) and commercial building bearing survey Number: Re-sy. No 26, all in block no.280, situated in Edappally North Village, Kanayannur Taluk Ernakulam District Admeasuring Total Area: 1.75 Ares, Belonging to Shibu T V Sale Deed No 5327 /2014). 5.Exclusive Charge (Lien) Over the Fixed Deposit of ₹21.85 Crs (₹11.85 Crs + ₹10.00 Cr) held in the name of the company with SBI .			
5	Kotak Mahindra Prime Vehicle Loan	August 25,2023	68.96	10.91	39 monthly installments of ₹. 1,01,574/- commencing on	**Primary:**	Pre payment charges	NA	

Sr. No.	Lender's Name and Type of facility	Date of Sanction	Amount Sanctioned (₹ in lakhs)	Principal outstanding as on July 1, 2026 (₹ in lakhs)	Repayment Date/Schedule	Security and Guarantee	Prepayment clause in Loan Agreement	Credit Rating	Asset Classification
		September 26,2023			05.10.2023 and last falling due on 05.03.2026 (Term loan of ₹. 34.48 lakhs) 39 monthly installments of ₹. 1,01,574/- commencing on 05.09.2023 and last falling due on 05.02.2026 (Term loan of ₹. 34.48 lakhs)	Hypothecation of vehicle.	will be made at the discretion of the bank		Standard
6	Dhanlaxmi Bank	October 04,2024	1,100.00	580.56	36 monthly installments of ₹. 30,55,556/- commencing on 01.04.2024 and last falling due on 31.03.2027	**Primary:** First ranking pari passu charge with existing secured creditors including debenture trustees on all movable assets including book debts and receivables, cash and bank balances, Loans & advances. **Collateral:** a. Equitable Mortg age charge over of 54.73 Ares (135.18 cents) of dry residential vacant land under Sy no 322/4 of 8.90 ares & Sy	Pre closure charges on term loans being 3% on the highest principal amount outstanding during the last 6 months	Acuite BBB Stable#	Standard

						No 322/5 of 45.83 ares under TP No 18468, of Valakam Village, Valakam GP, Kunnakkal Desom, Muvattupuzha SRO, Muvattupuzha Taluk, Ernakulam District, Kerala standing in the name of M/s. KLM Axiva Finvest Limited. b. Equitable Mortgage charge created over 82.35 Ares (203.40 cents) of dry residential land and a 479.03 sq m residential building standing thereon bearing Door Nos 5-173 & 5-174 under Re Sy no. 470/11-3-3 of 21.22 Ares, Re Sy no. 470/11 of 2.26 Ares, Re Sy 470/11-3-2 of 22.54 Ares, Re Sy 470/11-1-2 of 19.95 Ares, Re Sy 470/11-3 of 3.24 Ares , Re Sy 470/2 of 8.44 Ares and Re Sy 470/15 of 4.70 Ares at Block 32, Ward No. V, TP No. 6822 of Mazhuvannur Village, Mazhuvannur GP, Veettoor Desom, Puthencruz SRO, Kunnathunadu Taluk, Ernakulam (Dist), kerala standing in the name of M/s. KLM Axiva Finvest Limited.			

Sr. No.	Lender's Name and Type of facility	Date of Sanction	Amount Sanctioned (₹ in lakhs)	Principal outstanding as on July 1, 2026 (₹ in lakhs)	Repayment Date/Schedule	Security and Guarantee	Prepayment clause in Loan Agreement	Credit Rating	Asset Classification
						c. Equitable Mortgage charge created over 9.82 ares of land (3.33 ares in Sy No 385/2-2-4, 3.67 ares in Sy No 385/2-2-5 and 2.82 ares in Sy No 385/2-2-6) of Koovapady Village, Kunnathunad Taluk, Ernakulam District owned by Mr. Shibu T Varghese, Wholetime Director, M/s. KLM Axiva Finvest Limited.			
7.	Jana Small Finance bank	February 16,2026	5,000	4,305.56	18 monthly installments of ₹. 1,38,88,890/- commencing on 03.04.2026 and last falling due on 03.09.2027 18 monthly installments of ₹. 1,38,88,890/- commencing on 03.05.2026 and last falling due on 03.10.2027	a)Exclusive First ranking (floating) charge by way of hypothecation over the receivables under each Loan extended by the Borrower and any other asset, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/receivables of the Borrower as may be acceptable to the Lender on or prior to	No Prepayment premium will be charged if a notice of 30 business days is provided	Acuite BBB Stable#	Standard

Sr. No.	Lender's Name and Type of facility	Date of Sanction	Amount Sanctioned (₹ in lakhs)	Principal outstanding as on July 1, 2026 (₹ in lakhs)	Repayment Date/Schedule	Security and Guarantee	Prepayment clause in Loan Agreement	Credit Rating	Asset Classification
						each Security Creation Date; b) A demand promissory note	to the bank.		
Total outstanding			**14,235.96**	**9,108.58**					
Less: EIR adjustment				**-**					
Net outstanding				**9,108.58**					

 # The rating was downgraded from ACUITE BBB (Stable) to ACUITE BBB- (Negative) vide rating letter dated July 31, 2026 and rating rationale dated July 31, 2026.

Penalty Clause

1. For the loans from State Bank of India,

   a. Enhanced rate of interest as under cumulatively subject to a maximum of 5% will be charged for the period of delay in respect of:

Irregularity in Cash Credit/Overdraft Account/ Term Loan Account	Rate of Penal Interest.
a) Irregularity upto 60 Days	2% per annum on the irregular portion for the period of irregularity.
b) Continuous irregular for a period beyond 60 days	5% per annum on the outstanding for the period of irregularity.

   b. Pre-closure charges – 2% of the outstanding amount being take over (20% concession permitted)

2. For the loan from Indian Overseas Bank,

   a. 2% penal charge on overdue amount will be collected for the number of days of delay (Day count basis = Actual number of odd days of delay/365) + Applicable GST.

b. **SRRP:** 2% penal charge to be collected on the limit sanctioned till the regular renewal. (Day count basis = Actual number of days of delay/365 subject to recovery of SRRP charges for a maximum of 180 days) + Applicable GST

c. 2% penal charge to be collected on outstanding amount more than DP/limit (Day count basis = Actual number of days of delay/365) + Applicable GST.

d. For non-compliance of material terms and conditions, penal charge + applicable GST to be collected every month till compliance as under:

Category	**Quantum of Loan amount**	**Penal charge to be recovered on Monthly basis**
For All Borrowers: Amount equivalent to 0.10% of Loan amount o/s	Loan amounts up to ₹ 1.00 crores	0.10% of outstanding amount subject to maximum of ₹ 5,000/- + Applicable GST
	Loan amount above ₹ 1.00 crore and up to ₹ 5.00 crore.	₹ 5,000/- + 0.10% of outstanding > ₹ 1.00 crore to ₹ 5.00 crore, maximum of ₹ 10,000/- + Applicable GST.
	Loan amount above ₹ 5.00 crore and up to ₹ 10.00 crore.	₹ 10,000/- + 0.10% of outstanding > ₹ 5.00 crore to ₹ 10.00 crore, maximum of ₹ 10,000/- + Applicable GST.
	Loan amount above ₹ 10.00 crore and up to ₹ 25.00 crore.	₹ 20,000/- + 0.10% of outstanding > ₹ 10.00 crore to ₹ 25.00 crore, maximum of ₹ 50,000/- + Applicable GST.
	Loan amount above ₹ 25.00 crore and up to ₹ 50.00 crore.	₹ 50,000/- + 0.10% of outstanding > ₹ 25.00 crore to ₹ 50.00 crore, maximum of ₹ 100,000/- + Applicable GST.
	Loan amount above ₹ 50.00 crores	₹ 100,000/- + 0.10% of outstanding > ₹ 50.00 crore maximum of ₹ 200,000/- + Applicable GST.

3. For the loan from Dhanlaxmi Bank,

   a. Penal interest as stipulated by the bank from time to time will be charged in case of default in payment of interest/installments, non-submission of prescribed return or default in observing any the terms and conditions of the advance sanction.
   b. In case of premature closure of the facility prepayment/pre closure charges fixed by the bank from time to time is binding on the borrower as advised by the Bank.

4. For the loan from South Indian Bank,

   a. Penal Charges – 2% p.a. will be charges as per rules for any defaults and/or non-compliances of any of the sanction stipulations.
   b. Penal interest of 2% p.a. will also be charged in the event of limit being not renewed within the validity period.
   c. Pre closure charges should be collected for all operative limits(OD/CC/PC/BP/DC/FBP except UBP/UBD) if closed during the currency of the sanction, even if the limit is sanctioned for more than 1 year which is 3%.

5. For the loan from Kotak Mahindra Bank,

   The penalty clause from the Kotak agreement states that upon any default by the borrower, the lender can declare all dues as immediately payable, including prepayment interest, unpaid instalments, taxes, and other dues. If the borrower fails to pay, the lender may terminate the agreement, repossess and sell the financed product, or demand

immediate payment of all remaining dues plus 36% annual interest. The lender retains rights to recover any balance amount even after loan termination and may recover legal and recovery expenses from the borrower.

6. For the loan from Jana Small Finance Bank
   Penal Charges at the rate of 2% per annum shall be payable by the Borrower upon occurrence of any event of default.

Rescheduling

1. For the loans from State Bank of India,
   a. Rephasement of Loans/ Deferment in Loan Installments – 0.05% of the limit, minimum Rs. 2,000/- and max. Rs. 1,00,000/-
2. For the loan from Indian Overseas Bank,
   a. Rephasement of loan/Change /modification/waiver of terms and conditions of sanction.

Event of Default

NA

External Commercial Borrowings

As on **July 1**, 2026, the company has not obtained any external commercial borrowings.

Secured Redeemable Non-Convertible Debentures

i. Private Placement of secured unlisted redeemable non-convertible debentures

The Company has issued on private placement basis, secured, unlisted, redeemable, non-convertible debentures under various series of which ₹ 49.00 lakhs is cumulatively outstanding as **July 1, 2026**, the details of which are set forth below:

Sr. No.	Series	ISIN	Tenure or/ period of Maturity	Coupon (p.a.) in %	Amount outstanding as on July 01, 2026 (₹ in lakhs)	Date of Allotment	Redemption date/ schedule	Credit Rating	Secured/unsecured	Security
1	-	INE01I507927	36 Months	10.60%	49.00	October 07, 2023	October 07, 2026	NA	Secured	The principal amount of the NCDs issued in terms of the offer letter together with all interest due on the NCDs, shall be secured by way of a first ranking pari passu charge with existing secured creditors, on all movable assets, including book debts and receivables, cash and bank balances, other movable assets, loans and advances, both present and future of the Company, equal to the value of one time of the NCDs outstanding plus interest accrued thereon.
Total outstanding					**49.00**					
Less: EIR adjustment					**(0.00)**					
Net Outstanding					**49.00**					

ii) Secured Redeemable non-convertible debentures (public issue):

The Company has issued by way of public issue, secured, listed, redeemable, non-convertible debentures of which ₹ 64,710.85 lakhs is outstanding as on July 1, 2026, the details of which are set forth below:

Sr. No.	Series of NCD	ISIN	Tenor/Period of maturity	Coupon (p.a.) in %	Amount Outstanding as on July 1, 2026 (₹ in lakhs)	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured /Unsecured	Security
1.	Non Convertible Debentures 2020 - 21 Series (Public Issue III)	INE01I507299	75 Months	11.73%	1,353.65	July 02, 2020	October 01, 2026	CARE BBB-; Stable	Secured	The principal amount of the secured NCDs to be issued in terms of the prospectus 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 and fixed assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of the company equal to the value of one time of the secured NCDs outstanding plus interest accrued thereon and first ranking pari passu charge on the immovable property situated at Theni District, Periyakulam Reg. Dt., Thevaram SRO, Uthampalyam Taluk, Kombai Village, Malligai Nagar, Plot No.10 in Survey No. 595/1.
2.	Non Convertible Debentures 2021 - 22 Series (Public Issue IV)	INE01I507372 INE01I507380 INE01I507398	5 Years to 79 Months	11.10% to 11.50%	4,003.96	July 30, 2021	July 29, 2026 to February 29, 2028	CARE BBB-; Stable	Secured	The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due on the NCDs, as well as all

Sr. No.	Series of NCD	ISIN	Tenor/Period of maturity	Coupon (p.a.) in %	Amount Outstanding as on July 1, 2026 (₹ in lakhs)	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured /Unsecured	Security
										costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with existing secured creditors, on all movable assets and fixed assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon.
3.	Non Convertible Debentures 2021 - 22 Series (Public Issue V)	INE01I507471 INE01I507489 INE01I507497	5 Years to 80 Months	11.00% to 11.25%	4,437.87	November 01, 2021	October 31, 2026 to June 30, 2028	CARE BBB-; Stable	Secured	The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with Existing Secured Creditors, on all movable assets and fixed assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of the Company equal to the value of one time of the

Sr. No.	Series of NCD	ISIN	Tenor/Period of maturity	Coupon (p.a.) in %	Amount Outstanding as on July 1, 2026 (₹ in lakhs)	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured /Unsecured	Security
										NCDs outstanding plus interest accrued thereon.
4.	Non Convertible Debentures 2021 - 22 Series (Public Issue VI)	INE01I507570 INE01I507588 INE01I507596	5 Years to 80 Months	11.00 % to 11.25%	6,011.47	March 17, 2022	March 16, 2027 to November 16, 2028	CARE BBB-; Stable	Secured	The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with Existing Secured Creditors, on all movable assets, including book debts and receivables, cash and bank balances, other movable assets, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon.
5.	Non Convertible Debentures 2022 - 23 Series (Public Issue VII)	INE01I507653 INE01I507661 INE01I507679	5 Years to 82 Months	10.50 % to 10.75%	6,701.12	October 18, 2022	October 17, 2027 to August 17, 2029	IND BBB-/Negative	Secured	The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari

Sr. No.	Series of NCD	ISIN	Tenor/Period of maturity	Coupon (p.a.) in %	Amount Outstanding as on July 1, 2026 (₹ in lakhs)	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured /Unsecured	Security
										passu charge with Existing Secured Creditors, on all movable assets, including book debts and receivables, cash and bank balances, other movable assets, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon.
6.	Non Convertible Debentures 2022 - 23 Series (Public Issue VIII)	INE01I507703 INE01I507737 INE01I507752	5 Years to 82 Months	10.50 % to 10.75%	4,048.79	March 10, 2023	March 09, 2028 To January 09, 2030	IND BBB-/Negative	Secured	The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with existing secured creditors, on all movable assets, including book debts and receivables, cash and bank balances, other movable assets, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon.
7.	Non Convertible Debentures 2023	INE011507869	3 Year to	9.75 % to	3,942.22		September11, 2026 to	IND BBB-/Negative	Secured	The principal amount of the NCDs to be issued in terms of this

Sr. No.	Series of NCD	ISIN	Tenor/Period of maturity	Coupon (p.a.) in %	Amount Outstanding as on July 1, 2026 (₹ in lakhs)	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured /Unsecured	Security
	- 24 Series (Public Issue IX)	INE011507877 INE011507885 INE011507802 INE011507810	82 Months	10.75%		September 12, 2023	July 15, 2030			Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with Existing Secured Creditors, on all movable assets, including book debts and receivables, cash and bank balances, other movable assets, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon.
8.	Non Convertible Debentures 2024 - 25 Series (Public Issue X)	INE01I507950 INE01I507968 INE01I507976 INE01I507AC4 INE01I507984 INE01I507992 INE01I507AA8	2 Year to 79 Months	10.00 % to 11.10%	6,789.84	August 08, 2024	August 07, 2026 to March 07, 2031	Acuite BBB Stable#	Secured	The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with Existing Secured Creditors, on all movable assets, including book debts and receivables, cash and bank balances, other movable assets, loans and advances, both present

Sr. No.	Series of NCD	ISIN	Tenor/Period of maturity	Coupon (p.a.) in %	Amount Outstanding as on July 1, 2026 (₹ in lakhs)	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured /Unsecured	Security
										and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon.
9.	Non Convertible Debentures 2024 - 25 Series (Public Issue XI)	INE01I507AG5 INE01I507AH3 INE01I507AI1 INE01I507AJ9 INE01I507AK7 INE01I507AL5 INE01I507AM3	2 Years to 79 Months	10.00 % to 11.10%	5,734.70	04 December 2024	December 3, 2026 to July 3, 2031	Acuite BBB Stable#	Secured	The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with Existing Secured Creditors, on all movable assets, including book debts and receivables, cash and bank balances, other movable assets, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon.
10.	Non Convertible Debentures 2025 - 26 Series (Public Issue XII)	INE01I507AN1 INE01I507AW2 INE01I507AV4	400 Days to 79Months	9.50 % to 11.10%	12,386.61	28 July 2025	September 01, 2026 to February 27, 2032	Acuite BBB Stable#	Secured	The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect

Sr. No.	Series of NCD	ISIN	Tenor/Period of maturity	Coupon (p.a.) in %	Amount Outstanding as on July 1, 2026 (₹ in lakhs)	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured /Unsecured	Security
		INE01I507AT8 INE01I507AS0 INE01I507AR2 INE01I507AQ4 INE01I507AP6 INE01I507AO9 INE01I507AU6								thereof shall be secured by way of first ranking pari passu charge with Existing Secured Creditors, on all movable assets, including book debts and receivables, cash and bank balances, other movable assets, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon.
11.	Non Convertible Debentures 2025 - 26 Series (Public Issue XIII)	INE01I507AX0 INE01I507AY8 INE01I507AZ5 INE01I507BA6 INE01I507BB4 INE01I507BC2	400 Days to 79Months	9.50 % to 11.10%	10,000.00	16 December 2025	January 19, 2027 to July 16, 2032	Acuite BBB Stable[#]	Secured	The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with Existing Secured Creditors, on all movable assets, including book debts and receivables, cash and bank balances, other movable assets, loans and advances, both present and future of the Company equal to the value of one time of the NCDs

Sr. No.	Series of NCD	ISIN	Tenor/Period of maturity	Coupon (p.a.) in %	Amount Outstanding as on July 1, 2026 (₹ in lakhs)	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured /Unsecured	Security
		INE01I507BD0 INE01I507BE8 INE01I507BF5 INE01I507BG3								outstanding plus interest accrued thereon.
Total outstanding					65,410.23					
Less: EIR adjustment					-					
Less: Offset of Financial Assets as per IndAS					-					
Net Outstanding					**65,410.23**					

[#] *The rating was downgraded from ACUITE BBB (Stable) to ACUITE BBB- (Negative) vide rating letter dated July 31, 2026 and rating rationale dated July 31, 2026.*

B. Corporate Guarantee

As on July 1, 2026, the Company has not provided any corporate guarantee.

C. Details of unsecured borrowings:

1. Commercial Papers

As on July 1, 2026, the Company has not issued any commercial papers.

2. Inter-Corporate Deposits and Loans

As on July 1, 2026, the Company has not borrowed by way of inter-corporate deposits and loans.

3. Loan from Directors and Relatives of Directors:

As on July 1, 2026, the Company has not obtained any loan from Directors or relative of Directors.

4. Subordinated Debts

The Company has issued on private placement basis, unsecured, redeemable, subordinated debts under various series of which ₹ 87,764.59 lakhs is cumulatively outstanding as on July 1, 2026, the details of which are set forth below:

Sr. No.	Subordinated Debts Series	ISIN	Amount outstanding (₹ in lakhs)	Date of allotment	Tenure	Coupon Rate in % (p.a.)	Redemption date / Schedule	Secured / Unsecured	Credit rating
1	2017-18/A	NA	25.05*	April 1, 2017 to March 31, 2018	5 - 6 years	12.00 % to 12.50%	April 1, 2022 to March 31, 2024	Unsecured	NA
2	2018-19/A	NA	15.00*	April 1, 2018 to March 31, 2019	5 - 6 years	12.00 % to 12.50%	April 1, 2023 to March 31, 2025	Unsecured	NA
3	2019-20/A	NA	91.41*	April 1, 2019 to December 31, 2019	60 - 75 months	11.50% to 12.50%	April 1, 2024 to March 31, 2026	Unsecured	NA
4	2020 - 22 ,2022-23,2023-24	NA	844.24*	April 1, 2020 to March 31 2022	60 - 79 months	11.00 % to 12.50%	April 01 2025 to June 30 2026	Unsecured	NA

Sr. No.	Subordinated Debts Series	ISIN	Amount outstanding (₹ in lakhs)	Date of allotment	Tenure	Coupon Rate in % (p.a.)	Redemption date / Schedule	Secured / Unsecured	Credit rating
5	2020 - 22 ,2022-23,2023-24	NA	40,018.78	April 1, 2020 to March 31, 2024	60 - 79 months	11.00 % to 12.50%	April 1, 2025 to October 31, 2031	Unsecured	NA
6	2024-25	NA	10,615.81	April 1, 2024 to March 31, 2025	60 - 79 months	10.50 % to 13.00%	February 1,2029 to October 31,2031	Unsecured	NA
7	2025-26	NA	25,656.65	April 1, 2025 to March 31 2026	60 - 79 months	10 % to 14.00%	April 1, 2030 to October 31,2032	Unsecured	NA
8	2026-27	NA	10,497.65	April 1, 2026 to July 1, 2026	60 - 79 months	10 % to 12.00%	April 1, 2031 to October 31,2033	Unsecured	NA
Total outstanding			**87,764.59**						
Less: EIR adjustment			(0.00)						
Net Outstanding			**87,764.59**						

**The subordinated debts have matured and remain unclaimed as of the reporting date.*

5. Perpetual Debt Instrument

The Company has outstanding perpetual debts amounting to ₹ 3,538.53 lakhs as on July 1, 2026, the details of which are set forth below:

Sr. No.	Perpetual Debts Instrument	ISIN	Amount outstanding as on July 1, 2026 (₹ in lakhs)	Date of allotment	Tenure*	Redemption Date/ Schedule	Coupon Rate in %(p.a.)	Secured / Unsecured	Credit rating
1	PDI – I	INE01I508016 INE01I508024	1,015.50	January 21, 2022	10 years	-	11.75 % to 12.00%	Unsecured	NA

Sr. No.	Perpetual Debts Instrument	ISIN	Amount outstanding as on July 1, 2026 (₹ in lakhs)	Date of allotment	Tenure*	Redemption Date/ Schedule	Coupon Rate in %(p.a.)	Secured / Unsecured	Credit rating
2	PDI – II	INE01I508032 INE01I508040	1,428.43	June 30, 2022	10 years	-	11.75 % to 12.00%	Unsecured	NA
3	PDI – III	INE01I508057 INE01I508065	1,094.60	July 21, 2023	10 years	-	12%	Unsecured	NA
Total outstanding			**3,538.53**						
Less: EIR adjustment			**Nil**						
Net Outstanding			**3,538.53**						

**The company may exercise call option after 10 years.*

6. Details of Unsecured Term Loans

As on **July 1, 2026**, The Company has not availed any unsecured term loans.

A. Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or debt securities

The Company confirms that there has not been default upon or delay in payment of any interest and/or principal for the existing term loans, debt securities and other financial indebtedness in the preceding three years and the current financial year.

B. The amount of corporate guarantee or letter of comfort issued by the issuer along with name of the counterparty (like name of the subsidiary, joint venture entity, group company, etc.) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc. (Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on July 1, 2026.

The Company has no amount of corporate guarantee or letter of comfort, contingent liability including debt service reserve account guarantees/ any put option etc. and has nil outstanding borrowings taken / debt securities issued where taken/issued (a) for consideration other than cash, whether in whole or

in part, (b) at a premium or discount, or (c) in pursuance of an option as on July 1, 2026

C. Details of all defaults and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company in the preceding three years and the current financial year.

As on the date of the Prospectus, there has been no rescheduling, default and/or delay in payment of principal or interest on any existing term loan, debt security(ies), commercial paper (including technical delay) or any other financial indebtedness including corporate guarantee or letter of comfort issued by the Issuer in the past three years and the current financial year.

D. Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on July 1, 2026

The Company has no amount of corporate guarantee or letter of comfort, contingent liability and has Nil outstanding borrowings taken/ debt securities issued where taken/issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on **July 1, 2026**.

E. Details of bank fund-based facilities /rest of borrowings (if any, including hybrid debt instruments such as foreign currency convertible bonds (FCCB) or optionally convertible debentures and preference shares from financial institutions or financial creditors as on July 1, 2026

The Company does not have any bank fund-based facilities /rest of borrowings (if any, including hybrid debt instruments such as foreign currency convertible bonds (FCCB) or optionally convertible debentures and preference shares from financial institutions or financial creditors as on **July 1, 2026**.

Restrictive covenants under the financing arrangements:

Many of the financing agreements include various restrictive conditions and covenants restricting certain corporate actions, and the company is required to take the prior approval of the lender/Debenture Trustee before carrying out such activities. For instance, the company, *inter alia*, is required to obtain the prior written consent in the following instances:

(i) To declare/pay any dividend to the shareholders/stake holders.
(ii) To repay monies brought in by the promoters / directors/principal shareholders and friends and relatives by way of deposits / loans / advances.
(iii) Effect any change in the constitution of the organisation.
(iv) Effect any change in the Unit's Capital Structure where shareholding of existing promoter(s) is diluted.

(v) Implement any scheme of expansion / modernization / diversification / renovation or acquire any fixed assets during any accounting year, except such schemes which have already been approved by the Bank.

(vi) Formulate any scheme of amalgamation or reconstruction or merger or demerger.

(vii) Invest by way of share capital or lend or advance funds to or place deposits with any other concern (including group companies). However, normal trade credit or security deposits in the normal course of business or advances to employees can be excluded.

(viii) Enter into borrowing arrangements either secured or unsecured with any other bank, Financial Institution, company or person.

(ix) Undertake guarantee obligations on behalf of any other company, firm, director or person.

(x) Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations.

(xi) Transfer of controlling interest or effect any drastic change in their management setup including resignation of directors, promoters, key managerial personnel.

(xii) Securitization of loan assets of the Company.

(xiii) Effect any change in the remuneration payable to the Directors / Partners, etc. either in the form of sitting fees or otherwise.

(xiv) Pay guarantee commission to the guarantors whose guarantees have been stipulated / furnished for the credit limits sanctioned by the Bank.

(xv) Create any further charge, lien or encumbrance over the assets and properties of the Unit/ Guarantors to be charged / charged to the Bank in favour of any other bank, Financial Institution, firm or person.

(xvi) Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Bank.

(xvii) Undertake any trading activity other than the sale of produce arising out of its own manufacturing / trading operations.

(xviii) Open any account with any other bank.

(xix) Undertake any expansion/ modernization/ diversification programme/new line of business or manufacture other than incurring routine capital expenditure.

(xx) Change the accounting system/ policies in regard to stock valuation, depreciation of fixed assets, payment of dividends etc.

(xxi) Enter into contractual obligation of a long term nature for an unrelated activity.

(xxii) Issuance of Bank guarantees with auto renewal clause except in favour of government departments for business purposes.

(xxiii) Approach Capital market for mobilizing additional resources in form of debt or equity.

SECTION VI - ISSUE RELATED INFORMATION

ISSUE STRUCTURE

At the meeting of the Board of Directors of our Company held on May 22, 2026, the Board approved the public issue of NCDs for an amount up to ₹5,000 lakh, with an option to retain oversubscription up to ₹ 5,000 lakh, aggregating up to ₹ 10,000 lakh on the terms and in the manner set forth herein.

The following are the key terms of the NCDs. This section should be read in conjunction with and is qualified in its entirety by more detailed information in "*Terms of the Issue*" beginning on page 242.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Listing Agreement, SEBI Listing Regulations, and the Companies Act, 2013, the RBI Act, the terms of this Prospectus, the Draft Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust cum Hypothecation Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the Government of India, and other statutory/regulatory authorities relating to the offer, issue and listing of NCDs and any other documents that may be executed in connection with the NCDs.

The key common terms and conditions of the NCDs / term sheet are as follows:

<table>
<tr><td>Security Name</td><td>KLM NCD XIV

For coupon and maturity year, please see "Issuer Structure- Terms of the NCDs" on page 211</td></tr>
<tr><td>Issuer</td><td>KLM Axiva Finvest Limited</td></tr>
<tr><td>Lead Manager</td><td>Vivro Financial Services Private Limited</td></tr>
<tr><td>Debenture Trustee</td><td>Vistra ITCL (India) Limited</td></tr>
<tr><td>Registrar to the Issue</td><td>KFin Technologies Limited</td></tr>
<tr><td>Type and nature of Instrument</td><td>Secured redeemable non-convertible debentures</td></tr>
<tr><td>Seniority</td><td>Senior (the claims of the Debenture Holders holding NCDs shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements).

The NCDs would constitute secured obligations of our Company and shall have first ranking pari passu charge with Existing Secured Creditors, on all movable assets including book debts and receivables, cash and bank balances, other movable assets, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon.</td></tr>
<tr><td>Who can apply/Eligible Investors</td><td>Please see "Issue Procedure –Who can apply?" on page 244</td></tr>
<tr><td>Stock Exchange proposed for listing of the NCDs</td><td>BSE Limited, the Designated Stock Exchange</td></tr>
<tr><td>Listing and timeline for Listing</td><td>The NCDs shall be listed within 3 Working Days of Issue Closing Date</td></tr>
<tr><td>Rating of the Instrument</td><td>
<table>
<tr><th>Rating agency</th><th>Instrument</th><th>Rating symbol</th><th>Date of credit rating rationale letter</th><th>Amount rated</th><th>Rating Definition</th></tr>
<tr><td>Acuité Ratings & Research Limited</td><td>Non-convertible debentures</td><td>ACUITE BBB- (Negative)</td><td>Rating letter dated July 31, 2026</td><td>₹ 10,000 lakhs</td><td>Instruments with this rating are considered to have moderate degree of</td></tr>
</table>
</td></tr>
</table>

						safety regarding timely servicing of financial obligations and carry moderate credit risk.

Issue Size	Public Issue of secured, redeemable, non-convertible debentures of our Company of face value of ₹ 1,000 each amounting to ₹ 5,000 lakhs with an option to retain over-subscription up to ₹ 5,000 lakhs, aggregating to a total of ₹ 10,000 lakhs, on terms and in the manner set forth herein.
Minimum Subscription	Minimum subscription is 75% of the Base Issue, i.e. ₹ 3,750 lakhs
Base Issue	₹5,000 lakhs
Option to retain over subscription	₹5,000 lakhs
Mode of Issue	Public issue
Mode of Allotment	In dematerialised form
Mode of Trading	NCDs will be traded in dematerialised form
Issue Schedule	See table below

Particulars	**Date**
Issue Opening Date	Monday, August 17, 2026
Issue Closing Date	Monday, August 31, 2026
Pay In Date	Application Date. The entire Application Amount is payable on Application
Deemed Date of Allotment	The date on which the Board of Directors or the Debenture Committee thereof authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ Committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

Objects of the Issue	Please see "*Objects of the Issue*" on page 60.
In case the Issuer is an NBFC and the objects of the Issue entail loan to any entity who is a 'group company'	NA
Details of the utilization of the proceeds of the Issue	Please see "*Objects of the Issue*" on page 60.
Coupon/Dividend Rate	Please see "*Issue Structure –Terms of the NCDs*" on page 211 and "Annexure I - *Illustrative Cash Flow*" on page 374.
Step up/ Step down coupon rate	NA
Coupon payment frequency	Please see "*Issue Structure –Terms of the NCDs*" on page 211 and "Annexure I - *Illustrative Cash Flow*" on page 374.
Coupon payment dates	Please see "*Issue Structure –Terms of the NCDs*" on page 211 and "Annexure I - *Illustrative Cash Flow*" on page 374.
Cumulative/ non-cumulative, in case of dividend	NA
Coupon type (fixed, floating or other structure)	Please see "*Issue Structure –Terms of the NCDs*" on page 211 and "Annexure I - *Illustrative Cash Flow*" on page 374.

Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc)	NA
Day count basis	Actual
Application Money	The entire Application Amount is payable on submitting the application.
Interest on Application Money	NA
Default interest Rate	In the event of any default in fulfilment of obligations by our Company under the Debenture Trust cum Hypothecation Deed, the Default Interest Rate payable to the Applicant shall be 2% per annum as prescribed in the Debenture Trust cum Hypothecation Deed.
Tenor	Please see "*Issue Structure –Terms of the NCDs*" on page 211 and "Annexure I - *Illustrative Cash Flow*" on page 374.
Redemption Date	Please see "*Issue Structure –Terms of the NCDs*" on page 211 and "Annexure I - *Illustrative Cash Flow*" on page 374.
Redemption Amount	Please see "*Issue Structure –Terms of the NCDs*" on page 211 and "Annexure I - *Illustrative Cash Flow*" on page 374.
Redemption premium/ discount	NA
Issue Price	₹ 1,000
Discount at which security is issued and the effective yield as a result of such discount	NA
Premium/Discount at which security is redeemed and the effective yield as a result of such premium/discount	NA
Put date	NA
Put price	NA
Call date	NA
Call price	NA
Put notification time	NA
Call notification time	NA
Face Value	₹ 1,000
Minimum Application	5 NCDs i.e. ₹ 5,000 (across all series of NCDs)
In multiples, of	One NCD after the minimum application
Issue Timing	Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date as may be decided by the Board of Directors of our Company ("Board") or Debenture Committee of the Board. In the event of such early closure, our Company shall ensure that notice of such early closure is given to the prospective investors through advertisement in an English national daily newspaper and a regional daily newspaper in Telangana where the registered office is located, with wide circulation on or before such earlier date of closure. Application Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.
Issue Opening Date	Monday, August 17, 2026
Issue Closing Date	Monday, August 31, 2026
Date of earliest closing of the issue, if any	The Issue may close on such earlier date as may be decided by the Board of Directors or the Debenture Committee, or any other duly authorised committee, subject to necessary approvals.
Pay-in Date	Application Date. The entire Application Amount is payable on Application.
Deemed Date of Allotment	The date on which the Board or a duly authorised committee approves the Allotment of NCDs. All benefits relating to the NCDs including interest on

	NCDs shall be available to Investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.
Settlement Mode of the Instrument	Please refer to the chapter titled "*Terms of Issue - Payment on Redemption*" on page 238
Depository	NSDL and CDSL
Disclosure of Interest/Dividend/redemption dates	NA
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 Days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
All covenants of the Issue (including side letters, accelerated payment clause, etc)	The Company shall comply with the representations, affirmative covenants, negative covenants, financial covenants and reporting covenants as disclosed below under "*Issue Structure – Covenants of the Issue*" at page 214, and more specifically, as will be set out in the agreed form of the Debenture Trust cum Hypothecation Deed. Any covenants later added shall be disclosed on the websites of the Stock Exchange, where the NCDs are proposed to be listed. The Issuer has no side letter or accelerated payment clause with any debt securities holder.
Description regarding Security (where applicable) including type of security (movable/ immovable/ tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation	The total value of the Non-Convertible Debentures (NCDs) to be issued, including all due interest, costs, charges, fees, Debenture Trustee remuneration, and related expenses, will be secured. This security will be in the form of a first-ranking pari passu charge, on par with Existing Secured Creditors. The charge will cover all current and future movable assets of the Company, such as book debts, receivables, cash, bank balances, other movable assets, and loans and advances. The value of the security will be equivalent to 100% of the outstanding NCDs plus any accrued interest. Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust cum Hypothecation Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD Holders, over and above the interest rate on the NCDs specified in the Prospectus, till the execution of the Debenture Trust cum Hypothecation Deed. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange. For further details on date of creation of security/ likely date of creation of security minimum security cover etc., please see refer to "*Terms of the Issue- Security Cover*" below.
Replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this Prospectus	Our Company shall within such period as may be permitted by the Debenture Trustee, furnish to the Debenture Trustee as additional security, if the Debenture Trustee is of the opinion that during the subsistence of these presents, the security for the NCDs has become inadequate on account of the margin requirement as provided in the financial covenants and conditions and the Debenture Trustee has, accordingly, called upon our Company to furnish such additional security. In such case, our Company shall, at its own costs and expenses, furnish to the Debenture Trustee such additional security, in form and manner satisfactory to the Debenture Trustee, as security for the NCDs and upon creation of such additional security, the same shall vest in

	the Debenture Trustee subject to all the trusts, provisions and covenants contained in these presents.
Transaction documents	This Prospectus, the Draft Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trustee Agreement, the Debenture Trust cum Hypothecation Deed and other security documents, if applicable, and various other documents/agreements/undertakings, entered or to be entered by the Company with Lead Manager and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust cum Hypothecation Deed, the Debenture Trustee Agreement, the Public Issue Account and Sponsor Bank Agreement, the Agreement with the Registrar and the Agreement with the Lead Manager. For further details, see "*Material Contracts and Documents for Inspection*" on page 366.
Conditions precedent to disbursement	Other than the conditions specified in the SEBI NCS Regulations and agreed form of Debenture Trust cum Hypothecation Deed there are no conditions precedents to disbursement.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI NCS Regulations and agreed form of Debenture Trust cum Hypothecation Deed there are no conditions subsequent to disbursement.
Events of default (including manner of voting/ conditions of joining inter creditor agreement)	Please refer to the chapter titled "*Terms of Issue – Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)*" on page 225
Creation of recovery expense fund	The Company shall deposit cash or cash equivalents including bank guarantees towards the contribution to Recovery Expense Fund with the Designated Stock Exchange at the time of making the application of the listing of NCDs and submit relevant documents evidencing the same to the Debenture Trustee from time to time. The Company shall ensure that the bank guarantees remain valid for a period of six months post the Redemption Date of the NCDs. The Company shall keep the bank guarantees in force and renew the bank guarantees at least seven working days before its expiry, failing which the Designated Stock Exchange shall invoke such bank guarantee. For further details, please refer to the chapter titled "*Terms of Issue – Recovery Expense Fund*" on page 223.
Conditions for breach of covenants (as specified in Secured Debenture Trust cum Hypothecation Deed)	The conditions for breach of covenants will be finalised upon execution of the Debenture Trust cum Hypothecation Deed which shall be executed as per Regulation 18 of SEBI NCS Regulations.
Provisions related to Cross Default Clause	Please refer to the chapter titled "*Terms of Issue – Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)*" on page 225
Roles and responsibilities of the Debenture Trustee	Please refer to the chapter titled "*Terms of Issue – Debenture Trustees for the NCD Holders*" on page 206.
Working Days convention/Day count convention/Effect of holidays on payment	If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. In case the redemption date (also being the last interest payment date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.
Risk factors pertaining to the Issue	Please see "*Risk Factors*" on page 20.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Kochi, India.

Note:

(a) The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date as may be

*decided by the Board of Directors of our Company ("**Board**") or Debenture Committee of the Board. In the event of such early closure, our Company shall ensure that notice of such early closure is given to the prospective investors through advertisement in an English national daily newspaper and a regional daily newspaper in Telangana where the registered office is located, with wide circulation on or before such earlier date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

(b) In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this Issue of NCDs in dematerialized form. However, in terms of Section 8(1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfil such request through the process of dematerialization, if the NCDs were originally issued in dematerialized form. However, any trading of the NCDs shall be compulsorily in dematerialised form only.

(c) If there is any change in coupon rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and the events which lead to such change will be disclosed by the Company.

(d) While the debt securities are secured to the extent of hundred percent of the amount of the principal and interest or as per the terms of this Prospectus, in favour of debenture trustee, it is the duty of the debenture trustee to monitor that the security is maintained

Terms of the NCDs

Tenure	**400 Days**	**16 Months**	**18 Months**	**2 Years**	**2 Years**	**3 Years**	**3 Years**	**5 Years**	**5 Years**	**79 Months**
Nature	**Secured**									
Series	**I**	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**
Frequency of Interest Payment	**Monthly**	**Cumulative**	**Monthly**	**Monthly**	**Annually**	**Monthly**	**Annually**	**Monthly**	**Annually**	**Cumulative**
Minimum Application	5 NCDs (₹ 5,000) (across all Series of NCDs)									
In multiples, of	1 NCD after the minimum application									
Face Value of NCDs (₹ /NCD)	₹ 1,000									
Issue Price (₹ /NCD)	₹ 1,000									
Mode of Interest Payment / Redemption	Through various series available									

Tenure	**400 Days**	**16 Months**	**18 Months**	**2 Years**	**2 Years**	**3 Years**	**3 Years**	**5 Years**	**5 Years**	**79 Months**
Nature	**Secured**									
Series	**I**	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**
Frequency of Interest Payment	**Monthly**	**Cumulative**	**Monthly**	**Monthly**	**Annually**	**Monthly**	**Annually**	**Monthly**	**Annually**	**Cumulative**
Coupon (%) per annum for All category	9.50%	NA	9.85%	10.00%	10.25%	10.25%	10.50%	10.75%	11.00%	NA
Coupon Type	Fixed									
Redemption Amount (₹ /NCD) for Debenture Holders	1,000	1,135	1,000	1,000	1,000	1,000	1,000	1,000	1,000	2,000
Effective Yield (%)(per annum)	9.92%	9.96%	10.31%	10.47%	10.25%	10.75%	10.50%	11.30%	11.00%	11.10%
Maturity/ Redemption Date (Years from the Deemed Date of Allotment)	400 days	16 Months	18 Months	2 years	2 years	3 years	3 years	5 years	5 years	79 months
Put and Call Option	Not applicable									

Deemed Date of Allotment	The date on which the Board or the Debenture Committee approves the Allotment of NCDs. All benefits relating to the NCDs including interest on the NCDs shall be available to the Investors from the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment

Interest and Payment of Interest

1. Monthly interest payment series

Interest would be paid monthly under Series I, III, IV, VI and VIII at the following rates of interest in connection with the relevant categories of NCD Holders, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of NCDs:

Category of NCD Holder	Rate of Interest (p.a.) for the following tenures				
	400 Days	18 Months	2 Years	3 Years	5 Years
	Series I	Series III	Series IV	Series VI	Series VIII
Category I, II and III (%)	9.50%	9.85%	10.00%	10.25%	10.75%

For avoidance of doubt where interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till the last date of every month on an actual/actual basis during the tenor of such NCDs and paid on the first day of every subsequent month. For the first interest payment for NCDs under the monthly series if the Deemed Date of Allotment is prior to the fifteenth of that month, interest for that month will be paid on first day of the subsequent month and if the Deemed Date of Allotment is post the fifteenth of that month, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month.

2. Annual Interest payment series

Series V, VII and IX of the NCDs shall be redeemed as below:

Category of NCD Holder	Rate of Interest (p.a.) for the following tenures		
	2 Years	3 Years	5 Years
	Series V	Series VII	Series IX
Category I, II and III (%)	10.25%	10.50%	11.00%

3. Cumulative interest payment series

Series II and X of the NCDs shall be redeemed as below:

Category of NCD Holder	Redemption Amount (per NCD)	
	16 Months	79 Months
	Series II	Series X
Category I, II and III (in ₹)	1,135	2,000

Day count convention

Please refer to Annexure I for details pertaining to the cash flows of the Company in accordance with the SEBI NCS Master Circular.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs subject to such Transferee holding the NCDs on the Record Date.

Terms of Payment

The entire face value per NCDs is payable on application. The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms of specified in "*Terms of Issue – Manner of Payment of Interest/*

Redemption Amounts" on page 236.

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue. For further details, please see the chapter titled "*Issue Procedure*" on page 243.

Covenants of the Issue

The Company declares, represents and covenants as follows**:**

(i) **Necessary Disclosures**

The Offer Documents contains all necessary disclosures including but not limited to statutory and other regulatory disclosures. This Debenture Trust cum Hypothecation Deed and the Transaction Documents in relation to the Issue of the NCDs will, constitute legal, valid and binding obligations on the Company, enforceable in accordance with the Terms and Applicable Law and would be so treated in the courts of law or tribunals of India, and Debenture Trust cum Hypothecation Deed and the other Transaction Documents in relation to the Issue of the NCDs are in proper form for enforcement in courts.

(ii) **Consent/approval required for the Issue of NCDs**

The Company is an eligible issuer as per Regulation 5 of the SEBI NCS Regulations. All corporate and other action necessary for the issuance of the NCDs have been obtained by the Company and the Company will at all times, keep all such approvals/consents valid and subsisting during the terms of the NCDs. The Company has also obtained all necessary consents and approvals from prior lenders/creditors for the creation of security for the NCDs on *pari-passu* basis. The Company has complied with and will comply with all applicable provisions of the Companies Act and all other Applicable Laws in respect of the NCDs and their issuance thereof.

(iii) **Absence of Defaults with memorandum/articles of association or any other agreements in respect of transaction/Transaction Document**

The documents in pursuance of the issue of NCDs, including the Offer Documents and Debenture Trust cum Hypothecation Deed towards creation of the Security executed or to be executed and delivered, will constitute valid and binding obligations of the Company and will not contravene any Applicable Laws, statute or regulation and will not be in conflict with memorandum of association/articles of association of the Company or result in breach of, any of the terms, covenants, conditions and stipulations under any existing agreement to which the Company is a party.

(iv) **Filings and Registration**

The Company has completed and shall duly and in a timely manner complete all filing and registration as may be required under Applicable Law from time to time for the purposes of the issue and maintenance of the NCDs and the creation of Security. The Company shall within 30 days of the execution of Debenture Trust cum Hypothecation Deed, file Debenture Trust cum Hypothecation Deed in Form CHG-9 with the Registrar of Companies, in relation to the perfection of Security created herein.

(v) **No immunity under laws**

Neither the Company nor its assets has any immunity (sovereign or otherwise) from any suit or any legal proceeding under the laws of India.

(vi) **No obligations of a borrower or principal debtor or guarantor**

The Debenture Trustee, ipso *facto* does not have any obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested for the NCDs.

(vii) **Solvency**

The Company is currently solvent and the Company has not taken any corporate or other action, nor have any steps been taken or legal proceedings of any manner been initiated/threatened against the Company for its winding up, dissolution, insolvency, bankruptcy or for appointment of receiver on its assets or its business.

(viii) **No debt/contingent liability except as disclosed in the annual audited accounts/the Offer Documents**

Except as disclosed in the annual audited accounts/the Prospectus, the Company has no debts or contingent liabilities outstanding.

(ix) **Indebtedness**

The Company is not in default with respect to any loans or deposits or advances or other financial facilities availed by the Company in the capacity of the borrower.

(x) **Power to execute Security Documents**

Notwithstanding anything by the Company done or executed or omitted to be done or executed or knowingly suffered to the contrary, the Company now has power to act, convey, transfer assure and assign unto the Debenture Trustee, the Security. The Company is not restricted from creating Security over the assets over which Security has been or will be created under Debenture Trust cum Hypothecation Deed and the Transaction Documents. All the assets that have been secured under this Issue are free from any encumbrances other than those as disclosed in Debenture Trust cum Hypothecation Deed and the Prospectus.

That the Hypothecated Property nor any part or portion thereof is the subject matter of any decree or order of any court of Applicable Law and/or any authority or authorities including under the provisions of the Income Tax Act, 1961 or Income-Tax Act, 2025, as the case may be, and that there are no proceedings pending in any court of Applicable Law wherein the Hypothecated Property is the subject

matter, and that the Company has not received any notice, order or circular from any Person or authority or authorities or Government or semi-government or public bodies whereby or by reason or means the Hypothecated Property is affected.

(xi) **Further Borrowings**

The Company shall to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, pari passu or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, provided stipulated Security Cover is maintained on the NCDs and after obtaining the consent of, or intimation to, the NCD Holders or the Debenture Trustee regarding the creation of a further charge over such Security.

(xii) **Debenture Trustee to keep in trust the benefits of the Security upon taking possession thereof**

That it shall be lawful for the Debenture Trustee upon entering into or taking possession under the provisions herein contained of all or any of the Security henceforth to hold and keep in trust the same and to receive the rents and profits thereof without any interruption or disturbance by the Company or any other person or persons claiming by, though, under or in trust for Company and that freed and discharged from or otherwise by the Company sufficiently indemnified against all encumbrances and demands whatsoever.

(xiii) **Company to execute other documents reasonably required by the Debenture Trustee to exercise its rights under these presents**

That the Company shall execute all such deeds, documents and assurances and do all such acts and things as the Debenture Trustee may reasonably require for exercising the rights under these presents and the NCDs or for effectuating and completing the Security intended to be hereby created and shall from time to time and at all times after the Security hereby constituted shall become enforceable execute and do all such deeds, documents, assurances, acts, and things as the Debenture Trustee may require for facilitating realisation of the Security and for exercising all the powers, authorities and discretion thereby offered on the Debenture Trustee or any Receiver and in particular the Company shall execute all transfers, conveyances, assignments and assurances of the Security whether to the Debenture Trustee or to their nominees which the Debenture Trustee may think expedient and shall perform or cause to be performed all acts and things requisite or desirable for the purpose of giving effect to the exercise of any of the said powers, authorities and discretion's and further shall for such purposes or any of them make or consent to such application to any Government or local authority as the Debenture Trustee may require for the consent, sanction or authorisation of such authority to or for the sale and transfer of the Movable/Hypothecated Property or any part thereof and it shall be lawful for the Debenture Trustee to make or consent to make any such application in the name of the Company and for the purposes aforesaid a certificate in writing signed by the Debenture Trustee to the effect that any particular assurance or thing required by them is reasonably required by them shall be conclusive evidence by the fact.

(xiv) The Company shall at all times maintain the Security Cover of 100% or higher.

(xv) The Company shall not down-streaming of funds raised by way of NCDs to any of its subsidiaries.

A. Affirmative Covenants

The Company shall:

(i) **The Offer Documents to have conformity with Debenture Trust cum Hypothecation Deed**: ensure that Debenture Trust cum Hypothecation Deed and any other Transaction Documents, in relation to the NCDs, when executed/to be executed shall be to the satisfaction of the Debenture Trustee and NCD Holders at all times, and will be in accordance with the Terms and Conditions as contained in the Offer Documents;

(ii) **Validity of Transaction Documents**: ensure that the Offer Documents, Debenture Trust cum Hypothecation Deed and any other Transaction Documents creating the Security validly executed and

delivered/shall be validly executed and delivered, will continue in full force and effect and will constitute valid and binding obligations of the Company.

(iii) **Notice of Winding Up or Other Legal Process:** promptly inform Debenture Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Companies Act or any other notice under any other statute or otherwise of any suit or other legal processes intended to be filed or initiated against the Company and affecting the title to the Hypothecated Properties of the Company or if a Receiver is appointed of any of its properties of the Company or if a Receiver is appointed of any of its properties or businesses or undertakings;

(iv) **Memorandum and Articles of Association:** carry out such alterations to its memorandum and articles of association as may be deemed necessary in the opinion of NCD Holders/Debenture Trustee to safeguard the interests of the NCD Holders and as required under Applicable Law;

(v) **Preserve Corporate Status:** Diligently preserve its corporate existence and status and all rights, contracts, privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business, including license to conduct business as a non-banking financial institution, and that it will comply with each and every one of the said franchises and concessions and all acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Security or any part thereof;

Provided that the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the NCDs or the Security of the NCDs is not hereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby payment of the principal of or premium on the NCDs might or would be hindered or delayed;

(vi) **Furnish Information to Debenture Trustee:** give to the Debenture Trustee or its nominees such information as they shall require as to all matters relating to the business, property and affairs of the Company and at the time of the issue thereof to the shareholders of the Company furnish to the Debenture Trustee copies of every report, balance sheet, profit and loss account, circulars or notices issued to the shareholders and the Debenture Trustee shall be entitled, if they deem fit, from time to time to nominate an accountant or agent to examine the books of account, documents and property of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow any such accountant or agent to make such examination and investigation and shall furnish him with all such information as they may require and shall pay all costs, charges and expenses incidental to such examination and investigation;

(vii) **Furnish Information regarding Credit Rating:** the Company shall submit to the Debenture Trustee a certificate stating the credit rating issued with respect to the NCDs from an independent Credit Rating Agencies, which is not associated with the Company or its sponsors or promoters. Further pursuant to Regulations 55 of SEBI Listing Regulations, the credit rating obtained by the Company shall be reviewed at least once a year by a Credit Rating Agencies and the Company submit the same to the Debenture Trustee. In the event of any degradation in the credit rating by the Credit Rating Agencies, the Company shall immediately disseminate the same to the Stock Exchange and Debenture Trustee pursuant to SEBI Listing Regulations;

(viii) **Corporate Governance:** confirm to all mandatory recommendation on corporate governance pursuant to the SEBI Listing Regulations;

(ix) **Due Payment of Public and Other Demands:** confirm that the Company is not in arrears of any undisputed public demands such as income-tax, corporation tax and all other taxes and revenues or any other statutory dues payable to Central or State Governments or any local or other authority;

(x) **Maintain Listing:** confirm that the Company shall take all necessary steps and comply with the uniform listing agreement with the BSE Limited along with the SEBI Listing Regulations and SEBI NCS Regulations, to ensure that the NCDs remain listed;

(xi) **Maintenance of Rating:** confirm that the Company will comply with any agreement with the Credit Rating Agencies and provide any necessary information to the Credit Rating Agencies so as to continue to maintain a credit rating;

(xii) **Maintenance of Movable Properties:** maintain and keep in proper order, repair and keep in good condition the Movable Properties. If the Company fails to keep in proper order, good condition and repair the Movable Properties or any part thereof, then the Debenture Trustee may, but shall not be bound to, maintain the same in proper order or repair or condition and any expense incurred by the Debenture Trustee and its costs and charges therefore shall be reimbursed by the Company;

(xiii) **Conducting of business**: conduct its business with due diligence and efficiency and in accordance with the financial standards and the best business practices;

(xiv) **Utilisation of Issue Proceeds:** utilise the monies received towards subscription of the NCDs for the purposes as stated in the Offer Documents i.e. the funds raised through this Issue will be utilised for the purpose of onward lending and for repayment of interest and principal of existing loans and for general corporate purposes after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements. The Company shall submit a statement regarding utilisation of Issue Proceeds of the Debentures and material deviation in use of proceeds, if any, along with quarterly financial results to the Stock Exchange till such proceeds of the Issue have been fully utilised or purpose for raising the proceeds has been achieved, in accordance with Regulations 52(7) and 52(7A) of the SEBI Listing Regulations;

The Company shall submit to the Debenture Trustee the following, in accordance with Regulation 56 of the SEBI Listing Regulations copy of the annual report at the same time as it is issued along with a copy of certificate from the Company's auditors in respect of utilization of funds during the implementation period of the project for which the funds have been raised. Provided that the copy of the auditor's certificate may be submitted at the end of each financial year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved,

(xv) **Registration:** duly cause these presents to be registered in all respects so as to comply with the provisions of the Companies Act, and also cause the Debenture Trust cum Hypothecation Deed to be registered in conformity with the provisions of the Indian Registration Act, 1908 or any other statute, ordinance or regulation of or relating to any part of India, within which any portion of the Movable Property is or may be situated by which the registration of Debenture Trust cum Hypothecation Deed is required and generally do all other acts (if any) necessary for the purpose of assuring the legal validity of these presents and in accordance with the Company's memorandum of association and articles of association;

(xvi) **Payment of Stamp Duty:** pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties in connection with the NCDs and the issue thereof and all other documents in relation to the NCDs, as and when the Company may be required to pay according to the laws for the time being in force, whether in the State in which the Movable Property are situated, or otherwise, and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Debenture Trustee on demand;

(xvii) **Reimbursement of Expenses:** reimburse all sums paid or expenses incurred by the Debenture Trustee or any Receiver, Attorney, Manager, Agent or other person appointed by the Debenture Trustee for all or any of the purposes mentioned in these presents immediately on receipt of a notice of demand from them in this behalf. All such sums shall carry interest at the rate of 18% per annum in case of any delay from the date when the same shall have been advanced, paid or become payable or due and as regards liabilities, the Company will, on demand, pay and satisfy or obtain the release of such persons from such liabilities and if any sum payable under this clause shall be paid by the Debenture Trustee or any other person the Company shall forthwith on demand, reimburse the same to the Debenture Trustee. Until payment or reimbursement of all such sums, the same shall be a charge upon the Movable/Hypothecated Properties in priority to the charge securing the NCDs;

(xviii) **Notice of labour issues:** promptly inform the Debenture Trustee of the happening of any labour strikes, lockouts, shut-downs, fires or any event likely to have a substantial effect on the Company's profits or business and the reasons therefore;

(xix) **Notice of damage due to force majeure:** promptly inform the Debenture Trustee of any loss or damage, which the Company may suffer due to force majeure circumstances or act of God against which the

Company may not have insured its properties;

(xx) **Compliance with Laws**: comply with the provisions and disclosure requirements as specified under various laws, rules, regulations, notifications and circulars issued by applicable Governmental/Regulatory Authorities including SEBI, RBI, Ministry of Corporate Affairs, etc., from time to time as applicable in respect of the public issue of NCDs as may be in force from time to time during the currency of the NCDs;

(xxi) **Subsequent Valuation**: Carry out subsequent valuation of the Hypothecated Properties, at the request of the Debenture Trustee, at the Company's cost;

B. Negative Covenants

The Company shall:

(i) inform the debenture trustee about any change in nature and conduct of business by the company before such change;

(ii) inform the debenture trustee of any significant changes in the composition of its Board of Directors;

(iii) inform the debenture trustee of any amalgamation, merger or reconstruction scheme proposed by the company;

(iv) not create further charge or encumbrance over the trust property without the approval of the trustee;

(v) keep the debenture trustee informed of all orders, directions, notices, of court/tribunal affecting or likely to affect the charged assets.

C. Financial Covenants

(i) Until the Final Settlement Date, the Company shall maintain a Capital Adequacy Ratio as may be prescribed by the RBI from time to time.

D. Reporting Covenants

(i) The Company shall furnish reports quarterly, i.e. periodical status/ performance reports from the Company within 7 (seven) days of the relevant board meeting or within 45 (forty-five) days of respective quarter whichever is earlier, to the Debenture Trustee containing the following particulars -

i. updated list of the names and addresses of the NCD Holders.
ii. details of the Interest due, but unpaid and reasons thereof.
iii. the number and nature of grievances received from the NCD Holders and (a) resolved by the Company and (b) unresolved by the Company and the reasons for the same.
iv. a statement that the assets of the Company which form part of the Security are sufficient to discharge the claims of the NCD Holders as and when they become due.

(ii) The Company shall inform the Debenture Trustee about any change in nature and conduct of business before any such change.

(iii) The Company shall inform to the Debenture Trustee of any amalgamation, merger or reconstruction scheme proposed by the Company.

(iv) The Company shall keep the Debenture Trustee informed of all orders, directions, notices of court/tribunal affecting or likely to affect the Hypothecated Properties.

(v) The Company shall inform Debenture Trustee of any major change in composition of its Board of Directors, which may amount to change in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

(vi) The Company shall submit any such information, as required by the Debenture Trustee and such other reports as may be stipulated by SEBI or under Applicable Law.

(vii) The Company shall promptly disclose and furnish to the Debenture Trustee, all documents/ information about or in relation to the Company or the Debentures, as requested by the Debenture Trustee to fulfil its obligations hereunder or to comply with any Applicable Law, including in relation to filing of its reports/ certification to Designated Stock Exchange within the prescribed timelines.

(viii) The Company shall

a. provide such documents/information and assistance to the Debenture Trustee as required by the Debenture Trustee to carry out the necessary continuous due diligence and monitoring of the minimum Security Cover on a quarterly basis in the manner as may be specified by SEBI from time to time;

b. provide such documents/information and assistance to the Debenture Trustee as required by the Debenture Trustee to carry out the necessary continuous due diligence and monitoring of the minimum Security Cover on a quarterly basis in the manner as may be specified by SEBI from time to time;

c. submit a certificate from the statutory auditor on a half-yearly basis, together with the financial statements, a certificate from the statutory auditor of the Company regarding the Security Cover including compliance with the Financial Covenants and Conditions of the Prospectus time in the manner as may be specified by the SEBI and Applicable Law from time to time.

Periodical Monitoring by the Debenture Trustee:

The Debenture Trustee shall undertake independent periodic assessment of compliance with the covenants and terms of the Issue and conduct continuous and periodic due diligence and monitoring in accordance with Regulation 15(1)(s) and Regulation 15(1)(t) of the SEBI Debenture Trustees Regulations and Chapter VI of the SEBI Master Circular for Debenture Trustees.

For this purpose, the Company shall provide the relevant documents, information, reports and certificates, as applicable, to enable the Debenture Trustee to monitor the Security Interest over the Hypothecated Properties and comply with its reporting obligations, within the timelines mentioned below:

Reports/Certificates	**Timelines for submission and requirements by Company to Debenture Trustee**	**Timelines for submission of report/ certifications by Debenture Trustee to Stock Exchange**
Security Cover Certificate (in the format as specified in Annex-VA of SEBI Debenture Trustee's Master Circular)	Quarterly basis within 60 days from end of each Quarterly Date except the last quarter (being March 31 of the relevant calendar year) when submission is to be made within 75 days	Quarterly basis within 75 days from end of each quarter except last quarter when submission is to be made within 90 days.
A statement of value of pledged securities		
A statement of value for Debt Service Reserve Account or any other form of security offered		
Net worth certificate of guarantor (In case of NCDs are secured by way of personal guarantee), as applicable.	Half yearly basis within 60 days from end of each financial half-year.	Half yearly basis within 75 days from end of each half-year.
Financials/value of guarantor prepared on basis of audited financial statement etc. of the guarantor (In case of NCDs are secured by way of corporate guarantee), as applicable.	Annual basis within 60 days from end of each Financial Year.	Annual basis within 75 days from end of each financial year.
Valuation report and title search report for the immovable/movable assets, as applicable.	Once in three years within 60 days from the end of the Financial Year.	Once in three years within 75 days from the end of the financial year.

(i) The Debenture Trustee may at any time through its authorized representatives and agents, inspect books of account, records, registers of Company and the trust property to the extent necessary for discharging its obligations and the Company shall provide full and unimpeded access to the records, registers and books of accounts and facilitate in the inspection and due diligence process. Any fees, costs expenses incurred in conducting such inspection/due diligence process shall be fully borne by the Company. In the event, any fees, costs expenses are borne by the Debenture Trustee, it shall be reimbursed forthwith by the Company upon request.

(ii) The Company shall permit the debenture trustee to enter the debenture holder's premises and inspect the state and condition of charged assets;

(iii) The Company shall provide intimation regarding:

i. Any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities.
ii. All covenants of the issue (including side letters, Event of Default clause etc.).

(iv) The Company shall ensure due compliance and adherence to the SEBI Master Circular for Debenture Trustee in letter and spirit.

(v) **Forensic Audit**: In case of initiation of any forensic audit (by whatever name called) in respect of the Company, the Company shall report to the Debenture Trustee and provide following information and make requisite disclosures to the Designated Stock Exchanges:

i. the fact of initiation of forensic audit along with name of entity initiating the audit and reasons for the same; and
ii. the final forensic audit report (other than for forensic audit initiated by regulatory/ enforcement agencies) on receipt by the Company along with comments of the management, if any.

TERMS OF THE ISSUE

Authority for the Issue

This Issue has been authorised by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on May 22, 2026. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' *vide* their resolution passed at their EGM held on January 05, 2022.

The NCDs pursuant to this Issue will be issued on terms and conditions as set out in the Prospectus.

Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the SEBI NCS Master Circular, the applicable provisions of Companies Act, 2013, the Memorandum of Association and Articles of Association of our Company, the terms of this Prospectus, the Draft Prospectus, the Abridged Prospectus, the Application Forms, the terms and conditions of the Debenture Trustee Agreement, the Debenture Trust cum Hypothecation Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs being offered through this Issue would constitute direct and secured obligations of the Company and shall rank *pari passu* inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way creating security over all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued thereon. The claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements. We have received necessary consents from the relevant lenders, debenture trustees and security trustees for creating a first ranking pari passu charge in favour of the Debenture Trustee in relation to the NCDs.

In terms of the SEBI Master Circular for Debenture Trustees, our Company is required to obtain permissions or consents from or provide intimations to the prior creditors for proceeding with this Issue, if pari passu security is sought to be created.

Security

The Issue comprises of public issue of NCDs of face value of ₹ 1,000 each.

The principal amount of the NCDs to be issued in terms of this Prospectus and the Draft Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with 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 the Company, such that Security Cover to the extent of one time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.

Prior to the filing of the listing application as prescribed under SEBI NCS Regulations and other Applicable Laws, our Company will ensure 100.00% or higher security cover on the outstanding amount, including interest, for the NCDs at any time, by creating security in favour of the Debenture Trustee for the Debenture Holders.

Our Company has entered into the Debenture Trustee Agreement and in furtherance thereof intends to enter into a debenture trust cum hypothecation deed with the Debenture Trustee for the benefit of the NCD Holders, ("**Debenture Trust cum Hypothecation Deed**"), the terms of which shall govern the appointment of the Debenture Trustee and the issue of the NCDs.

Our Company proposes to complete the execution of the Debenture Trust cum Hypothecation Deed before filing of listing application and shall utilise the funds only after the stipulated security has been created. If the Company fails to execute the Debenture Trust cum Hypothecation Deed within the period as mentioned, without prejudice to any liability arising on account of violation of the provisions of the Companies Act and the SEBI NCS Regulations, the Company shall also pay interest of at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the Debenture Trust cum Hypothecation Deed.

Under the terms of the Debenture Trust cum Hypothecation Deed, our Company will covenant with the Debenture Trustee that it will pay the Debenture Holders holding the NCDs the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on the NCDs at the rate specified in this Prospectus and in the Debenture Trust cum Hypothecation Deed

The Debenture Trust cum Hypothecation Deed will also provide that our Company may withdraw any portion of the security subject to prior written consent of the Debenture Trustee and/or may replace with another security of the same or a higher value.

Our Company confirms that the Issue proceeds shall be kept in the Public Issue Account until the documents for creation of security i.e. the Debenture Trust cum Hypothecation Deed, is executed.

Without prejudice to the aforesaid, in the event the Issuer fails to execute the Debenture Trust cum Hypothecation Deed within the period specified in Regulation 18 of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to- time, the Issuer shall also pay interest of at least 2% (two per cent) per annum to the NCD Holders, over and above the interest rate on the NCDs specified in the Prospectus, till the execution of the Debenture Trust cum Hypothecation Deed and in accordance with the applicable laws. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange.

Debenture Redemption Reserve

Regulation 16 of the SEBI NCS Regulations and Section 71(4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve ("**DRR**") out of the profits of the company available for payment of dividend. Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Amendment Rules, 2019, listed NBFC is not required to create a DRR in case of public issue of debentures. The rules further mandate that the company which is coming with a Public Issue shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more prescribed methods.

Accordingly, our Company is not required to create a DRR for the NCDs proposed to be issued through this Issue. Further, our Company shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year, in terms of the applicable laws.

Recovery Expense Fund

Our Company will create a recovery expense fund in the manner specified by SEBI in the SEBI Master Circular for Debenture Trustees and in Regulation 11 of the SEBI NCS Regulations, with the Designated Stock Exchange, and will inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by the Debenture Trustee, in the event of a default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security and for recovering all enforcement-related costs and expenses from the fund, including costs related to consents, voting, meetings, court filings, legal fees, recovery services, and consultant appointments, in the manner specified by SEBI in SEBI Master Circular for Debenture Trustee.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective Option(s)/Series of NCDs issued.

Settlement Guarantee Fund

Our Company will deposit amounts in the settlement guarantee fund in the manner as specified in the SEBI NCS Master Circular, if applicable. This fund will be created to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.

Face Value

The face value of each NCD to be issued under this Issue shall be ₹ 1,000.

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of the NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided under the Companies Act, 2013, our Memorandum of Association and Articles of Association and/or the Debenture Trust cum Hypothecation Deed, confer upon the NCD Holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote, at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136(1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.

2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust cum Hypothecation Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of Debenture Trust cum Hypothecation Deed, in case of NCDs held in (i) dematerialised form, the person for the time being appearing in the register of beneficial owners of the Depositories; and (ii) physical form on account of re-materialization, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the SEBI NCS Regulations, the SEBI NCS Master Circular, the applicable provisions of Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Prospectus, the Draft Prospectus, the Application Form, the terms and conditions of the Debenture Trust cum Hypothecation Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to this issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depositories. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD Holders as given thereunder.

6. Subject to compliance with applicable statutory requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 15 days' prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the NCDs of all the NCD Holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Prospectus, and the Debenture Trust cum Hypothecation Deed to be executed between our Company and the Debenture Trustee.

Debenture Trustees for the NCD Holders

We have appointed Vistra ITCL (India) Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust cum Hypothecation Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us, within such period as specified under Regulation 18 of the SEBI NCS Regulations and on failure to do the same, we shall pay interest of at least two percent per annum to the NCD Holder(s), over and above the agreed Coupon Rate, till the execution of the Debenture Trust cum Hypothecation Deed, with respect to the NCDs. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost. It is the duty of the debenture trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Our Company shall not create any further encumbrances on the Security except with the prior approval of the Debenture Trustee. In the event of such request by our Company, the Debenture Trustee shall provide its approval for creation of further charges provided that our Company provides a certificate from a chartered accountant stating that after creation of such further charges, the required Security cover is maintained.

At any time before the Security constituted hereunder becomes enforceable, the Debenture Trustee, may, at the request of our Company and without any consent of the NCD Holders, do or concur our Company in doing all or any of the things which our Company might have done in respect of the Security as if no security had been created and particularly, but not by way of limitation, the following assent to any modification of any contracts or arrangements which may be subsisting in relation to the Security.

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)

If one or more of the events specified below (hereinafter called the "**Events of Default**") happen, the Debenture Trustee may, in their discretion and shall, upon request in writing of the NCD Holders of an amount representing not less than the Majority Interest or by a special resolution duly passed at the meeting of the NCD Holders convened in accordance with the provisions set out in the Debenture Trust Deed, by notice in writing to the Company declare the Redemption Amount and all Interest on the NCDs to be due and payable forthwith and the Security created in the Debenture Trust Deed shall become enforceable (upon the Debenture Trustee being put into sufficient funds by the NCD Holders before initiating any legal proceedings for enforcement of Security as such), and the Debenture Trustee shall have the following rights, namely :

(i) to sell, assign or otherwise liquidate or direct the Company to sell, assign or otherwise liquidate any or all of the Movable Properties, in such manner, at such time, at such place or places and on such terms as the Debenture Trustee may, in compliance with the requirements of Applicable Law(s), determine in its absolute discretion and to take possession of the proceeds of any such sale or liquidation;

(ii) to take possession of the Movable Properties or any part thereof, by directing the Company in writing to deliver the same to the Debenture Trustee at any place or places designated by the Debenture Trustee, in which event the Company shall, at its own expense:

- forthwith cause the same to be moved and delivered to the place or places so designated by the Debenture Trustee;
- keep any Movable Properties to be delivered to the Debenture Trustee (to the extent not physically delivered to the Debenture Trustee) at such place or places pending further action by the Debenture Trustee as provided in these presents; and
- while such Movable Properties shall be so kept, provide such guards and maintenance services as shall be necessary to protect the same;

(iii) to retain all cash proceeds received or receivable by the Company in respect of the Movable Properties and to use such funds, in whole or part, towards repayment of the Company's obligations to the NCD Holders and/or the Debenture Trustee

The occurrence of any one of the following events shall constitute an Event of Default by the Company:

(i) Default is committed in payment of the Redemption Amount/Principal Amount of the NCDs on the Redemption Date or respective due date(s);

(ii) Two consecutive defaults are committed in payment of any Interest Amount on the NCDs on the Interest Payment Date, as per the Transaction Documents;

(iii) Default is committed in payment of any other monies including costs, charges and expenses incurred by the Debenture Trustee, as per the Transaction Documents;

(iv) Default is committed in the performance or observance of any material Terms, covenant, condition or provision or terms contained in Debenture Trust Deed and/or the Terms and Conditions and of the Offer Documents (other than the obligation to pay Redemption Amount and Interest) and, except where the Debenture Trustee certify that such default is in their opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 (thirty) days after written notice has been given thereof by the Debenture Trustee to the Company requiring the same to be remedied;

(v) Default by the Company in maintaining the Security Cover for a continuous period of 7 (seven) Business Days;

(vi) Any indebtedness of the Company for borrowed monies i.e. indebtedness for and in respect of monies borrowed or raised (whether or not for cash consideration) by whatever means (including acceptances, credits, deposits and leasing) becomes due prior to its stated maturity by reason of default of the terms thereof or any such indebtedness is not paid at its stated maturity or there is a default in making payments due under any guarantee or indemnity given by the Company in respect of the indebtedness of borrowed monies of any person and such default has not been cured or waived;

(vii) Any information given by the Company in the Transaction Documents, reports and other information furnished by the Company in accordance with the reporting system and the warranties given/deemed to have been given by it to the Debenture Trustee is found to be misleading or incorrect in any material respect;

(viii) If there is reasonable apprehension that the Company is unable to pay its debts or proceedings for taking it into liquidation, either voluntarily or compulsorily, may be or have been

commenced or admitted by the court;

(ix) If, the Movable/Hypothecated Properties have not been kept insured or depreciate in value to such an extent that in the opinion of the Debenture Trustee further Security should be given and on advising the Company to that effect such Security has not been given to the Debenture Trustee to their satisfaction;

(x) The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law and such proceeding is admitted by the court or the Company is voluntarily or involuntarily dissolved; and a court having jurisdiction shall enter a decree or order for relief in respect of the Company and such decree or order shall remain unstayed and in effect for a period of 30 (thirty) consecutive days or the Company has consented to the entry of an order for relief in an involuntary case under any such laws, or shall consent to the appointment of or taking possession by a receiver, liquidator, trustee, custodian, sequestrator or similar official of the Company or for any substantial part of its property or has made any general assignment for the benefit of the creditors, or has failed generally to pay its debts as they become due or shall take any corporate action in furtherance of any of the above;

(xi) If a petition for winding up of the Company shall have been admitted or if an order of a court of competent jurisdiction is made or a notice shall have been given of a proposed resolution for the winding up of the Company or an effective resolution is passed for the winding up of the Company otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect;

(xii) The Company is unable to or has admitted in writing its inability to pay its debts as they mature;

(xiii) If in the opinion of the Debenture Trustee further Security should be created to secure the NCDs and on advising the Company to the effect such Security has not been given to the Debenture Trustee to its reasonable satisfaction;

(xiv) If an attachment or distress has been levied on the assets or any part thereof of the Hypothecated Property and/ or certificate proceedings have been taken or commenced for recovery of any dues from the Company;

(xv) Except as provided in the Debenture Trust Deed and the Offer Documents if, without the prior approval of the Debenture Trustee, the Hypothecated Property are sold, disposed of, charged, encumbered or alienated by the Company;

(xvi) The Company has taken or suffered any action to be taken for its reorganisation, liquidation or dissolution.

(xvii) A Receiver or a liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Company;

(xviii) If, any extra-ordinary circumstances have occurred which make it impossible for the Company to fulfil its obligation under these presents and/or the Offer Documents in relation to the NCDs;

(xix) The Company without the consent of NCD holders ceases or threatens to cease to carry on its business as an NBFC or gives notice of its intention to do so;

(xx) When any breach of the terms of the Prospectus inviting the subscriptions of debentures or of the covenants of the Debenture Trust Deed is committed;

(xxi) If, the Company is unable to pay its debts or if the Company is carrying on business at a loss and it appears to the Debenture Trustee that continuation of its business will endanger the security hereby created;

(xxii) After giving an opportunity of being heard to the Company, the Debenture Trustee is of the opinion that the Security of the NCD Holders is in jeopardy;

(xxiii) If it is certified by an accountant or firm accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its respective assets in violation of the Applicable Law(s);

(xxiv) If the Company enters into amalgamation, reorganisation or reconstruction without the prior consent of the Debenture Trustee in writing;

(xxv) When the company creates or attempts to create any charge on the mortgaged premises or any part thereof without the prior approval of the Debenture Trustee/NCD Holders;

(xxvi) Any of the Transaction Documents cease to be in full force and effect;

(xxvii) The Company, rescinds / repudiates or purports to rescind / repudiate or evidences an intention to rescind / repudiate any of the Transaction Documents to in whole or in part;

(xxviii) If the Company shall, without the prior consent of the Debenture Trustee in writing, make or attempt to make any alteration to its Memorandum and Articles of Association, which, affects adversely the interest of the NCD Holders; and.

(xxix) If any litigation, arbitration, investigative or administrative proceedings is instituted against the Company that restrains the Company's entry into or restricts the exercise of any of the Company's rights under or compliance by the Company of any of its obligations under the Debenture Trust cum Hypothecation Deed and is not discharged or resolved within a period of 60 days of such institution, the Company shall request the Debenture Trustee in writing to extend the period for such resolution by such additional time as may seem reasonable before the expiry of these 60 days. The Debenture Trustee shall, within 30 days of receipt of such a request, call a meeting of the NCD Holders within to decide upon granting extension to the Company to resolve or discharge such litigation, arbitration, investigative or administrative proceedings. The decision of NCD Holders holding Majority Interest shall be communicated to the Company with regard to whether failure to resolve or discharge such litigation, arbitration, investigative or administrative proceedings shall constitute a material adverse effect.

(xxx) If the following documents are not executed and/or perfected as the case maybe within the timeframe specified for each of such documents:

a. The Debenture Trust Deed is not executed/perfected before transfer of funds from the Public Issue Account as specified in the Prospectus.

All expenses incurred by the Debenture Trustee after an Event of Default has occurred in connection with:

(i) preservation of the Company's assets (whether then or thereafter existing); and

(ii) collection of amounts due in respect of the NCDs;

shall be payable by the Company.

Remedies

If one or more of the events specified above occur(s), the Debenture Trustee may take such steps subject to the provisions of Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 SEBI Master Circular for Debenture Trustees in their discretion, but shall, upon request in writing of the NCD Holders of an amount representing not less than three-fourths in value of the nominal amount of the NCDs for the time being outstanding or by a special resolution duly passed at the meeting of the NCD Holders convened in accordance with the provisions set out hereunder, by a notice in writing to the Company, declare the Principal of and all accrued Interest on the NCDs to be due and payable forthwith and the NCDs shall without any further action become due for Redemption along with the Interest accrued thereon.

Consequences of an Event of Default:

Upon the occurrence of an Event of Default, the Company shall immediately inform the Debenture Trustee of such occurrence, together with all details related thereto. The Debenture Trustee shall send a notice in writing to the NCD Holders within 3 (three) days from the date of such occurrence of an Event of Default ("**Default Notice**"), to notify the NCD Holders of the occurrence of such Event of Default. Such Default Notice shall contain the following:

a. request for consent for proceeding with the enforcement of the Security;
b. request for consent for signing the Inter-Creditor Agreement;
c. the time-period of 15 (fifteen) days from the date of notice to convey consent or dissent in relation to Sub-paragraphs (a) and (b) herein; and
d. the date of convening the NCD Holders' meeting, which shall be convened by the Debenture Trustee within 30 (thirty) days from the occurrence of such Event of Default, in accordance with the SEBI Master Circular for Debenture Trustees.

It is hereby clarified that if such Event of Default is cured by the Company between the date of the Default Notice and the date of the NCD Holders' meeting convened due to the occurrence of an Event of Default, then the convening of such NCD Holders' meeting shall not be required.

Without prejudice to the rights of the NCD Holders under Applicable Law, the Debenture Trustee shall, upon the occurrence and during subsistence of an Event of Default, exercise the following rights:

a. subject to the receipt of consent of the Majority Interest at the NCD Holders' meeting in the manner specified above and the SEBI Master Circular for Debenture Trustees, the Debenture Trustee, on behalf of the NCD Holders, may enter into an Inter-Creditor Agreement, provided that the resolution plan formulated under the RBI Stressed Assets Directions serves the interests of the NCD Holders and the Inter-Creditor Agreement is in compliance with the RBI Stressed Assets Directions, Companies Act, SEBI Act, and Securities Contracts (Regulations) Act, 1956 and the rules, regulations made thereunder;

b. subject to no dissent from the Majority Interest at the NCD Holders' meeting in the manner specified above and the SEBI Master Circular for Debenture Trustees, the Debenture Trustee shall inform the Stock Exchange of the occurrence of such Event of Default and thereafter, the Stock Exchange shall within 5 (five) working days from receipt of such intimation, release the amounts lying in the Recovery Expense Fund to the Debenture Trustee, who shall be entitled to utilize the amounts lying to the credit of the Recovery Expense Fund in accordance with the procedure set out in the SEBI Master Circular for Debenture Trustees, towards enforcement of the Security in the manner as decided by the Majority Interest in the NCD Holders' meeting. The Debenture Trustee shall keep a proper account of all expenses incurred out of the Recovery Expense Fund towards legal expenses, cost for hosting meetings etc. towards enforcement/ legal proceedings in relation to the NCDs.

Any balance remaining in the Recovery Expense Fund after all expenses over and above those met from the Recovery Expense Fund incurred by the NCD Holders/Debenture Trustee after an Event of Default shall be refunded to the Company on repayment of all the Outstanding Obligations upon a 'no objection certificate' being issued by the Debenture Trustee to the Stock Exchange.

Notwithstanding anything contained herein or under Applicable Law, the Debenture Trustee shall also be entitled to enforce the Security and to seek any and all remedies under the Applicable Laws from time to time, including without limitation, under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and / or the Recovery of Debts Due to Banks & Financial Institutions Act, 1993.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75% of Base Issue being ₹ 3,750 lakhs, within the prescribed timelines under the Companies Act, SEBI NCS Regulations and any rules thereto, the entire Application Amount blocked shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight working days from the Issue Closing Date or such time as may be specified by the Board. In the event the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within eight working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest

at the rate 15 (fifteen) percent per annum for the delayed period. In the event of failure to list such securities within such days from the date of closure of issue as may be specified by the Board (scheduled listing date), all application moneys received or blocked in the public issue shall be refunded or unblocked forthwith within two working days from the scheduled listing date to the applicants through the permissible modes of making refunds and unblocking of funds. For delay in refund/unblocking of funds beyond the timeline as specified above, the issuer shall be liable to pay interest at the rate of fifteen percent per annum to the investors from the scheduled listing date till the date of actual payment.

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

Market Lot and Trading Lot

The NCDs shall be allotted only in dematerialized form. As per the SEBI NCS Regulations, the trading of the NCDs shall be in dematerialised form only. Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in the Issue will be in Demat form in multiples of one NCD. For details of allotment, see "*Issue Procedure"* beginning on page 243.

Nomination facility to NCD Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") and Section 72 of the Companies Act, 2013, the sole NCD Holder, or first NCD Holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the Form No. SH.13, any one person in whom, in the event of the death of Applicant the NCDs Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in Form No. SH.13 any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in Form No. SH.14, any person to become entitled to NCDs in the event of the NCD holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Corporate Office or with the Registrar to the Issue.

NCDs are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all such NCD Holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office, at such other addresses as may be notified by us, or at the office of the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to our Company to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Section 71 of the Companies Act, read with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the NCDs; or

- to make such transfer of the NCDs, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, the Board may thereafter withhold payment of all interests or redemption amounts or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the Debenture Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

For all NCDs held in the dematerialised form and since the allotment of NCDs pursuant to this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. The nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialised form.

Right to recall or redeem NCDs prior to maturity.

Not Applicable

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Kochi, Kerala India.

Application in the Issue

Applicants shall apply in this Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialised form only.

Form of Allotment and Denomination of NCDs

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of one (1) NCD ("**Market Lot**"). Allotment in this Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

Transfer/ Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/ CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Company or Registrar.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018

read with SEBI Press release (no. 49/ 2018) dated December 3, 2018, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from April 1, 2019. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Title

In case of:

- the NCDs held in the dematerialised form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and

- the NCD held in physical form, pursuant to any rematerialisation, the person for the time being appearing in the Register of NCD Holders as NCD Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the NCD Holder.

No transfer of title of an NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depositories prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the relevant provisions of the Companies Act, 2013, shall apply, mutatis mutandis (to the extent applicable) to the NCD(s) as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, the Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of the Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased NCD Holder. He shall approach the respective Depository Participant of the NCD Holder for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.

2. Proof that the non-resident Indian is an Indian national or is of Indian origin.

3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders

with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for Re-materialization of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose to rematerialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.**

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue except as may be required under RBI requirements and as provided in our Articles of Association. Pursuant to the SEBI Listing Regulations, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, with effect from April 1, 2019.

Period of Subscription

The subscription list shall remain open for a period as indicated below, with an option for early closure or extension by such period, as may be decided by the Board or a duly authorised committee of Directors of our Company, subject to necessary approvals. In the event of such early closure of the Issue, our Company shall ensure that notice of such early closure is given one day prior to such early date of closure through advertisement/s in a leading national daily newspaper.

Issue Programme

Issue Opening Date	Monday, August 17, 2026
Issue Closing Date	Monday, August 31, 2026
Pay In Date	Application Date. The entire Application Amount is payable on Application
Deemed Date of Allotment	The date on which the Board of Directors or the Debenture Committee thereof authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ Committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

#This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated in the Prospectus, except that this Issue may close on such earlier date or extended date(subject to a minimum period of two Working Days and a maximum period of 10 Working Days from the date of opening of the Issue and subject to not exceeding thirty days from filing the Prospectus with ROC as may be decided by the Board of Directors of our Company or Debenture Committee of the Board thereof, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure.

*Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time)("**Bidding Period**") or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. Additionally, an Investor may also submit the Application Form, through the app or Web Interface of the Stock Exchange.On the Issue Closing Date Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange Platform would be*

rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on the Issue Closing Date.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3:00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Manager, or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on the basis of date of upload of each application into the electronic book of the Stock Exchange in accordance with the SEBI NCS Master Circular. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

Basis of payment of Interest

Payment of Interest/Maturity Amount will be made to those entitled NCD Holders whose names appear in the register of Debenture Holders (or to first holder in case of joint-holders) as on Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the Interest Payment Date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Please see, *"Terms of the Issue – Manner of Payment of Interest / Redemption Amounts"* at page 236.

Taxation

Income tax is deductible at source at the rates in force (presently,10%, subject to applicable law) on interest on debentures held by resident investors (other than exempt entities as prescribed under applicable law), at the time of credit / payment, provided that the aggregate amount of such interest exceeds ₹10,000 during the Tax Year, as per the provisions of Section 393 of the IT Act. Further, tax will be deducted at source at a reduced rate, or no tax will be deducted at source in the following cases:

(a) When the Assessing Officer issues a certificate on an application by a NCD Holder, on satisfaction that the total income of the NCD Holder justifies no/lower deduction of tax at source as per the provisions of Section 395(1) of the IT Act; and such valid certificate is filed with the Issuer before the prescribed date of closure of books for payment of debenture interest and remains valid as on such date;

(b) When the resident NCD Holder with Permanent Account Number ("**PAN**") (not being a company or a firm) submits a declaration in the prescribed Form 121 verified in the prescribed manner in accordance with the provisions of Section 393(6) of the IT Act to the effect that the tax on his estimated total income for the Tax year in which such income is to be included in computing his total income will be NIL. However, as per the note to Section 393(6) of the IT Act, such declaration cannot be submitted or considered for exemption from deduction of tax at source if the aggregate amount of any income or sum, including payment of accumulated balance due to an employee, insurance commission, rent, income in respect of units, interest, payment in respect of life insurance policy and dividend, credited or paid or likely to be credited or paid during the relevant Tax Year in which such income or sum is to be included, exceeds the maximum amount not chargeable to tax;

(c) Senior citizens, being resident individuals who are 60 or more years of age at any time during the Tax Year, enjoy the special privilege to submit a self-declaration in the prescribed Form 121 for non-deduction of tax at source in accordance with the provisions of section 393(6) of the IT Act even if the

aggregate income credited or paid or likely to be credited or paid during the relevant Tax Year exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income for the relevant Tax Year concerned will be NIL;

(d) In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act.

(e) Form No.121 with PAN / a valid certificate issued u/s 395(1) pursuant to the electronic filing of Form 128 must be furnished to the Issuer before the prescribed date of closure of books for payment of debenture interest without any withholding tax.

The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar to the Issue quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCDs held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCDs. The investors need to submit Form 121/ 128 in original with the Assessing Officer for each Tax Year during the currency of the NCDs to ensure non-deduction or lower deduction of tax at source from interest on the NCDs.

A valid tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in the Issuer's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of the Prospectus read with the provisions of the Articles of Association our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention:

Interest shall be computed on actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI NCS Master Circular. The details pertaining to the cash flows of the Company in accordance with the SEBI NCS Master Circular shall be specified in ***Annexure I*** on page 374.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the "**Effective Date**"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per IT Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI NCS Master Circular is disclosed at page 374.

Maturity and Redemption

The NCDs issued pursuant to this Prospectus have a fixed maturity date. The NCDs will be redeemed at the expiry of 400 days from the Deemed Date of Allotment for Series I, 16 months from the Deemed Date of Allotment for Series II, 18 months from the Deemed Date of Allotment for Series III, 2 Years from the Deemed Date of Allotment for Series IV, 2 Years from the Deemed Date of Allotment for Series V, 3 Years from the Deemed Date of Allotment for Series VI, 3 Years from the Deemed Date of Allotment for Series VII, 5 Years from the Deemed Date of Allotment for Series VIII, 5 Years from the Deemed Date of Allotment for Series IX, 79 Months from the Deemed Date of Allotment for Series X.

Application Size

Each application should be for a minimum of 5 NCDs and multiples of one NCD thereof. The minimum application size for each application would be ₹ 5,000 (for all kinds of Series NCDs either taken individually or collectively) and in multiples of ₹ 1,000 thereafter.

Applicants can apply for any or all series of NCDs offered hereunder provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of this Prospectus.

Manner of Payment of Interest / Redemption Amounts

The manner of payment of interest / redemption in connection with the NCDs is set out below:

For NCDs held in dematerialised form:

The bank details will be obtained from the Depositories for payment of Interest / redemption amount as the case may be. Holders of the NCDs, are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Manager, our Company or the Registrar shall have no any responsibility and undertake no liability for the same.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

For NCDs held in physical form on account of re-materialization:

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see "*Terms of the Issue–Procedure for Re-materialization of NCDs*" on page 233.

The mode of payment of Interest/Redemption Amount shall be undertaken in the following order of preference:

1. **Direct Credit/ NACH/ RTGS:** Investors having their bank account details updated with the Depository shall be eligible to receive payment of Interest / Redemption Amount, through:

    i. **Direct Credit**. Interest / Redemption Amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

    ii. **NACH:** National Automated Clearing House which is a consolidated system of ECS. Payment of Interest / Redemption Amount would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of Interest / Redemption Amount through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the Interest / Redemption Amount through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get Interest / Redemption Amount through NEFT or Direct Credit or RTGS.

iii. **RTGS:** Applicants having a bank account with a participating bank and whose Interest / Redemption Amount exceeds ₹ 2 lakhs, or such amount as may be fixed by RBI from time to time, have the series to receive the Interest / Redemption Amount through RTGS. Such eligible Applicants who indicate their preference to receive Interest / Redemption Amount through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least 7 (seven) working days before the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, Interest / Redemption Amount shall be made through NECS subject to availability of complete bank account details for the same as stated above.

iv. **NEFT:** Payment of interest / redemption amount shall be undertaken through NEFT wherever the Applicants' bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of the Interest / Redemption Amounts, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of Interest / Redemption Amount will be made to the Applicants through this method.

2. **Registered Post/Speed Post:** For all other NCD Holders, including those who have not updated their bank particulars with the MICR code, the Interest Payment / Redemption Amount shall be paid by way of Interest/ Redemption warrants dispatched through speed post/ registered post only to Applicants that have provided details of a registered address in India.

Printing of Bank Particulars on Interest/ Redemption Warrants

As a matter of precaution against possible fraudulent encashment of Interest/ Redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs held dematerialised form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form on account of rematerialisation, the investors are advised to submit their bank account details with our Company / Registrar at least 7 (seven) working days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCD as available in the records of our Company. Bank account particulars will be printed on the warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to RBI Master Direction no. RBI/DOR/2025-26/373 DOR.FIN.REC.No.292/03-10-119/2025-26 on "Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025" dated November 28, 2025, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Procedure for Redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialization:

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the

redemption proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) be surrendered for redemption on maturity and should be sent by the NCD Holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see "*Issue Procedure - Payment on Redemption*" on page 238.

NCDs held in electronic form:

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of re-materialisation:

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s). Dispatch of cheques/pay order, etc. in respect of such payment will be made on the Redemption Date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those NCD Holders whose names stand in the Register of Debenture Holders maintained by our Company/Registrar to the Issue on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us at least seven working days prior to the Record Date. In case the transfer documents are not lodged with us at least seven working days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to holder(s) towards their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

NCDs held in electronic form:

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Telangana and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Issue of duplicate NCD Certificate(s)

If any NCD certificate(s), issued pursuant to rematerialisation, if any, is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, *pari passu* or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, provided stipulated security cover is maintained on the NCDs and after obtaining the consent of, or intimation to, the NCD Holders or the Debenture Trustee regarding the creation of a charge over such security.

Impersonation

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

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

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

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

shall be liable for action under Section 447."

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

Period of Subscription

In terms of the SEBI NCS Regulations, a public issue of debt securities shall be kept open for a minimum of two working days and a maximum of ten working days. In the event of a revision in the price band or yield, the issuer shall extend the bidding (issue) period disclosed in the offer document for a minimum period of two working days, however, the overall bidding (issue) period shall not exceed ten working days. In the event of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the bidding (issue) period disclosed in the offer document, however, the overall bidding (issue) period shall not exceed ten working days.

Pre-closure

Our Company, in consultation with the Lead Manager reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement has been given.

Minimum Subscription

If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹ 3,750 lakhs prior to the Issue Closing Date and as prescribed under the Companies Act and any rules thereto, the entire Application Amount blocked shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within eight working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

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

Utilisation of Issue Proceeds

a) All monies received out of the Issue shall be credited/ transferred to a separate bank account maintained with a scheduled bank as referred to in section 40(3) of the Companies Act 2013;

b) Details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue;

c) Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;

d) We shall utilize the Issue proceeds only upon allotment of the NCDs, execution of Debenture Trust cum Hypothecation Deed, receipt of the listing and trading approval from the Stock Exchange;

e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property; and

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

Payment of Interest

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For further details, see "*Issue Procedure - Rejection of Applications*" beginning on page 241.

Pre-Issue Advertisement

Subject to Regulation 30(1) of SEBI NCS Regulations, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule V of SEBI NCS Regulations in compliance with Section 30 of Companies Act, 2013. Material updates, if any, between the date of filing of this Prospectus and the Draft Prospectus with RoC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations.

Listing

The NCDs offered through this Prospectus and the Draft Prospectus are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* its letter dated August 11, 2026. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing at the Stock Exchange is taken within three Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Series, such Series(s) of NCDs shall not be listed.

Guarantee/Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Arrangers

No arrangers have been appointed for this Issue.

Monitoring & Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. Our Board shall monitor the utilisation of the proceeds of this Issue. Our Company will disclose in the Company's financial statements for the relevant financial year, the utilisation of the proceeds of this Issue under a separate head along with details, if any, in relation to all such proceeds of this Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of this Issue.

Lien

Not Applicable

Lien on Pledge of NCDs

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

ISSUE PROCEDURE

This chapter applies to all Applicants. Pursuant to the SEBI NCS Master Circular, all Applicants are required to apply for in the Issue through the ASBA process and an amount equivalent to the full Application Amount as mentioned in the Application Form will be blocked by the Designated Branches of the SCSBs. Further, pursuant to the SEBI NCS Master Circular, SEBI has introduced the UPI Mechanism as a payment mechanism for the Issue, wherein a UPI Investor, may submit the Application Form with a SCSB or a Designated Intermediary or through the app/web based interface platform of the Stock Exchange and use their bank account linked UPI ID for the purpose of blocking of funds, if the Application being made is for a value of ₹ 5 lakhs or less.

The UPI Mechanism is applicable for public issue of debt securities which open for subscription on or after January 1, 2021. Accordingly, payment through the UPI Mechanism shall be available for the Issue. An additional mode for application in public issues of debt securities through an online (app/web) interface to be provided by the stock exchanges. In this regard, SEBI has also stipulated that the stock exchanges formulate and disclose the operational procedure for applying through the app/web based interface developed by them for making applications in public issues through the stock exchange's website. Since, BSE is the Designated Stock Exchange for the Issue, BSE's online platform BSE Direct, shall be available to UPI Investors to make an application under the UPI Mechanism, in accordance with the operational procedures notified by BSE vide notifications dated December 28, 2020. Further, pursuant to SEBI NCS Master Circular, all individual investors applying in public issue through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants), where the Application Amount is up to ₹ 5,00,000 shall only use UPI for the purpose of blocking of funds and provide his/ her bank account linked UPI ID in the bid-cum-application form submitted with intermediaries..

Applicants should note that they may submit their Application Forms (including in cases where Applications are being made under the UPI Mechanism) at (i) the Designated Branches of the SCSBs or (ii) at the Collection Centres, i.e., to the respective Syndicate Members at the Specified Locations, the Trading Members at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations or (iii) through BSE Direct, the app and/or web based interface/platform of the Stock Exchange, as applicable. For further information, please see "Issue Procedure- Submission of Completed Application Forms" on page 265.

Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Prospectus.

Please note that this section has been prepared based on the requirements notified the SEBI NCS Master Circular and the notifications issued by BSE, in relation to the UPI Mechanism.

THE DESIGNATED INTERMEDIARIES (OTHER THAN TRADING MEMBERS), SCSBs AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATION THROUGH TRADING MEMBERS REGISTERED WITH THE STOCK EXCHANGE.

For purposes of this Issue, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai and/or Kochi, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in Mumbai. Furthermore, for the purpose of post issue period, i.e., period beginning from the Issue Closure to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Saturday, Sundays and bank holidays in Mumbai, as per the SEBI NCS Regulations. However, with reference to payment of interest/redemption of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai.

The information below is given for the benefit of the Investors. Our Company and the Members of Syndicate are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus.

PROCEDURE FOR APPLICATION

Availability of the Abridged Prospectus and Application Forms

The Abridged Prospectus containing the salient features of this Prospectus / the Draft Prospectus together with Application Form may be obtained from:

(a) Our Company's Registered Office and Corporate Office;
(b) Offices of the Lead Manager/Syndicate Member;
(c) the CRTA at the Designated RTA Locations;
(d) the CDPs at the Designated CDP Locations;
(e) Trading Members at the Broker Centres; and
(f) Designated Branches of the SCSBs.

Electronic copies of this Prospectus and the Draft Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Manager, the Stock Exchange, SEBI and the SCSBs.

Electronic Application Forms may be available for download on the website of the Stock Exchange and on the websites of the SCSBs that permit submission of Application Forms electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the website of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such website as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the website of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

UPI Investors making an Application up to ₹ 5 lakhs, using the UPI Mechanism, must provide the UPI ID in the relevant space provided in the Application Form. Application Forms that do not contain the UPI ID are liable to be rejected. UPI Investors applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Who can apply?

The following categories of persons are eligible to apply in this Issue:

Category I Investor (Institutional Investors)

- Public financial institutions, statutory corporations including state industrial development Corporations, scheduled commercial banks, co-operative banks and regional rural banks, Indian multilateral and bilateral development financial institution which are authorised to invest in the NCDs;
- Provident Funds of minimum corpus of ₹2,500 lakhs, pension funds of minimum corpus of ₹ 2,500 lakh, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs;
- Alternative Investment Funds registered with SEBI; subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance Companies registered with the IRDA;
- State industrial development corporations;
- Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important NBFC registered with RBI and having a net-worth of more than ₹ 50,000 lakh as per the last audited financial statements;
- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India); and
- Mutual Funds registered with SEBI.

Category II Investor (Non-Institutional Investors)

- Companies falling within the meaning of Section 2(20) of the Companies Act 2013;
- Statutory bodies/ corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorized to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III Investor (High Net-Worth Individual Investors)

Resident Indian individuals or Hindu Undivided Families (through their Karta) applying for an amount aggregating to above ₹2,00,000 across all options of NCDs in this Issue, and including Resident Indian individuals or Hindu Undivided Families (through their Karta) who have submitted a bid between ₹2,00,000 and ₹5,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and excluding NRIs) through the UPI Mechanism.

Category IV Investor (Retail Individual Investors)*#

- Resident Indian individuals; and
- Hindu undivided families through the Karta.

** applications aggregating to a value not more than ₹ 2 lakh.*

 # applications through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants) up to a value of ₹ 2 lakhs can be made only under the UPI Mechanism.

For Applicants applying for NCDs, the Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID, and Client ID and where applicable the UPI ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Members of the Syndicate or the Trading Members, as the case may be.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue.

The Lead Manager and its respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in this Issue and any Application from such persons and entities are liable to be rejected:

(a) Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Application by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
(b) Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
(c) Persons resident outside India and other foreign entities;
(d) Non-Resident Indians;
(e) Foregin Institutional Investors;
(f) Foreign Portfolio Investors;

(g) Foreign Venture Capital Investors;
(h) Qualified Foreign Investors;
(i) Overseas Corporate Bodies; and
(j) Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.

Based on the information provided by the Depositories, our Company shall have the right to accept Application Forms belonging to an account for the benefit of a minor (under guardianship). In case of such Application, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in this Issue.

Please see "*Issue Procedure – Rejection of Applications*" on page 268 for information on rejection of Applications.

Method of Application

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries. Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form (except Bid cum Application Form from a Retail Individual Investor bidding using the UPI mechanism) to respective SCSB, where the Bidder has a bank account and shall not submit it to the non-SCSB bank or any Escrow Bank. Applicants should submit the Application Form only at the Bidding Centers, i.e. to the respective Syndicate Members at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centers, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at https://www.sebi.gov.in.

Applicants are requested to note that in terms of the SEBI NCS Master Circular, SEBI has mandated issuers to provide, through a recognised stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the SEBI NCS Master Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the SEBI NCS Master Circular and the Direct Online Application Mechanism infrastructure for the implementation of the SEBI NCS Master Circular and the Direct Online Application Mechanism. The Direct Online Application facility will be available for this Issue as per mechanism provided in the SEBI NCS Master Circular.

The relevant Designated Intermediaries, upon receipt of Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit the Application Forms (except Application Forms submitted by UPI Investors under the UPI Mechanism) with the SCSB with whom the relevant ASBA Accounts are maintained.

For RIIs using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. An Applicant shall submit the Application Form, in physical form, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

APPLICATION PROCESS THROUGH APP/WEB BASED INTERFACE OF THE STOCK EXCHANGE – *BSE DIRECT*

SEBI, *vide* the SEBI NCS Master Circular, has introduced an additional mode for application in the Issue through online (app / web) interface/platform of the Stock Exchange. In furtherance to the same, the Stock Exchange has extended the facility of '**BSE Direct**', which is a web based and a mobile app based platform for making an Application in the Issue where the funds can be blocked through the UPI Mechanism. BSE Direct platform can be accessed at **https://www.bsedirect.com** and can be accessed through the mobile app available (for android phone users only) on the Google Playstore.

Please note that Applications in the Issue, through the 'BSE Direct' platform, can only be made by UPI Investors, i.e., Applicants who make an Application in the Issue for an amount up to ₹5 lakh only.

BSE Limited, the Designated Stock Exchange, has *vide* notifications dated December 28, 2020, notified the detailed operational procedure for making an Application, under the UPI Mechanism, using BSE Direct. The detailed operational instructions and guidelines issued by the Stock Exchange can be accessed on the Stock Exchange's website at www.bseindia.com.

Operational Instructions and Guidelines

Certain relevant operational instructions and guidelines, for using BSE Direct to make an Application in the Issue, are listed below:

a. **General Instructions –**

i. Applicants are required to preregister themselves with BSE Direct. For the detailed process of registration and Applications under the BSE Direct Platform, see "*Issue Procedure- Process of Registration and Application on BSE Direct Platform/Mobile App*" on page 249.

ii. Applicants can access BSE Direct platform via internet at https://www.bsedirect.com or through the mobile app (on android phones only) called BSE Direct which can be downloaded from the Google Playstore.

iii. The BSE Direct platform offers a facility of making a direct application through the web-based platform or the mobile app with a facility to block funds up to ₹5 lakh through the UPI Mechanism.

iv. The mode of allotment for Applications made through the BSE Direct platform shall mandatorily be in dematerialized form only.

b. **Order Entry Parameters –**

Pursuant to the SEBI NCS Master Circular and other relevant SEBI circulars, the following operating parameters shall be made available for making an Application in the Debt IPO Segment. Applicants are requested to note the following general instructions:

i. The Issue symbol will remain same across all series/options;

ii. Applicants can enter order for a single Application having different series within one order entry screen;

iii. Before submission of the Application, the Applicant should have created an UPI ID with a maximum length

of 45 characters including the handle (example: investorId@bankname)

Applicants can only submit an Application with the UPI Mechanism as the payment mode. The Applications which are successfully accepted will be allotted a bid id or order no.

Modification and cancellation of orders

i. An Applicant shall not be allowed to add or modify the Application except for modification of either DP ID/Client ID, or PAN but not both.
ii. The Applicant can withdraw the bid(s) submitted under a single Application and reapply.
iii. The part cancellation of bid in a single Application will not be permitted.

For details of the process post the Application details being entered into the bidding platform of the Stock Exchange, see "*Issue Procedure- Submission of Applications – for Applications under the UPI Mechanism*" on page 255.

c. **Re-initiation of Bids**

i. If the Applicant has not received the UPI Mandate *vide* an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation.

ii. The facility of re-initiation/ resending the UPI Mandate shall be available only till 5 pm on the day of bidding.

iii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

d. **Acceptance of the UPI Mandate**

i. An Applicant will be required to accept the UPI Mandate by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchange platform except for the last day of the Issue Period or any other modified closure date of the Issue Period in which case, they shall be required to accept the UPI Mandate by 5:00 pm of the Issue Closing Date ("Cut-Off Time") and pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification/cancellation of Bids (if any) shall be allowed in parallel during the Issue Period until the Cut-Off Time. As the Company reserves the right to close the issue prior to the Issue Closing Date, hence is advisable that the Applicants should accept the UPI mandate by 5:00 pm on the Working Day subsequent to date of submission of the Application on BSE Direct.

ii. The transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.

iii. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.

iv. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.

v. Please note that the display of status of acceptance of the UPI Mandate/fund blocking shall be solely based on the data received from the Sponsor Bank.

e. **Order book and T-Day Modification**

i. The order book will be available in the Debt module of the Stock Exchange in real time basis.

ii. An Applicant shall be allowed to modify selected fields such as their DP ID/Client ID or PAN (Either DP ID/Client ID or PAN can be modified but not both) on a daily basis, up to 5 pm on T day itself for a validated bid (T being Issue Closing Date).

f. **Applicant's responsibilities**

i. Applicants shall check the Issue details before making an Application.

ii. Applicants shall only be able to make an Application for an amount up to ₹5 lakh.

iii. Applicants shall have only UPI as the payment mechanism with ASBA.

iv. Applicants must check and understand the UPI Mandate acceptance and the fund blocking process before making an Application.

v. The receipt of SMS for UPI Mandate acceptance depends upon the system response/ integration of UPI on the Debt Public Issue System.

vi. Applicants must check their respective mobiles for an SMS or the mobile app, associated with the UPI ID linked bank account, for receipt of the UPI Mandate.

vii. Applicants must accept the UPI Mandate request within stipulated timelines.

viii. Applicants must note that the transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.

vi. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.

vii. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager, the Registrar to the Issue or the Stock Exchange shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons.

Process of Registration and Application on BSE Direct Platform/Mobile App

a. **Process of Registration for Investor**

i. To make an Application on the BSE Direct platform/ mobile app an Applicant is required to register themselves with the platform/mobile app.
ii. At the time of registration, the Applicant shall be required to select the option of "New Registration Without Broker" and enter their respective PAN along with details of their demat account (i.e., DP ID and Client ID) and UPI ID.
iii. The Stock Exchange shall verify the PAN and demat account details entered by the Applicant with the Depository.
iv. The Applicant shall be required to accept the terms and conditions and also enter the correct 'One Time Password' ("**OTP**") sent on their respective mobile phones and email IDs to complete the registration process.
v. Upon successful OTP confirmation, the Applicant's registration request shall be accepted, and a reference
number shall be provided to them for checking their registration status.
vi. At the time of demat account verification, the Stock Exchange shall also validate Applicant's client type (investor category) present in demat account.
vii. An Applicant's registration shall be rejected if an incorrect investor category and/or demat account details have been entered.
viii. Post the verification of the demat account, the Stock Exchange shall activate the Applicant's profile for making an Application and also provide a user ID (which is PAN) and password for login onto the BSE Direct platform.
ix. An Applicant shall be able to view their respective details including their demat account, by accessing the tab 'My Profile'.
x. To modify their details, an Applicant must login to the BSE Direct portal and click on 'My profile'.

xi. The Stock Exchange shall revalidate the modified details with Depository.
xii. No modification request shall be accepted during the Issue Period if the Applicant has made an Application in the Issue.
xiii. To re-generate a new password, the Applicant can use the 'Forget Password' option.
xiv. Existing investors who are already registered for "GSEC AND T-Bills investment", can also use the facility for applying in the Issue by using the UPI Mechanism for blocking of funds for Applications with a value up to ₹5 lakh.

b. **Process to place Bid via BSE Direct platform/ mobile app**

i. The Issue, during the Issue Period, shall be opened for subscription and will be available for making an Application through the BSE Direct platform/ mobile app.
ii. Upon successful login, an Applicant can select the Issue to make an Application.
iii. The details of PAN and DP ID and Client ID will be populated based on the registration done by the Applicant.
iv. Before submission of the Application, an Applicant would be required to create a UPI ID with a maximum length of 45 characters including the handle (Example: investorId@bankname)
v. An Applicant shall be required to enter a valid UPI ID, in the UPI ID field.
vi. An Applicant must select the series/option along with number of NCDs being applied for in the Issue.
vii. Applicants must check the Issue details before making an Application.
viii. Applicant will only be able to make an Application for an amount of up to ₹5 lakh.
ix. Applicants shall only have UPI as a payment mechanism with ASBA.
x. Applicants must check and understand the UPI Mandate acceptance and blocking of fund process before making an Application.

For details of the blocking process post the Application details being entered into the bidding platform of the Stock Exchange, see "*Issue Procedure- Submission of Applications - for Applications under the UPI Mechanism*" on page 255.

c. **SMS from the Exchange**

i. Post completion of the blocking process, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application at the end of day, during the Issue Period and for the last day of the Issue Period, the SMS shall be sent the next Working Day.

d. **Modification and Cancellation of Orders**

i. An Applicant shall not be allowed to add or modify the bid(s) of the Application except for modification of either DP ID/Client ID, or PAN but not both.
ii. An Applicant can withdraw the bid(s) submitted under a single Application and reapply. However, part cancellation of bid in a single Application is not permitted.

e. **Re-initiation of Bid**

i. If the Applicant has not received the UPI Mandate *vide* an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation, after the lapse of reasonable time.
ii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

For details of the process of the UPI Mandate acceptance, see "*Issue Procedure- Operational Instructions and Guidelines – Acceptance of the UPI Mandate*" on page 248.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager, the Registrar to the Issue or the Stock Exchange shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons. Since the process of making an Application through BSE Direct is based on notifications issued by the Stock Exchange, Applicants are requested to check the website of the Stock Exchange for any further notifications by the Stock Exchange amending, supplementing, updating or revising the process of Applications through BSE

Direct.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to the SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 ("**SEBI Mutual Fund Master Circular**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector (over and above the limit of 20%) not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs, with an additional 5% permitted in securitised debt backed by retail/affordable housing loans.. However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme Further, the group level limits for debt schemes and the ceiling be fixed at 20% of net assets value extendable to 25% of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made. I An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories.**Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Non-Banking Financial Companies – Middle Layer

Non- Banking Financial Company – Middle Layer, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than one thousand crore rupees as per the last audited financial statements can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s). **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor**.

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled commercial banks, co-operative banks and regional rural banks can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their) (i) a board resolution authorising investments; (ii) memorandum and articles of association/charter of constitution; (iii) power of attorney and (iv) a letter of authorisation. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI NCS Master Circular, SCSBs making Applications on their own account using ASBA Facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making Application in public issues and clear demarcated funds should be available in such account for ASBA Applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority of India ("**IRDAI**"), a certified copy of their (i) certificate registered with the IRDAI; (ii) memorandum and articles of association/charter of constitution; (iii) power of attorney; (iv) resolution authorising investments/containing operating instructions; and (v) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason, therefore**.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time including the IRDA (Investment) Regulations, 2000.

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason, therefor.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor**.

Applications by Public Financial Institutions or Statutory Corporations, which are authorised to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorised person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor**.

Applications made by Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of Applicant. **Failing this, our reserves the right to any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation such fund/trust; and (vi) any tax exemption certificate issued by the Income Tax authorities. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Fund

The Application must be accompanied by certified true copies of: (i) resolution authorising investment and

containing operating instructions; and (ii) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor**.

Application under a power of attorney by limited companies, corporate bodies and societies registered under the applicable laws in India

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form .**Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

In case of Applications made pursuant to power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be lodged along with the Application Form. In case of physical ASBA Applications made pursuant power of attorney, a copy of the power of attorney must be lodged along with the Application Form. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Manager may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his or her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor**.

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by 'Associations of Persons' and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor**.

For each of the above applicant categories if the Application is not made in the form and along with the requirements set out above, the Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALISED FORM

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Manager and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our Directors, affiliates, associates and their respective directors and officers, the Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications (including Applications under the UPI Mechanism) accepted by and/or uploaded by and/or accepted but not uploaded by Trading Members, registered brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account.

The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (https://www.sebi.gov.in) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (https://www.sebi.gov.in) as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of registered brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the registered brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Submission of Applications

Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.

In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

(b) Physically through the Designated Intermediaries at the respective Collection Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Collection Center where the Application Form is submitted (a list of such branches is available at https://www.sebi.gov.in).

(c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is upto ₹ 5 lakhs, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's

bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

(d) A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange. Post which:

(i) ***for Applications other than under the UPI Mechanism*** – the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at https://www.sebi.gov.in). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form.

(ii) ***for Applications under the UPI Mechanism*** – once the Application details have been entered in the bidding platform through Designated Intermediaries or BSE Direct, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. Post uploading of the Application details on the Stock Exchange's platform, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with the Applicants UPI ID, with the Sponsor Bank appointed by our Company. The Sponsor Bank shall then initiate a UPI Mandate Request on the Applicant. The request raised by the Sponsor Bank, would be electronically received by the Applicant as an SMS or on the mobile app, associated with the UPI ID linked bank account. The Applicant shall then be required to authorise the UPI Mandate Request. Upon successful validation of block request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account. The status of block request would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the Designated Intermediary.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

(a) Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries at the respective Collection Centres; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that this Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

(b) The Designated Branches of the SCSBs shall accept Application Forms directly from Applicants only during the Issue Period. The SCSBs shall not accept any Application Forms directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For

further information on the Issue programme, please see "*General Information – Issue Programme*" on page 51. Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

(c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Manager or Consortium Members or Trading Members of the Stock Exchanges, as the case maybe, if not, the same shall be rejected. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected. Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that ASBA Applicants can make an Application for Allotment of NCDs in the dematerialised form only.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange.

In the event the Direct Online Application facility is implemented by the Stock Exchange, relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number ("UAN") and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

Applications cannot be made by:

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

(a) Minors without a guardian name (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian; It is further clarified that it is the responsibility of the Applicant to ensure that the guardians are competent to contract under applicable statutory/regulatory requirements);
(b) Persons Resident Outside India, Foreign nationals (including FIIs, FPIs, Qualified Foreign Investors) and other foreign entities;
(c) Foreign Venture Capital Investor;
(d) Overeas Corporate Bodies;
(e) Person ineligible to contract under applicable statutory/ regulatory requirements; and
(f) Any other category of Applicants not provided for under "*Issue Procedure- Who can apply?*" on page 244 of this Prospectus.

General Instructions

A. General instructions for completing the Application Form

- Application Forms are to be completed in full, in **BLOCK LETTERS** in ENGLISH and in accordance with the instructions contained in the Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Members of the Syndicate, or the Trading Members, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Application Forms.

- Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialized form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form may contain only the name of the first Applicant whose name should also appear as first holder of the depository account held in joint names.

- Applicants applying for Allotment in dematerialized form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the Bonds.

- Applications must be for a minimum of 5 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 5 NCDs, an Applicant may choose to apply for 10 NCDs of the same series or across different series.

- If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.

- Applications for all the Series of the NCD's may be made in a single Application Form only.

- It shall be mandatory for subscribers to the Issue to furnish their Permanent Account Number and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction.

- All Applicants should check if they are eligible to apply as per the terms of the Prospectus and applicable laws.

- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchanges on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account.

- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

- Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

- The Applicants should ensure that they have been given a TRS and an acknowledgement as proof of having accepted the Application Form.

- Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchanges, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;

- All Applicants need to tick the Series of Bonds in the Application Form that they wish to apply for.

- ASBA Applicants need to give the correct details of their ASBA Account including bank account number/ bank name and branch/ UPI ID in case of applying through UPI Mechanism.

- ASBA Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities, and not directly to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to the Company or the Registrar to the Issue;

- In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Forms. A list of such branches is available at (https://www.sebi.gov.in/)

- ASBA Applicants should ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder.

- ASBA Applicants should ensure that they receive an acknowledgement from the Designated Branch or the concerned Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, for the submission of the Application Form

Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

B. Applicant's Beneficiary Account Details

Applicants must mention their DP ID, Client ID and UPI ID (wherever applicable) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID, PAN and UPI ID (wherever applicable) mentioned in the Application Form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID, PAN and UPI ID (wherever applicable) available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected.

On the basis of the Demographic Details as appearing on the records of the DP, the Registrar to the Issue will take steps towards demat credit of NCDs. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in demat credit and neither our Company, Designated Intermediaries, SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of power of attorney to request the Registrar that for the purpose of printing particulars on the Allotment Advice, the Demographic Details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue. Allotment Advice would be mailed by speed post or

registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Registrar to the Issue, Public Issue Account Bank and Sponsor Bank, nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of such Applicants. **Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the parameters, namely, DP ID, Client ID, PAN and UPI ID (wherever applicable) then such Application are liable to be rejected**.

C. Permanent Account Number ("PAN")

The Applicant should mention his or her Permanent Account Number allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of the SEBI Registrar Master Circular and Applicants residing in the state of Sikkim who in terms of the SEBI Master Circular on Know Your Client (KYC) Norms for the Securities Market bearing reference number SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023 ("**SEBI KYC Circular**") may be exempt from specifying their PAN for transacting in the securities market. In accordance with SEBI Registrar Master Circular, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground**.

D. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications all interest / redemption amount payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other series of NCDs, subject to a minimum Application size and in multiples of thereafter as specified in this Prospectus. **Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected**. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ 5 lakhs shall be deemed such individual Applicant to be an HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the Basis of Allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under this Issue, Applications shall be grouped based on the PAN, i.e., Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Process for investor application submitted with UPI as mode of payment

a. Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).

b. An investor shall fill in the bid details in the Application Form along with his/ her bank account linked UPI ID and submit the Application with any of the intermediaries or through the stock exchange App/ Web Interface, or any other methods as may be permitted.

c. The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange bidding platform using appropriate protocols.

d. Once the bid has been entered in the bidding platform, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of investor with the depository.

e. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.

f. Once the bid details are uploaded on the Stock Exchange platform, the Stock Exchange shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period.

g. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the issuer.

h. The Sponsor Bank shall initiate a UPI Mandate Request on the investor i.e. request the investor to authorize blocking of funds equivalent to Application Amount and subsequent debit of funds in case of Allotment.

i. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

j. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the public issue.

k. An investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the Stock Exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.

l. An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

m. For mismatch bids, Stock Exchange shall allow modification of selected fields in the bid details already uploaded on successful validation of PAN and DP ID/ Client ID from Issue Opening Date till 5:00 p.m. IST on the Issue Closing Date.

n. The facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.

o. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to Application Amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

p. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the intermediary.

q. The information received from Sponsor Bank, would be shared by Stock Exchange with the RTA in the form of a file for the purpose of reconciliation.

r. Post Issue closure, the Stock Exchange shall share the bid details with RTA. Further, the Stock Exchange shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

s. The allotment of NCDs shall be done as per SEBI NCS Master Circular.

t. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

u. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.

v. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and Application Amount would be unblocked for the investor.

w. Thereafter, Stock Exchange will issue the listing and trading approval. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 the investor shall also be responsible for the following:

   i. Investor shall check the Issue details before placing desired bids;
   ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
   iii. The receipt of the SMS for mandate acceptance is dependent upon the system response/ integration of UPI on Debt Public Issue System;
   iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
   v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
   vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
   vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid willnot be considered for allocation.

x. The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 before investing through the through the app/ Web Interface of Stock Exchange.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of this Prospectus and applicable law, rules, regulations, guidelines and approvals.

2. Read all the instructions carefully and complete the Application Form in the prescribed form.

3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to this Issue.

4. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID, Client ID, PAN and UPI ID (wherever applicable) are correct and the depository account is active as Allotment of the NCDs will be in dematerialized form only. The requirement for providing Depository Participant details is mandatory for all Applicants.

5. Ensure that you have mentioned the correct ASBA Account number in the Application Form (for all Applicants other than UPI Investors applying using the UPI Mechanism) in the Application Form. Further, UPI Investors using the UPI Mechanism must also mention their UPI ID.

6. UPI Investors applying using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the Application Amount are available for blocking, is certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries.

7. UPI Investors applying using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected.

8. Ensure that the Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) in case the Applicant is not the ASBA account holder. Applicants (except UPI Investors making an Application using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Application Form. UPI Investors applying using the UPI Mechanism should ensure that they have mentioned the correct UPI- linked bank account number and their correct UPI ID in the Application Form.

9. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.

10. UPI Investors making an Application using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to Application Amount and subsequent debit of funds in case of Allotment, in a timely manner.

11. UPI Investors making an Application using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using their UPI PIN. Upon the authorization of the mandate using their UPI PIN, the UPI Investor may be deemed to have verified the attachment containing the application details of the UPI Investor making and Application using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to issue a request to block the Application Amount mentioned in the ASBA Form in their ASBA Account.

12. UPI Investors making an Application using the UPI Mechanism should mention valid UPI ID of only the Applicants (in case of single account) and of the first Applicant (in case of joint account) in the ASBA Form.

13. UPI Investors making an Application using the UPI Mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in their account and in case of Allotment in a timely manner.

14. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/Designated Branch of the SCSB.

15. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Collection Centre.

16. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form.

17. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

18. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta.

19. Ensure that the Applications are submitted to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 51.

20. **Permanent Account Number:** Each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected.

21. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

22. All Applicants should choose the relevant option in the column "Category of Investor" in the Application Form.

23. Choose and mark the series of NCDs in the Application Form that you wish to apply for.

24. In terms of SEBI NCS Master Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.

Don'ts:

1. Do not apply for lower than the minimum Application size.

2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.

3. Do not send Application Forms by post. Instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be.

4. Do not submit the Application Form to any non-SCSB bank or our Company.

5. Do not apply through an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.

6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue Size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.

7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

8. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (wherever applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.

9. Do not submit the Application Form without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of UPI Investors making and Application using the UPI Mechanism, in the UPI-linked bank account where funds for making the Application are available.

10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.

11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.

13. Do not submit Applications to a Designated Intermediary at a location other than Collection Centres.

14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.

15. Do not apply if you are a person ineligible to apply for NCDs under this Issue including Applications by Persons Resident Outside India, NRI (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA).

16. Do not make an Application of the NCD on multiple copies taken of a single form.

17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue.

18. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Investors using the UPI Mechanism.

19. Do not submit more than five Application Forms per ASBA Account.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries, to deposit such Application Forms (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Please see "*Issue Procedure – Rejection of Applications*" on page 268 for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Collection Centres, named by such SCSB to accept such Applications from the Designated Intermediaries, as the case may be (a list of such branches is available at https://www.sebi.gov.in).

For Applications other than those under the UPI Mechanism, the relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application. For Applications under the UPI Mechanism, i.e., up to ₹ 5 lakhs, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. The blocking of funds in such case (not exceeding ₹ 5 lakhs) shall happen under the UPI Mechanism.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs or the Sponsor Bank (as the case maybe) to unblock the excess amount in the ASBA Account.

For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

For Applications submitted under the UPI Mechanism, post the successful validation of the UPI Mandate Request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

A UPI Investor applying through the UPI Mechanism should ensure that, they check the relevant SMS generated for the UPI Mandate Request and all other steps required for successful blocking of funds in the UPI linked bank account, which includes accepting the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchange (except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the Issue Closing Date), have been completed.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs (in case of Applications under the UPI Mechanism) on the basis of the instructions issued in this regard by the Registrar to the respective SCSB or the Sponsor Bank, within three Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of this Issue or until rejection of the Application, as the case may be.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	**To whom the Application Form has to be submitted**
ASBA Applications	(i) If using physical Application Form, (a) to the Designated Intermediaries at relevant Collection Centres, or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available.
Applications under the UPI Mechanism	(i) Through the Designated Intermediary, physically or electronically, as applicable; or (ii) Through BSE Direct

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an Acknowledgement Slips which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

(a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications (including those under the UPI Mechanism) using the on-line facilities of the Stock Exchange. **The Members of Syndicate, our Company and the Registrar to the Issue or the Lead Manager is not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchange or (vi) any Application made under the UPI Mechanism, accepted or uploaded or failed to be uploaded by a Designated Intermediary or through the app/web based interface of the Stock Exchange and the corresponding**

failure for blocking of funds under the UPI Mechanism.

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for Allotment/rejection of Application.

(b) The Stock Exchange will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on this Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 51.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchanges, agraphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchanges, would be made available at the Application centres as provided in the Application Form during the Issue Period.

(d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange.

(e) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Series of NCDs applied for
- Number of NCDs Applied for in each series of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number

- Location
- Application amount

(f) With respect to Applications submitted to the Designated Intermediaries, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Series of NCDs applied for
- Number of NCDs Applied for in each series of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application Amount

(g) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.

(h) Applications can be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect.

(i) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid, or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(j) The permission given by the Stock Exchange to use its network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange

(k) **Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment**. The Designated Intermediaries and the Designated Branches of the SCSBs shall

capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or the Debenture Committee thereof, reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

(a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Applications by persons prohibited from buying, selling or dealing in securities, directly or indirectly, by SEBI or any other regulatory authority;

(c) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicants' ASBA Account maintained with an SCSB;

(d) Applications not being signed by the sole/joint Applicant(s);

(e) Investor Category in the Application Form not being ticked;

(f) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may Allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;

(g) Applications where a registered address in India is not provided for the non-Individual Applicants;

(h) In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);

(i) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;

(j) PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian when PAN of the Applicant is not mentioned;

(k) DP ID, Client ID or UPI ID (wherever applicable) not mentioned in the Application Form;

(l) GIR number furnished instead of PAN;

(m) Applications by OCBs;

(n) Applications for an amount below the minimum Application size;

(o) Submission of more than five ASBA Forms per ASBA Account;

(p) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

(q) Applications under power of attorney or by limited companies, corporate, trust etc. submitted without relevant documents;

(r) Applications accompanied by stock invest/ cheque/ money order/ postal order/ cash;

(s) Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);

(t) Applications by persons debarred from accessing capital markets, by SEBI or any other appropriate regulatory authority;

(u) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant;

(v) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;

(w) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediary, as the case may be;

(x) ASBA Applications not having details of the ASBA Account or the UPI-linked Account to be blocked;

(y) In case no corresponding record is available with the Depositories that matches the parameters namely, DP ID, Client ID, UPI ID and PAN;

(z) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

(aa) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

(bb) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;

(cc) Authorization to the SCSB for blocking funds in the ASBA Account not provided;

(dd) Applications by any person outside India;

(ee) Applications not uploaded on the online platform of the Stock Exchange;

(ff) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;

(gg) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, this Prospectus and as per the instructions in the Application Form and this Prospectus;

(hh) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the Master Circular for Depositories bearing no. SEBI/HO/MRD/MRD-PoD-1/P/CIR/2024/168 dated December 03, 2024;

(ii) Applications providing an inoperative demat account number;

(jj) Applications submitted to the Designated Intermediaries other than the Collection Centres or at a Branch of a SCSB which is not a Designated Branch;

(kk) Applications submitted directly to the Public Issue Bank (except in case the ASBA Account is maintained with the said bank as a SCSB);

(ll) Investor category not ticked;

(mm) In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application;

(nn) A UPI Investor applying through the UPI Mechanism, not having accepted the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the stock exchange except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day; and

(oo) A non-UPI Investor making an Application under the UPI Mechanism, i.e., an Application for an amount more than ₹ 5 lakhs.

(pp) Kindly note that Applications submitted to the Lead Manager, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Manager, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit Applications.

For information on certain procedures to be carried out by the Registrar to the Issue for finalization of the Basis of Allotment, please see "*Information for Applicants*" below.

Mode of making refunds

The Registrar to the Issue shall instruct the relevant SCSB or in case of bids by Retail Individual Investors and High Net Worth Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 2 (two) Working Days of the Issue Closing Date.

The Issuer and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant's sole risk, within 2 (two) Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

(a) Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI;
(b) Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;
(c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund effected within 2 (two) Working Days from the Issue Closing Date; and
(d) The Issuer will provide adequate funds to the Registrar to the Issue for this purpose.

Information for Applicants

Upon the closure of the Issue, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID, UPI ID (wherever applicable) and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database and prepare list of technical rejection cases. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such Applications or treat such Applications as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Basis of Allotment for NCDs

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchange and determine the valid Application for the purpose of drawing the basis of allocation.

Applications received from various applicants shall be grouped together on the following basis:

(a) Applications received from Category I applicants: Applications received from Category I, shall be grouped together, **("*Institutional Portion*")**;

(b) Applications received from Category II applicants: Applications received from Category II, shall be grouped together, **("*Non-Institutional Portion*")**;

(c) Applications received from Category III applicants: Applications received from Category III, shall be grouped together, **("*High Net-Worth Individual Portion*")**;

(d) Applications received from Category IV applicants: Applications received from Category IV, shall be grouped together, **("*Retail Individual Portion*").**

For removal of doubt, "***Institutional Portion***", "***Non-Institutional Portion***", "***High Net-Worth Individual Portion"*** and "***Retail Individual Portion***" are individually referred to as "***Portion***" and collectively referred to as **"*Portions*".**

Allocation Ratio

Particulars	Institutional Portion	Non-Institutional Portion	High Net-Worth Individual Portion	Retail Individual Portion
% of Overall Issue Size	5%	5%	40%	50%

(a) **Allotments in the first instance**:

(i) Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 5% of overall Issue Size on first come first serve basis which would be determined on the date of upload of their applications in to the electronic platform of the Stock Exchange;

(ii) Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to 5% of Overall Issue Size on first come first serve basis which would be determined on the date of upload of their applications in to the electronic platform of the Stock Exchange;

(iii) Applicants belonging to the High Net-Worth Individual Portion, in the first instance, will be allocated NCDs up to 40% of Overall Issue Size on first come first serve basis which would be determined on the date of upload of their applications in to the electronic platform of the Stock Exchange;

(iv) Applicants belonging to the Retail Individual Portion, in the first instance, will be allocated NCDs up to 50% of Overall Issue Size on first come first serve basis which would be determined on the date of upload of their applications in to the electronic platform of the Stock Exchange

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e., a first-come first-serve basis, based on the date of upload of each Application in to the electronic book with Stock Exchange, in each Portion subject to the Allocation Ratio. However, on the date of oversubscription, the Allotments would be made to the Applicants on proportionate basis.

(b) **Under Subscription**:

Under subscription, if any, in any Portion, priority in Allotments will be given in the following order:

(i) Retail Individual Investor Portion
(ii) High Networth Individual Portion
(iii) Non-Institutional Portion

(iv) Institutional Portion

Within each Portion, priority in Allotments will be given on a first-come-first-serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchange.

For each Portion, all Applications uploaded into the electronic book with the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where Applications uploaded into the Platform of the Stock Exchange on a particular date exceeds NCDs to be allotted for each Portion, respectively.

Minimum allotment of 5 NCD and in multiples of 1 (one) NCD thereafter would be made in case of each valid Application.

(c) Allotments in case of oversubscription:

In case of an oversubscription, Allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full Allotment of NCDs to the valid Applicants on a first come first serve basis for forms uploaded up to 5 pm of the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the valid Applicants on the date of oversubscription (based on the date of upload of the Application on the Stock Exchange Platform, in each Portion). In case of over subscription on date of opening of the Issue, the Allotment shall be made on a proportionate basis. Applications received for the NCDs after the date of oversubscription will not be considered for Allotment.

In view of the same, the Investors are advised to refer to the Stock Exchanges website at www.bseindia.com for details in respect of subscription.

(d) Proportionate Allotments:

For each Portion, on the date of oversubscription:

(i) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer;
(ii) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue Size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference; and
(iii) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the Basis of Allotment is finalised by draw of lots in a fair and equitable manner.

(e) Applicant applying for more than one series of NCDs:

If an Applicant has applied for more than one Series of NCDs, and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for due to such Applications received on the date of oversubscription, the series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Manager and Designated Stock Exchange.

In cases of odd proportion for Allotment made, our Company in consultation with the Lead Manager will Allot the residual NCD (s) in the following order:

(i) first with monthly interest payment in decreasing order of tenor i.e., Series VIII, VI, IV, III and I
(ii) second with payment on annual interest payment in decreasing order of tenor i.e., Series IX, VII and V
(iii) Followed by payment on cumulative series in decreasing order of tenor i.e., Series X and II

Hence using the above procedure, the order of Allotment for the residual NCD(s) will be: Series VIII, VI, IV, III, I, IX, VII, V, X and II

All decisions pertaining to the Basis of Allotment of NCDs pursuant to the Issue shall be taken by our Company in consultation with the Lead Manager, and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus.

Our Company would Allot Series I NCDs to all valid applications, wherein the Applicants have not indicated their choice of the relevant series of the NCDs.

Valid applications where the Application Amount received does not tally with or is less than the amount equivalent to value of number of NCDs applied for, may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹ 1,000 in accordance with the pecking order mentioned above.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Issue shall be taken by our Company in consultation with the Lead Manager and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus.

Retention of oversubscription

Our Company shall have an option to retain over-subscription up to the Issue limit.

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications

The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB or the Sponsor Bank (for Applications under the UPI Mechanism), as applicable, to unblock the funds in the relevant ASBA Account/UPI linked bank account, for withdrawn, rejected or unsuccessful or partially successful Applications within three Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants upon approval of Basis of Allotment. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories. Therefore, instructions will be given to the Designated Intermediaries to indicate Series I NCD as the Applicant's choice of the relevant NCD Series wherein the Applicants have not indicated their choice.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within three Working Days from the Issue Closing Date.

Application Amount shall be unblocked within three Working Days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the Application Amount shall be unblocked in the ASBA Accounts or the UPI linked bank accounts (for Applications under the UPI Mechanism) of the Applicants forthwith, failing which interest at the rate of 15% per annum for the delayed period shall be due to be paid to the Applicants in accordance with applicable law.

Our Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Applicants can withdraw their Applications until the Issue Closing Date. In case an Applicant wishes to withdraw the Application during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite but not later than 2 Working days from the Issue Closing Date or early closure date, as applicable.

In case of Applications (other than under the UPI Mechanism) were submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic

system of the Stock Exchange and intimating the Designated Branch of the SCSB unblock of the funds blocked in the ASBA Account at the time of making the Application. In case of Applications (other than under the UPI Mechanism) submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account, directly.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalisation of the Basis of Allotment.

Revision of Applications

Cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary and the Designated Branch of the SCSBs, as the case may be. For Applications made under the UPI Mechanism, an Applicant shall not be allowed to add or modify the details of the Application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the Applicant may withdraw the Application and reapply.

However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/ modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by the Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/ or the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date (till 1:00 PM) to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed amongst our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, the NCDs issued by us can be held in a dematerialised form. In this context:

(i) Tripartite agreement dated April 25, 2018 among our Company, the Registrar and CDSL and tripartite agreement dated August 24, 2018 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

(iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(v) Non-transferable Allotment Advice will be directly sent to the Applicant by the Registrar to this Issue.

(vi) It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.

(vii) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those Debenture Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue (except the Applications made through the Trading Members of the Stock Exchange) should be addressed to the Registrar to the Issue, quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of the Application Form, name and address of the Designated Intermediary or Designated Branch of the SCSBs, as the case may be, where the Application was submitted.

Applicants may contact our Compliance Officer and Company Secretary or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice or credit of NCDs in the respective beneficiary accounts, as the case may be.

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the app based/ web interface platform of Stock Exchange or through their Trading Members. The Intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or another data entry or other errors made by them. We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be 2 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Interest in case of delay

Our Company undertakes to pay interest, in connection with any delay in Allotment and demat credit, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including SEBI nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of investors is invited to the section '*Risk factors*' on page 20.

Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Prospectus contains all information with regard to the Company and the Issue, that the information contained in the Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and

intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Issuer has no side letter with any NCD holder except the one(s) disclosed in the Offer Documents. Any covenants later added shall be disclosed on the stock exchanges' website where the NCDs are listed.

Our Company undertakes that:

(a) All monies received pursuant to this Issue shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013;

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

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

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

(e) We shall execute the Debenture Trust cum Hypothecation Deed in accordance with the timeline prescribed by SEBI. Further, as per Regulation 18 of SEBI NCS Regulations, in the event our Company fails to execute the Debenture Trust cum Hypothecation Deed within the timelines provided by SEBI, our Company shall pay interest of at least 2% p.a. or such other rate as specified by SEBI, over and above the agreed Coupon Rate, to each NCD Holder, till the execution of the Debenture Trust cum Hypothecation Deed;

(f) We shall utilize the Issue proceeds only upon execution of the Debenture Trust cum Hypothecation Deed, as stated in this Prospectus, on receipt of the minimum subscription of 75% of the Base Issue i.e., ₹3,750 lakhs and receipt of listing and trading approval from the Stock Exchange

(g) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property business, dealing in equity of listed companies or lending/investment in group companies; and

(h) In the event of non-receipt of minimum subscription, all blocked application money shall be unblocked forthwith, but not later than eight working days from the date of closure of the issue or such time as may be specified by the Board. In case such application money is not unblocked within such period, our company shall pay interest at the rate of 15% per annum for the delayed period

(i) Application money shall be unblocked within 3(three) Working Days from the closure of this Issue, or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the Applicants in accordance with applicable law, failing which interest shall be due to be paid to the Applicants at the rate of 15% per annum for the delayed period, if applicable in accordance with applicable law;

(j) Assets on which the charge or security has been created meets the hundred percent security cover or higher security cover is free from any encumbrances and in case the assets are encumbered, the permissions or consent to create any further charge on the assets has been obtained from the existing creditors to whom the assets are charged, prior to creation of the charge in accoradance to regulation 43(2) of SEBI (NCS) Regulation

(k) Information on consents/permissions required for creation of further charge on assets is adequately disclosed in this Prospectus. All disclosures made in this Prospectus with respect to creation of security are in conformity with the clauses of debenture trustee agreement.

(l) All covenants proposed to be included in debenture trust cum hypothecation deed are disclosed.

Other undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Trading Members) will be attended to by our Company expeditiously and satisfactorily;

(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;

(c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within three Working Days of this Issue Closing Date;

(d) Funds required for dispatch of Allotment Advice/NCD Certificates (only upon rematerialisation of NCDs at the specific request of the Allottee/ Holder of NCDs) will be made available by our Company to the Registrar to the Issue;

(e) Our Company will forward details of utilisation of the proceeds of this Issue, duly certified by the Statutory Auditor, to the Debenture Trustee as required under applicable laws;

(f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of this Issue as contained in this Prospectus; and

(g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION

Except as stated in this section, there are no outstanding: (i) criminal proceedings; (ii) actions by statutory/regulatory authorities; (iii) claims for any indirect and direct tax liability; and (iv) other litigation which are identified as material in terms of the Materiality Threshold (as defined hereinafter below), each involving our Company, Directors or Promoter.

*Our Debenture Committee of the Board, in its meeting held on January 12, 2022, has adopted a threshold for the identification of material litigation ("**Materiality Threshold**"). As per the Materiality Threshold, other than for the purposes of (i) to (iii) above, all outstanding litigation, wherein:*

(a) the monetary amount of claim by or against the Company, its directors, its promoter(s) or its group companies in any such pending litigation exceeds the lower of the following:

i. 0.5% (half percent) of the total assets for Fiscal 2026. The total assets of our Company for Fiscal 2026 is ₹ 1,86,740.61 lakhs and half percent of the same is ₹ 93,370.31 lakhs or
ii. 3% (three percent) of the total income for Fiscal 2026. The total income of our Company for Fiscal 2026 is ₹ 34,118.77, lakhs and three percent of the same is ₹ 1,023.56 lakhs or
iii. ₹ 5,00,00,000 (Rupees five crores only)

as per the latest audited annual standalone financial statements of the Company.

*Accordingly, all litigation involving monetary amount of claim exceeding 5,00,00,000/- (Rupees five crores only) ("**Material Threshold**") has been considered as material;*

(b) such pending litigation is material from the perspective of Company's business, operations, prospects or reputation,

has been considered as 'material litigation' and accordingly has been disclosed in this Prospectus.

Further, except as mentioned in this section, there are no proceedings involving our Group Companies, which may have a material adverse effect on the position of our Company.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors, Promoter or Group Companies shall, unless otherwise decided by our Board of Directors including committee thereof, not be considered as litigation until such time that our Company or Directors or Promoter or Group Companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Further, except as stated in this section, there are no: (i) litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the current financial year and last three financial years of this Prospectus and any direction issued by such Ministry or Department or statutory authority; (ii) pending litigation involving our Company, our Promoter, our Directors, Group Companies, any subsidiary company or any other person, whose outcome could have material adverse effect on the financial position of our Company which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues, etc for the preceding three financial years and current financial year; (v) inquiries, inspections or investigations initiated or conducted against our Company and/ or any subsidiary under the Companies Act or any previous companies law in the current financial year and last three financial years of this Prospectus; (vi) prosecutions filed (whether pending or not), fines imposed or compounding of offences done in the current financial year and three years preceding this Prospectus, in case of our Company and/ or any subsidiary; and (vii) material frauds committed against our Company in the current financial year and three years immediately preceding this Prospectus.

Further from time to time, we have been and shall continue to be involved in legal proceedings filed by and/or against us, arising in the ordinary course of our business. We believe that the number of proceedings in which we are/were involved is not unusual for a company of our size doing business in India.

Unless stated to the contrary, the information provided below is as of the date of this Prospectus.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

A. Litigation involving our Company

Litigation against our Company

Tax proceedings

1. Settlement applications filed by Our Company, KMLM Chits India Limited and KLM Fincorp Limited ("**Applicants**"), before the additional bench of the Income Tax Settlement Commission, Chennai ("**Settlement Commission**") for the following Assessment Years:

   i. For our Company – Assessment Years 2013 – 2014 to 2016 – 2017;
   ii. For KMLM Chits India Limited – Assessment Years 2010 – 2011 to 2016 – 2017; and
   iii. For KLM Fincorp Limited – Assessment Years 2010 – 2011 to 2016 – 2017.

   A search was conducted under section 132 of the IT Act on October 5, 2015 in the business premises of the Applicants at Kothamangalam, Thirupunithura, Piravom and Kaloor. Simultaneously, search was also conducted in the residential premises of Shibu Theckumpurath Varghese and Josekutty Xavier. Further, a survey under section 133A of the IT Act was conducted in the business premises of the concerns of the Applicants at Kolenchery, Aluva, Thodupuzha, Pala, Athani, Thirussur, Muvattupuzha, Perumbavoor and Pallithazham. During the search, certain documents and items were seized by the department and sworn statements were recorded from Shibu Theckumpurath Varghese, Josekutty Xavier, and other employees of the Applicants. It was alleged that the Applicants have generated the undisclosed income and utilized the same over the period and therefore the Applicants have filed the settlement application before the Settlement Commission.

   Further, the Applicants have declared additional income of (i) ₹ 1,241.45 Lakhs in the case of KMLM Chits India Limited, (ii) ₹ 401.64 Lakhs in the case of KLM Axiva Finvest Limited, and (iii) ₹ 1385.62 Lakhs in the case of KLM Fincorp Limited before the Settlement Commission and the additional tax thereon arrived at by the Applicants exceeds the prescribed threshold limit of tax payable by the Applicants. The Settlement Commission through its order dated December 28, 2017 allowed the settlement applications of Applicants to be proceeded with further. The aggregate tax liability of the Company for the Assessment Years 2014-15, 2015-16 and 2016-17 was ₹ 116.87 Lakhs, which was ordered by the Settlement Commission to be paid in six instalments, and the same is fully paid as of date.

   KLM Fincorp Limited and KMLM Chits India Limited have outstanding tax liabilities of ₹ 238.65 Lakhs and ₹ 239.86 Lakhs respectively and have been ordered by the Settlement Commission to pay the same in six instalments and have also made payments of their respective tax liabilities.

2. On January 11, 2024, the Income Tax Department initiated search and seizure proceedings under Section 132 of the Income Tax Act, 1961 at the business premises of our Company located in Kothamangalam and Palarivattom. Simultaneously, a search was also conducted at the residential premises of Shibu Theckumpurath Varghese, director of the Company ("**Director**"). During the search, certain documents and items were seized by the officials of the income tax department, and sworn statements were recorded from the Director and other employees of our Company. Subsequently, on March 21, 2025, our Company received a notice under Section 148 of the Income-tax Act from the office of the Deputy Commissioner of Income Tax, Central Circle, Kochi, directing the Company to file its income tax return for the assessment year 2021-2022 within three months from the end of the month in which the notice was issued. In compliance with the said notice, our Company filed the income tax return on June 11, 2025. On September 17, 2025, our Company received a communication from the income tax department stating that the income tax return filed had been selected for scrutiny and requested for the submission of certain information, documents, and accounts on or before September 29, 2025. In response, our Company submitted the requisite information and documents on September 29, 2025. The matter is currently pending.

   Thereafter, an assessment order dated March 27, 2026 was passed under Section 147 of the Income

Tax Act, 1961 for Assessment Year 2021-22. Pursuant to the assessment order, the Assessing Officer made an addition of ₹34.75 lakhs as unexplained investment under Section 69C of the Income Tax Act, 1961 in relation to alleged unaccounted property investment, and a disallowance of ₹2.23 lakhs under Section 40(a)(ia) of the Income Tax Act, 1961 for alleged non-deduction of tax at source in respect of certain expenditure. Accordingly, the assessed income of our Company for Assessment Year 2021-22 was determined at ₹11.39 crore. The computation sheet issued in connection with the assessment order reflects a refund of ₹1.37 crore and the notice of demand issued under Section 156 of the Income Tax Act, 1961 reflects nil demand payable. The Assessing Officer has also initiated penalty proceedings under Section 271AAC in relation to the addition under Section 69C and under Section 270A in relation to under-reporting of income arising from the disallowance under Section 40(a)(ia). Further, assessment proceedings for Assessment Year 2024-25 were completed pursuant to an assessment order dated March 27, 2026 under Section 143(3) of the Income Tax Act, 1961. The Assessing Officer made a disallowance of ₹0.79 lakhs under Section 40(a)(ia) of the Income Tax Act, 1961 for alleged non-deduction of tax at source in respect of certain expenditure and determined the assessed income at ₹30.98 crore. A notice of demand under Section 156 of the Income Tax Act, 1961 was issued for an amount of ₹22,190. The Assessing Officer has also initiated penalty proceedings under Section 270A of the Income Tax Act, 1961 for under-reporting of income to the extent of ₹0.79 lakhs. Further, our Company received notices dated March 10, 2026 under Section 148 of the Income Tax Act, 1961 for Assessment Years 2022-23 and 2023-24, in each case in connection with the search initiated under Section 132 of the Income Tax Act, 1961 on January 11, 2024. Our Company filed its returns of income for Assessment Years 2022-23 and 2023-24 on June 25, 2026. Thereafter, our Company received notices dated June 30, 2026 under Section 143(2) read with Section 147 of the Income Tax Act, 1961 for Assessment Years 2022-23 and 2023-24, stating that the returns of income filed by our Company had been selected for scrutiny and requiring our Company to submit responses / evidence in support of its returns. The matter is currently pending.

Criminal Cases

As on the date of this Prospectus, there are no criminal cases filed against our Company.

Material Civil Cases

A civil suit (O.S. No. 238/2024) ("**Civil Suit**") has been filed by Thomas Kannukkadan ("**Plaintiff**") against our Company under Order VII Rule 1 of the Code of Civil Procedure before the Munsiff Court, Chalakudy, dated May 23, 2025, alleging a ₹5 crore loan transaction and seeking settlement of accounts, while also claiming that the Company fraudulently acquired his property through intimidation. Our Company has been arrayed as the 5th defendant and Mr. Shibu Thekkumpuram, Whole-Time Director, as the 6th defendant. The Plaintiff also filed O.P. No. 1715/2025 before the High Court of Kerala under Article 226 of the Constitution of India, seeking expedited disposal of the Civil Suit, pursuant to which the High Court of Kerala, by order dated July 23, 2025 ("**HC Order**"), directed the Munsiff Court, Chalakudy, to pass a preliminary decree of settlement within six months from the date of receipt of the HC Order. Subsequently, our Company filed review petition no. 1145/2025 before the High Court seeking review of the HC Order, which is currently pending hearing.

Statutory and Regulatory Proceedings

1. On October 04, 2023, the RBI issued a show-cause notice to our Company under Section 45-IA(6) of the RBI Act, 1934, alleging certain violations and instances of non-compliance that could potentially be detrimental to public interest. The RBI alleged that our Company failed to accurately report the Net Owned Funds as of March 31, 2022, and did not maintain the Tier 1 capital above the prescribed minimum Capital to Risk-weighted Assets Ratio ("**CRAR**") of 12%. Further, the RBI alleged incorrect reporting of the outstanding subordinate debt, gross loans and advances, and gross and net non-performing assets as of March 31, 2022, contrary to applicable RBI instructions. The RBI also noted non-disclosure of a related entity with a common director in the annual report. Additionally, RBI alleged that our Company is in non-compliance with Section 67(2) of the Companies Act, 2013. In response, our Company submitted detailed replies on October 31, 2023, and December 31, 2023. After reviewing our submissions, the RBI issued a letter dated April 04, 2024, advising our Company to implement specific corrective measures by June 30, 2024 and to desist from any further expansion of its balance sheet until such corrective measures were implemented. Our Company, *vide* communication dated June 30, 2024, informed the RBI about the implementation of the corrective measures.

Subsequently, the RBI issued a follow-up letter dated September 13, 2024, requesting additional details concerning the implementation of the corrective measures and informing that compliance testing would be conducted after three months. Our Company submitted a comprehensive update on the adoption and implementation of corrective measures on December 13, 2024, followed by an additional status update on May 24, 2025. Since May 24, 2025, the Company and the RBI have been engaged in ongoing email correspondence regarding certain pending corrective measures. The latest exchange includes an RBI email dated October 3, 2025, in response to the Company's compliance update submitted on September 22, 2025, wherein the RBI provided further observations along with proposed actions to be undertaken by the Company, wherever necessary. The Company submitted its response to the RBI's observations on November 01, 2025. Thereafter, by email dated February 16, 2026, our Company submitted a further status update to the RBI in relation to the status of insurance premium refunds and death claim payments, including amounts transferred to the escrow bank account, payments successfully made to customers and residual pending refunds. As of the date of this Prospectus, our Company continues to take steps towards implementation of the corrective measures and remains engaged with the RBI in relation to the pending matters.

2. On July 31, 2026, the RBI issued a show-cause notice to our Company under Sections 45JA, 45L, 58B(5)(aa) and 58G of the RBI Act, 1934, in relation to alleged non-compliances observed during the statutory inspection of our Company with reference to its financial position as on March 31, 2025. The notice alleged, inter alia, non-compliance with applicable KYC directions in relation to software-based alerts for suspicious transaction monitoring, and non-compliance with RBI directions on auction of pledged gold articles, including alleged non-payment of surplus auction amounts to borrowers in 6,789 cases aggregating to ₹3 crore as on March 13, 2026. The RBI has called upon our Company to show cause why penalty under Section 58G(1)(b) read with Section 58B(5)(aa) of the RBI Act, 1934 should not be imposed. Our Company acknowledged receipt of the show-cause notice on August 3, 2026, and is in the process of reviewing the notice and compiling its response within the stipulated timeframe.

Litigation by our Company

Criminal cases

1. Our Company has filed a first information report bearing no. FIR No: 0775/2021 dated October 01, 2021, against Robin Lalu ("**Accused**") at Sulthanbathery Police Station, Wayanad. Our Company alleged that ornaments weighing 60 grams, pledged by the Accused, were found to be spurious. The loan amount involved was ₹ 2,44,096. As on the date of this Prospectus, our Company recovered 37,096 from the accused, hence the amount outstanding is ₹2,07,000. The matter is currently pending.

2. Our Company has filed a first information report bearing No. FIR No: 0307/2023 dated March 14, 2023, under sections 420 and 408 of IPC against Naufal ("**Accused**") at Kattappana police station, Idukki. Our Company alleged that the Accused, employed as a collection staff member, misappropriated ₹6,91,350 from daily collections. The matter is currently pending.

3. Our Company filed a first information report bearing no. 0740/2021 dated October 27, 2021, under sections 420 and 34 of IPC against Risa K V, Venugopalan, Ajal P and Akhil P ("**Accused**") at Feroke Police Station, Kozhikode. It was alleged that the ornaments pledged by the Accused, weighing 436.04 grams, were found to be spurious. The loan amount involved was ₹ 15,69,600. The matter is currently pending.

4. Our Company filed a first information report bearing no. FIR No: 0275/2022 dated July 22, 2022, under sections 420 of IPC against Anandkumar ("**Accused**") at Ramamurthy Nagar police station, Bengaluru city. It was alleged that branch manager of our Company transferred ₹ 12,79,000 to the Accused customer's account for the purpose of a gold loan takeover, which was subsequently diverted by the Accused for other purposes. As on the date of this Prospectus, our Company has recovered ₹79,000 from the accused, hence the amount outstanding is ₹12,00,000. The matter is currently pending.

5. Our Company filed a first information report bearing no. FIR No: 0292/2023 dated April 20, 2023, under section 420 of IPC against Sumesh ("**Accused**") at Pattambi police station, Palakkad. It was alleged that the ornaments pledged by the Accused, weighing 80.39 grams, were found to be spurious. The loan amount involved was ₹ 1,82,000. As on the date of this Prospectus, the outstanding amount of loss caused to the Company is ₹3,50,000. The matter is currently pending.

6. Our Company filed a first information report bearing no. FIR No: 2476/2023 dated November 07, 2023,

under sections 420,468, 471 and 34 of IPC against Biju MB and Abdul Khalam ("**Accused**") at Attingal Police Station, Thiruvananthapuram. It was alleged that the ornaments pledged by the Accused, weighing 57.33 grams, were found to be spurious. The loan amount involved was ₹ 2,55,000. As on the date of this Prospectus, the outstanding amount of loss caused to the Company is ₹5,58,500. The matter is currently pending.

7. Our Company filed a first information report bearing no. FIR No: 2311/2023 dated October 06, 2023, under sections 420 and 406 IPC against Ilyas ("**Accused**") at Palarivattom police station, Ernakulam. It was alleged that the ornaments pledged by the Accused, weighing 31.6 grams, were found to be spurious. The loan amount involved was ₹1,28,000. The matter is currently pending.

8. Our Company filed a first information report bearing no. 2425/2023 dated November 01, 2023, under sections 420, 468 and 471 of IPC against Akhil R (**"Accused"**) at Attingal police station, Thiruvananthapuram. It was alleged that ornaments pledged by the Accused, weighing 17.42 grams, were found to be spurious. The loan amount involved was ₹ 70,000/-. The matter is currently pending.

9. Our Company filed a first information report bearing no. 0529/2023 dated December 14, 2023, under Sections 120B, 381, 408, 419, 420, and 471 of IPC against certain employees—namely Mantesamy, Pooja C, Pushpa B M, Santhosh, Ambika, and Sindhu—as well as other individuals, including Sagar, Basavaraju, and Sakkamma T K (collectively, the "**Accused**") at Konanakunte Police Station, Bengaluru City. The Accused allegedly committed theft by tampering with 23 packets of gold, fabricating forged documents, and re-pledging the gold, thereby causing a financial loss of ₹85,78,761 to our Company. Subsequently, the police filed the charge sheet dated June 30, 2024. The matter is currently pending.

10. Our Company filed a FIR bearing no. 0577/2024 dated April 29, 2024, under Section 381 of IPC against our employee, Bibin Binoy ("**Accused**"), at Kazhakuttam Police Station, Thiruvananthapuram City. It was alleged that the Accused misappropriated the gold ornaments pledged with our Company, resulting in a financial loss of ₹8,09,954. The matter is currently pending.

11. Our Company filed a complaint under sections 200 and 190 along with 156(3) of CrPC against certain employees—namely Manjunath and Manasa Goudra—as well as customers Pallavi K H, Srinivasa Y N, Suma, Bharath M, Manjunath Y, Bhagya G, Hanumanatharaya G, Sunanda N, and Bhagya G K (collectively, the "**Accused**") before the Court of the Chief Judicial Magistrate, Bangalore Rural District, Bengaluru, under Sections 408, 420, 381, and 120B read with Section 34 of IPC. The aforementioned employees allegedly engaged in spurious pledging, misplacement of gold packets, closure of loans without receipt of cash and documents, and manipulation of gold weight, with the assistance of the other accused. These actions facilitated the sanctioning of loans amounting to ₹24,09,137/- to the customers, resulting in financial loss to our Company. The matter is currently pending.

12. **Cases filed by the Company under Section 138 of the Negotiable Instruments Act, 1881**

    Our Company has filed various complaints and notices under Section 138 of the Negotiable Instruments Act,1881 for recovering amounts due from various individuals and entities ("**Persons**") on account of dishonouring of cheques issued by such Persons due to insufficiency of the funds. As of the date of this Prospectus, there are 203 such complaints pending before various courts. The total amount involved in such cases is approximately ₹ 1,569.32 lakhs.

Material Civil cases

As on the date of this Prospectus, there are no material civil cases filed by our Company.

B. Litigation involving our Subsidiary

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

C. Litigation involving our Group Companies

Litigation against our Group Companies

Tax proceedings

As on the date of this Prospectus, there are no tax proceedings against our Group Companies.

Criminal Cases

As on the date of this Prospectus, there are no criminal cases against our Group Companies.

Material Civil Cases

As on the date of this Prospectus, there are no material civil cases against our Group Companies.

Statutory and Regulatory Proceedings

As on the date of this Prospectus, there are no statutory and regulatory proceedings against our Group Companies.

Litigation by our Group Companies

Criminal Cases

As on the date of this Prospectus, there are no criminal cases filed by our Group Companies.

Material Civil Cases

As on the date of this Prospectus, there are no Material civil cases filed by our Group Companies.

D. Litigation involving our Promoter

Litigation against our Promoter

Tax proceedings

As on the date of this Prospectus, there are no tax proceedings against our Promoter.

Criminal Cases

As on the date of this Prospectus, except as disclosed below under *"Litigation involving our Directors"*, there are no criminal cases against our Promoter.

Material Civil Cases

As on the date of this Prospectus, there are no material civil cases against our Promoter.

Statutory and Regulatory Proceedings

As on the date of this Prospectus, there are no statutory and regulatory proceedings against our Promoter.

Litigation by our Promoter

Criminal Cases

As on the date of this Prospectus, there are no criminal cases filed by our Promoter.

Material Civil Cases

As on the date of this Prospectus, there are no material civil cases filed by our Promoter.

E. Litigation involving our Directors

Litigation against our Directors

Tax Proceedings

As on the date of this Prospectus, there are no tax proceedings against our Directors.

Criminal Cases

1. Pursuant to a complaint filed by John KV, FIR No. 1729/2025 dated November 10, 2025, has been registered at Puthencruz Police Station, Ernakulam Rural. The FIR has been registered under Sections 406 and 420 of the Indian Penal Code, 1860 and Sections 316(2) and 318(4) of the Bharatiya Nyaya Sanhita, 2023, and arises out of allegations relating to a loan of ₹1,50,00,000 allegedly availed by John K.V. from our Company disputes regarding the applicable interest rate, among other matters. The FIR names, among others, certain directors / officers of our Company, including Shibu Theckumpurath Varghese, Kaippillil Mathew Kuriakose, M.P. Joseph, Abraham Thariyan, Sreenivasan Thettalil Parameswaran Pillai, Biji Shibu, Manoj Ravi and Anu Mohan (collectively, the "**Accused**"). In Crl.M.C. No. 3395/2025 filed by the Accused before the Court of Sessions, Ernakulam Division (Vacation Court), the Court, by order dated December 23, 2025, allowed the bail application and directed that the petitioners be released on bail in the event of arrest, subject to conditions. The Court observed, inter alia, that the matter appeared to be primarily a dispute regarding the interest payable on the loan and that custodial interrogation or detention of the petitioners was not required, while also observing that detailed investigation was required regarding certain allegations. Crl.M.C. No. 11000 of 2025 filed by Shibu Theckumpurath Varghese, Kaippillil Mathew Kuriakose, Manoj Ravi, Biji Shibu and Anu Mohan, and Crl.M.C. No. 10685 of 2025 filed by M.P. Joseph, Abraham Thariyan and Sreenivasan Thettalil Parameswaran Pillai, are pending before the High Court of Kerala at Ernakulam in connection with Crime No. 1729/2025. By separate orders dated June 29, 2026, the High Court of Kerala extended the interim orders in both matters by four months. The matter is currently pending investigation / further proceedings.

2. FIR No. 0515/2025 dated April 8, 2025 was registered suo motu at Ernakulam Central Police Station, Ernakulam City, under Sections 189(2), 191(2), 190 and 285 of the Bharatiya Nyaya Sanhita, 2023, in relation to an alleged unlawful assembly / public protest which allegedly caused obstruction to vehicles and pedestrians. The FIR names, among others, Shibu Theckumpurath Varghese, along with certain other named persons and around 70 identifiable persons. The matter is currently pending for investigation.

3. FIR / Crime No. 1511/2025 dated July 16, 2025 was registered suo motu at Kothamangalam Police Station, Ernakulam Rural, under Sections 189(2), 189(5) and 285 of the Bharatiya Nyaya Sanhita, 2023, in relation to an alleged unlawful assembly / public protest causing obstruction to pedestrians and vehicles. The FIR names, among others, Shibu Theckumpurath Varghese. The matter is currently pending for investigation.

4. Three connected FIRs, being FIR Nos. 363/2024, 364/2024 and 365/2024, were registered at Kothamangalam Police Station, Ernakulam Rural, on March 4, 2024 in relation to alleged incidents arising out of an unlawful assembly / public protest at or around Kothamangalam, including allegations of obstruction to public servants / police officers and obstruction of public movement. FIR No. 363/2024 names, among others, Shibu Theckumpurath Varghese and have been registered under Sections 143, 147, 297, 353 and 332 read with Section 149 of the Indian Penal Code, 1860. FIR No. 364/2024 names, among others, Shibu Theckumpurath Varghese and have been registered under Sections 143, 147, 353, 454 and 297 read with Section 149 of the Indian Penal Code, 1860, Section 3(1) of the Prevention of Damage to Public Property Act, 1984 and Section 4(1) of the Kerala Healthcare Service Persons and Healthcare Service Institutions (Prevention of Violence and Damage to Property) Act, 2012. FIR No. 365/2024 names, among others, Shibu Theckumpurath Varghese and was registered under Sections 143, 147, 149, 297, 353 and 332 of the Indian Penal Code, 1860, Section 4(1) of the Kerala Healthcare Service Persons and Healthcare Service Institutions (Prevention of Violence and Damage to Property) Act, 2012 and Section 3(1) of the Prevention of Damage to Public Property Act, 1984. The matters are currently pending.

5. FIR No. 1661/2020 dated September 14, 2020 was registered at Kothamangalam Police Station, Ernakulam Rural, under Sections 341, 323, 506 and 34 of the Indian Penal Code, 1860, pursuant to a complaint filed by Roy Kurian. The FIR names, among others, Shibu Theckumpurath Varghese, and relates to allegations of wrongful restraint, physical assault and criminal intimidation arising

out of an alleged dispute regarding return of money. The matter is currently pending for investigation.

6. FIR No. 0875/2023 dated March 14, 2023 was registered suo motu at Ernakulam Central Police Station, Ernakulam City, under Sections 143, 147, 149 and 283 of the Indian Penal Code, 1860, in relation to an alleged unlawful assembly / public protest which allegedly obstructed traffic near the Corporation Office, Ernakulam. The FIR names, among others, Shibu Theckumpurath Varghese along with certain other named persons and approximately 60 identifiable persons. The matter is currently pending for investigation.

Material Civil Cases

For details in relation to material civil cases against our Directors, please see "*Litigation involving our Company - Litigation against our Company- Material Civil Cases*", on page 280.

Statutory and Regulatory Proceedings

As on the date of this Prospectus, there are no statutory and regulatory proceedings against our Directors.

Litigation by our Directors

Criminal Cases

1. A criminal complaint (CC/60/2017) was filed by Shibu Theckumpurath Varghese, Whole-Time Director ("**Complainant**"), against Noushad Alathur, owner of Grande Film Corporation ("**Accused No. 1**"), and Symon, owner of Empire Video ("**Accused No. 2**") (collectively referred to as the "**Accused Persons**"), under sections 190 and 200 of the CrPC, before the Judicial Magistrate Court, Ernakulam. The Complainant alleged non-compliance with the order dated October 06, 2016, passed in O.S. No. 21/2016, which restrained the Accused Persons from selling the video rights of a film to any person other than the Complainant. It was alleged that this act of the Accused Persons constituted offences under sections 120B, 418, and 34 of the Indian Penal Code, 1860. The cause of action is stated to have arisen when the Complainant discovered a compact drive of the film being sold in a shop, allegedly supplied by Accused No. 2, in violation of the court order. The matter is currently pending.

2. There are 9 complaints initiated by the Directors of our Company against different parties for alleged violation of Section 138 read with Section 141 and 142 of the Negotiable Instruments Act, 1881 for dishonour of cheques. The aggregate consolidated amount involved in such cases is ₹ 33.66 lakhs and our Directors have sought for appropriate reliefs under the Negotiable Instruments Act, 1881. All such proceedings are currently pending.

Material Civil Cases

As on the date of this Prospectus, there are no material civil cases filed by our Directors.

F. Litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last three years immediately preceding the year of the issue of this Prospectus and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action

Nil

G. Inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies' law in the last three years immediately preceding the year of issue of this Prospectus against our Company (whether pending or not); fines imposed or compounding of offences done by our Company in the last three years immediately preceding the year of this Prospectus

Nil

H. Details of all defaults and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness

including corporate guarantee or letters of comfort issued by the company, in the preceding three years and the current financial year.

Nil

I. Details of default and non-payment of statutory dues for the preceding three financial years and the current financial year:

Nil

J. Summary of reservations, qualifications, emphasis of matter or adverse remarks of auditors for the last three Fiscals immediately preceding the year of issue of this Prospectus and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or emphasis of matter or adverse remarks

Our statutory auditors have highlighted certain matters of emphasis to their audit opinion relating to our Audited Financial Statements for the last three financial years, as mentioned below:

Financial Year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks by auditors in the audit reports/CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
FY 2025-26	Standalone	Emphasis Of Matter 1. We draw attention to Note 8 and accounting policy to the Financial Statements relating to balances in aforementioned loan accounts are in the nature of receivables for which only loan accounts under the Microfinance Loan (Micro Loan) and MSME Loan (DPN 16). The General Ledger were made available for our verification. Management has reduced 100% of the "Micro Loan" portfolio through adjustment against the impairment reserve and written off "DPN 16" loans amounting to ₹13.96 crores during the year. We noted a few instances where certain loans were renewed / transferred to Loan against security" without any actual cash flow.	•Existence and authenticity of loan accounts could not be verified. • Actual loan disbursement to borrowers could not be established. • Possible deficiencies in internal controls over loan origination and documentation.	Company has written off DPN 16 loans amounting to ₹13.96 crore based on initial analysis. Remaining value of DPN 16 will be written off after a thorough evaluation of its recoverability.

Financial Year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks by auditors in the audit reports/CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
		2. We further draw attention to Note 19 to the Financial Statements relating to Other Financial Liabilities and accounting policy which includes balances aggregating to ₹0.55 crores appearing under suspense accounts, unidentified receipts, and unrecognized payments. These balances arose pursuant to the migration from the legacy system to the current Core Financial Services System (CFSS). As informed by the Management, these balances are presently under review and reconciliation. Our opinion is not modified in respect of the aforementioned matters.	The related review, reconciliation, and adjustment process remained incomplete. Impact on the financial statements and financial position of the Company remains unascertainable pending completion of reconciliation.	These balances are presently under review and reconciliation. They are trying to complete the same before 31.12.2026.
FY 2024-25	Standalone	Emphasis Of Matter We draw attention to Note 3 & 23.1 to the Financial Statement against 'Other Equity' wherein it is stated that Reserve Bank of India (RBI) had conducted an inspection of the financial statements of the Company. RBI during September 2024 observed that additional provisioning is required in respect of loan restructured and existing in the books as on 31st March, 2024. Accordingly, the Company has written off the outstanding loans as on 31.03.2024 and has restated	The effect of the same has impacted the retained earnings and loans & advances (Assets)	The company has restated the financial statements for financial year 2023-24 in accordance with Ind AS 8

Financial Year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks by auditors in the audit reports/CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
		Other Equity for the year ended 31 March 2024. Our opinion is not modified in respect of this matter.		
FY 2023-24	Standalone	Emphasis Of Matter We draw attention to Note 3 to the Standalone Financial Statements, which describes that the Company has recognised impairment on financial assets to reflect the adverse business impact and uncertainties arising from the COVID-19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID-19 pandemic. Our opinion is not modified in respect of these matters.	The COVID-19 pandemic will impact the Company's provision on financial assets is dependent on the future developments which are highly uncertain and cannot be quantified at this point of time	In accordance with the regulatory package announced by RBI, the company has offered an optional moratorium to the eligible customers. The Honourable Supreme court by its order dated 03.09.2020 ordered, the accounts which were not declared as NPA till 31.08.2020 shall not be declared NPA till further orders. Considering the Honourable Supreme court's order the loan accounts are not downgraded; no write back of impairment on financial instruments has been done considering the possibility of future downgrade when the Honourable Supreme Court's order is withdrawn.

K. Summary of other observations of the auditors during the last three Fiscals immediately preceding the year of issue of this Prospectus and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said observation:

Financial Year	Summary of other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Issuer	Corrective steps taken and proposed to be taken
2025-26	Report on Other Legal and Regulatory Requirements: To the best of our knowledge and explanations given by the Management, instances of fraud on the company, aggregating to Rs.60.68 lakhs resulting from various fraud cases on the company has been reported during the year to RBI. No fraud by the company has been noticed or reported during the year nor have we been informed of any such instances by the Management.	No material impact on the financial statements.	As corrective measures, the company has conducted internal investigations, strengthened internal controls, enhanced monitoring mechanisms, and initiated legal actions for recovery.
2024-25	Report on Other Legal and Regulatory Requirements: To the best of our knowledge and explanations given by the management, instances of fraud on the company, aggregating to Rs.52.26 lakhs resulting from various fraud cases on the company has been reported during the year to RBI. No fraud by the company has been noticed or reported during the year nor have we been informed of any such instances by the Management.	No material impact on the financial statements.	As corrective measures, the company has conducted internal investigations, strengthened internal controls, enhanced monitoring mechanisms, and initiated legal actions for recovery.
2023-24	Report on Other Legal and Regulatory Requirements: • During the financial year, an amount aggregating to ₹ 119.95 lakhs resulting from various fraud cases on the company has been reported. The same are intimated by the Company with Reserve Bank of India. • According to the information and explanations given to us and based on the valuation report issued by a registered valuer, the value of one of the property has been enhanced from ₹113.09 lakhs to ₹146.18	Recovery measures and legal actions are at its early stage and loss cannot be ascertained at this stage. The difference in book value and amount as per valuation report has been transferred to revaluation reserve.	Recovery measures are being taken by the vigilance department of the company. The Company has filed police complaints and matters are pending with Honourable court. Company is preparing a policy for revaluation of properties.

Financial Year	Summary of other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Issuer	Corrective steps taken and proposed to be taken
	lakhs. The Purchase value accounts to 77.36% of its revalued figure. A change up to 0.50% in net carrying value of class of asset is affected by such enhancement. • According to the information and explanations given to us and based on the audit procedures performed by us, there is an overdue amount of ₹2,753.14 lakhs for more than ninety days. Reasonable steps have been taken by the Company for the recovery of principal and interest.	Financial statements are prepared as per IND AS. Difference between these norms and IRAC is shown in note 40.	Company is trying to enhance collection of non -performing accounts.

L. Details of acts of material frauds committed against our Company in the current financial year and the last three financial years, if any, and if so, the action taken by our Company as on August 05, 2026

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
1	From April 01, 2026 till Cut-off Date	KADABAGERE GATE	August 01,2026	3.42	The police visited our Kadabagere gate branch along with Mr. H N Ramakrishna and informed the branch that he was involved in a theft case and had stolen 34.9 grams of gold, which was subsequently pledged at our Kadabagere gate branch.The police stated that a case had been registered at Chamarajanagar Town Police Station under Crime No. 0144/2026 dated 01-06-2026 in connection with the theft.For the purpose of further investigation, the police seized the pledged gold ornaments and provided the branch with copies of the FIR and the Property Seizure Mahazar.	-	-	-	Police complaint filed Further Investigation is underway
2		HINDIGANALA CROSS	June 10,2026	27.92	On 29-05-2026, the police visited our Hindiganala Cross Branch along with Mr. Manohar R and	-	-	-	Police complaint filed Further Investigation is underway

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
					informed the branch that he was involved in a theft case and had stolen 530.07 grams of gold, which was subsequently pledged at our Hindiganala Cross Branch.The police stated that a case had been registered at Vemagal Police Station under Crime No. 0054/2025 dated 19-03-2025 in connection with the theft.For the purpose of further investigation, the police seized the pledged gold ornaments and provided the branch with copies of the FIR and the Property Seizure Mahazar.				
3	2025-26	J P Nagar	February 21,2026	12.62	Police seized the gold ornaments from JP Nagar branch with customer named Muniraju	11.61	-	-	Police complaint filed Further Investigation is underway
		Udangudi	February 05,2026	2.25	Police seized the gold ornaments from udangudi branch with customer named Prabhakaran M	1.25	-	-	Police complaint filed Further Investigation is underway
		Udumalpet	January 28,2026	2.79	Customer named Narmatha J pledged Spurious Gold and availed	2.79	-	-	Police complaint filed Further Investigation is underway

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
					loan Rs.278900 against spurious gold				
		Udumalpet	January 28,2026	2.60	Customer named Kannan M pledged Spurious Gold and availed loan Rs.259900 against spurious gold	2.60	-	-	Police complaint filed Further Investigation is underway
		Udumalpet	January 28,2026	2.56	Customer named Bala Murugan pleaded Spurious Gold and availed loan Rs.2555000 against spurious gold	2.56	-	-	Police complaint filed Further Investigation is underway
		Sitaphalmandi	December 13,2025	5.00	Customer named GUGULOTH SWARNA Pledged spurious amounting Rs - 499656	5.00	-	-	Police complaint filed Further Investigation is underway
		East Anandhabag	November 29,2025	5.97	Customer named Chavalam Keshavulu Pledged spurious gold amounting Rs - 597416	5.97	-	-	Police complaint filed Further Investigation is underway
		East Anandhabag	November 27,2025	1.99	Customer named Shankar Madhu Pledged spurious amounting Rs - 199100	1.99	-	-	Police complaint filed Further Investigation is underway
		Kengeri	November 18,2025	2.18	Customer named Nagaveni Pledged spurious amounting Rs - 217900 /-	2.18	-	-	Police complaint filed Further Investigation is underway
		Aneckal	December 19,2025	4.12	Mr. Riyaz pasha is a thief and he has stolen 52.5 grams of gold and pledged	3.12	-	-	Police complaint filed Further Investigation is underway

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
					with KLM Aneckal branch.police registered complaint related to this at Harohalli Police station under Cr.No 0335/2025 dtd 11/12/2025				
		Jigani	December 18,2025	1.96	Mr. Muniswamy R is a thief and he has stolen 23.2 grams of gold and pledged with KLM Jigani branch.police registered complaint related to this at Harohalli Police station under Cr.No 0329/2025 dtd 07/12/2025	-	-	-	Police complaint filed Further Investigation is underway
		Dharmavaram	November,12,2025	3.15	Mr. Ramakrishna Gujala is a thief and he has stolen 51.70 grams of gold and pledged with KLM Dharmavaram branch.police registered complaint related to this at Raichur Police station under Cr.No 0059/2025 dtd 20/05/2025	2.15	-	-	Police complaint filed Further Investigation is underway
		EDAPPALLY	October 22, 2025	2.65	Customer Named Febina P.N pleaded Spurious Gold and availed loan ₹ 2,65,000/- against spurious gold	1.36	-	-	Police complaint filed against the staff and Further Investigation is underway

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
		Repalle branch	October 24, 2025	0.79	Customer Named KISHORE KUMAR VUYYURU pleaded Spurious Gold and availed loan ₹ 79,000/- against spurious gold	-	-	-	Police complaint filed against the staff and Further Investigation is underway
		West marredpally	October 24, 2025	0.82	Customer Named AKARAM KOTESHWAR pleaded Spurious Gold and availed loan ₹ 82,484/- against spurious gold	-	-	-	Police complaint filed against the staff and Further Investigation is underway
		Repalle branch	October 27, 2025	1.68	Customer Named JILANI SHAKE pleaded Spurious Gold and availed loan ₹ 1,68,000/- against spurious gold	1.68	-	-	Police complaint filed against the staff and Further Investigation is underway
		Repalle branch	October 27, 2025	0.80	Customer Named SANGAPU GOPI pleaded Spurious Gold and availed loan ₹ 80,000/- against spurious gold	0.80	-	-	Police complaint filed against the staff and Further Investigation is underway
		Repalle branch	October 27, 2025	1.88	Customer Named Bhaskar Palaparthi pleaded Spurious Gold and availed loan ₹ 1,87,800/- against spurious gold	1.88	-	-	Police complaint filed against the staff and Further Investigation is underway

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
		K R Puram, Bangalore	April 28, 2025	4.87	On 28-04-2025 Police was visited our BANGALORE K R PURAM Branch along with Mr. Muniyappa and informed the branch that Mr. Muniyappa is a thief and he has stolen 94.20 grams of gold and pledged with KLM BANGALORE K R PURAM Branch. Police registered a complaint related to this at Bagapally Police Station under Cr. No 0092/2023 dtd 27/04/2023. Police have seized the ornaments for further investigation and given a copy of FIR and property seizure mahazar.	3.87	-	-	Police complaint filed against the staff and Further Investigation is underway
4	2024-25	PALAKOLLU- ANDHRA PRADESH	April 17, 2024	1.16	The customer/accused pledged gold weighing 17.00 gm in our PALAKOLLU branch Andhrapradesh, on 23.09.2023 for ₹60,000/- and on 28.09.2023 the customers/accused pledged gold weighing 15.80 gm for ₹ 56000/-.	0.16	-	-	The Amalapuram Town, Andhrapradesh police team on 27.03.2024 seized the pledged items under crime No.419/2023. Intimation has been given to the insurance company and the Insurance claim is under process..

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
		NELAMANGALA BH ROAD -KARNATAKA	April 19, 2024	27.92	The Branch Manager of Nelamangala B H road Karnataka Mr. ARAVIND created 13 gold loan accounts/pledges by using spurious ornaments for ₹2273043 /- and looted ₹519000/- from cash balance and Bank from November 2023 to 28 February 2024.	-	-	-	A police case filed against Mr. ARAVIND KUMAR on 04.04.2024 with crime number 079/2024 at Nelamangala Town police station under sections 408,419,420,468,406,471,120 and 381 of IPC and Intimation has been given to the insurance company and Insurance claim is under process.

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
		OMALLUR	January 17, 2025	23.17	The customer/accused availed a gold loan from our OACHIRA branch, Kerala, on 30.01.2023 for ₹7,15,351/- and failed to repay the loan by the due date, 05.10.2024. Despite repeated reminders and issuance of legal notice, the customer did not respond or make any repayment.	3.44	-	-	A complaint has been lodged with the local police. The total outstanding amount including interest and charges is ₹23,17,511/-. Intimation has been given to the concerned authorities for further legal action.
		Andrahally / Bangalore	April 12, 2024	17.86	CASH SHORTAGE: While verifying the cash we found an amount of RS 175317was short in cash tray balance. FUND SHORTAGE AT BANK: The 8 accounts are closed in bank mode without collecting cash from customers. PACKET MISSING: While doing the packet counting, we are unable to find one of the gold loan	17.86	-	-	Police complaint filed

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
					accounts.SPURIOUS: During the gold packet verification, we found 37.4 gm spurious ornaments in gold loan accounts.				
		Kazhakkoottam /Tvm	April 27, 2024	8.09	04 Gold packet contain 121.16 gm missing involvment of branch head Mr. BIBIN BINOY, FIR filed against BM	8.09	-	-	Police complaint filed .
		Virugampakkam /Chennai	April 15, 2024	20.42	Branch Manager appraised and sanctioned gold loan against 469.43 grams spurious gold, Rs. 2042844.00/- through 09 accounts from our Virugambakkam branch Chennai region.	17.42	-	-	Police complaint filed and Further Investigation is underway

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
		T Kalluppatty/Madurai	April 20, 2024	34.53	17 Customers pledged 27 accounts spurious gold by cheating our company and availed loan amount RS. 34,53,600	21.86	-	-	Police complaint filed and Further Investigation is underway
		Chandranagar/Palakkad	June 12,2024	1.5	Customer JEEMON P THOMAS pledged stolen gold and police seizes the gold packet	0.50	-	-	Police complaint filed and Further Investigation is underway
		Edappadi/Salem	July 15, 2024	25.27	PACKET MISSING: 14 Gold packet contain 566.1 gm missing suspected involvement of branch head Mr. N MUNUSAMY.	23.13	-	-	Police complaint filed and Further Investigation is underway

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
		Somasundarapalaya/Bangalore	July 18, 2024	47.22	CASH SHORTAGE FROM BANK : Gold loan accounts found closed without receipt of fund. PACKET MISSING: 11 Gold packet contain 723.8 gm missing suspected involvement of Former branch head and Current branch head Mr. ANAND KUMAR & RAMESH WALMIKI	32.27	-	-	Police complaint filed and Further Investigation is underway
		T Kalluppatty/Madurai	July 19, 2024	15.62	MSSAPROPIATION OF FUNDS FROM BANK Made fake entries in system and released the gold ornaments	12.64	-	-	Police complaint filed and Further Investigation is underway

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
		Mulugu /Wrrangal	July 31, 2024	7.49	Customer SAMMETA PRASHANTH pledged stolen gold and police seizes the gold packet	6.50	-	-	Police complaint filed and Further Investigation is underway
		Nagole /Hyderabad	September 25,2024	1.95	On 25-09-24, Police had visited our branch along with ADEPU BABU RAO and informed that he was a thief and he had stolen the gold ornaments from somewhere and the same was pledged with KLM NAGOLE RANCH. The police informed the Branch of the crime NO 1095/2024. U/S 318 (4) 305 BNS which has been registered to the Vanasthalipuram Police	0.49	-	-	Police complaint filed and Further Investigation is underway

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
		Marthandom /Nagercoil	October 23,2024	9.3	MISAPPROPRIATION OF FUND The Branch Manager has committed suicide during audit we observed that he enhanced gold loans without the permission of the customer by Rs 1,65,234.00 and used for himself, He also misappropriated cash Rs 7,65,452.00.	7.94	-	-	The police case was closed on account of death of Mr. ARUL SELVAN KURUSMUTHU
		Laggere/Bangalore	October 24,2024	11.83	Branch Manager appraised and sanctioned gold loan against 144.97 grams spurious gold Rs 5,82,795/- through 04 accounts from our LAGGERE Branch Bangalore region and during the auction 10 gold loan accounts of Laggere branch found spurious and bidders returned them to auction team All are kada bangles difficult to check the purity and purposefully made for cheating the gold loan companies.	5.88	-	-	Police complaint filed and Further Investigation is underway

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
		Valigonda/Hyderabad	November 08,2024	14.05	Branch Manager and staff purposfully pledged spurious gold, took cash and gold packets	5.48	-	-	Police complaint filed and Further Investigation is underway
		Anantpur RTC/Anantpur	November 12,2024	1.69	Customer VANNURSWAMY JENNI pledged stolen gold and police seizes the gold packet	0.69	-	-	Police complaint filed and Further Investigation is underway
		Karakambadi	November 21,2024	35.06	SPURIOUS GOLD: Branch Manager appraised and sanctioned gold loan against 70.72 grams spurious gold Rs 2,69,464/- through 04 accounts from our KARKAMBADI Branch Tirupathi region CASH SHORTAGE: While verifying the cash	28.98	-	-	Police complaint filed and Further Investigation is underway

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
					we found an amount Rs. 2,00,000 was in short in cash tray balance. CASH SHORTAGE IN BANK ACCOUNT DUE TO MISAPPROPRIATION OF FUND BY STAFF On verification of Bank statement with Ledger statement, it was found that there is a shortage of Rs 30,37,200/- Due to misappropriation of funds by staff by releasing gold ornaments without getting cash.				
		Arcot /Vellore	November 28,2024	37.30	SPURIOUS GOLD: Branch Manager Appraised and sanctioned gold loan against 170.13 grams spurious gold Rs 37,30,900/- through 01 accounts from our RANIPET MBT ROAD Branch Vellore region	34.80	-	-	Police complaint filed and Further Investigation is underway

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
		Ranipet /Vellore	December 04,2024	8.44	SPURIOUS GOLD: Branch Manager Appraised and sanctioned gold loan against 170.13 grams spurious gold Rs 8,44,800/- through 01 accounts from our RANIPET MBT ROAD Branch Vellore region	6.07	-	-	Police complaint filed and Further Investigation is underway
		Kannur/Calicut	January 08,2025	9.40	Branch Manager of Kerala Bank-Kannur stolen 9.40 worth of gold and pledged with us. Police confiscation	8.40	-	-	Police complaint filed and Further Investigation is underway
		H. cross / Bangalore	January 11,2025	1.85	Police visited our branch along with VENKATARAVANAPPA B M informed that he was a thief and he had stolen the gold ornaments somewhere and the 43.5 grams had pledged with KLM H CROSS Branch and informed them of the crime No 0082/2024. U/S	0.85	-	-	Police complaint filed and Further Investigation is underway

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
					380,420 IPC Which has been registered to the BOMMANAHALLI Police station and the police had seized the pledged ornaments from KLM HINDIGANALA CROSS Branch for further investigation purpose and drown the mahzor at the spot further they had given the copy of FIR and mahzor				
		Srivilliputhur, Madurai	January 17,2025	2.52	On 17-01-2025, Police visited our branch along with PADMAVATHI A informed that she was a thief and she had stolen the gold ornaments somewhere and the 47.70 grams had pledged with KLM SRIVILLIPUTHUR Branch and informed them of the crime No 0032/2025. U/S 305 BNS Which has been registered to the SRIVILLIPUTHUR TOWN Police station and the police had seized the pledged ornaments from KLM SRIVILLIPUTHUR Branch for further	1.52	-	-	Police complaint filed and Further Investigation is underway

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
					investigation purpose and drown the mahzor at the spot further they had given the copy of FIR and mahzor				
		Kengeri, Bangalore	January 17,2025	9.28	CONFISCATION On 17-01-2025, Police visited our branch along with BALAJI & K SANTHOSH KUMAR informed that they were a thief and they had stolen the gold ornaments somewhere and the 181.01 grams had pledged with KLM kengeri Branch and informed them of the crime No 0227/2024. U/S 316(2), 318(4) BNS Which has been registered to the Channapatna Police station and the police had seized the pledged ornaments from KLM KENGERI Branch for further investigation purpose and drown the mahzor at the	8.28	-	-	Police complaint filed and Further Investigation is underway

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
					spot further they had given the copy of FIR and mahzor				
		Jagaluru/ Davangere	January 18,2025	43.22	Branch Manager intentionally pledged spurious gold in his relatives/friends name	40.08	-	-	Police complaint filed and Further Investigation is underway
		Hosadurga,/Davangere	March 18,2025	2.54	On 18-03-2025 Police was visited our HOSADURGA branch along with Mr.Ravikumar S L and informed the branch that Mr.Ravikumar is a thief and he has stolen 47grms of gold and pledged with KLM Hosadurga branch.	1.53	-	-	Registered a complaint related to this at Peenya Police Station Bangalore City under Cr. No 0116/2025 dtd 03/03/2025. Police have seized the ornaments for further investigation and given copy of FIR and property seizer mahazar.

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
5	2023-24	Nagamala Pudukottai	July 12, 2023	2.26	The customer Balasubramanian pledged theft gold weight 55.40 gm in our branch loan amount ₹2,25,550/- FIR NO 0082/2023.	-	-	-	Show cause notice sent to the concerned staff. Police case filed.
		Kengeri	July 31,2023	1.08	Customer named Santhosh pledged theft gold in our kengeri branch under Banglore 1 region Gross weight - 39.8gms. Loan sanctioned ₹1,08,000/-	0.83	-	-	Letter sent to police to file case against the customer.
		Hebbagodi	August30,2023	4.94	Customer omsai Pledged Theft gold in our Hebbagodi branch under Banglore 2 region. Gross weight - 72.8 gms loan sanctioned ₹4,94,092/-	3.89	-	-	Letter sent to police to file case against the customer.
		Palarivattom	September 14,2023	1.28	Customer Ilyas pledged spurious Bangle Nos 03. gross weight 31.6 gms.	-	-	-	Letter sent to police to file case against the customer.

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
		Kallambalam	October 21, 2023	3.69	Spurious pledged customer - saleena beevi and Abdhul kalam.	-	-	-	Letter sent to police to file case against the customer.
		Alamcode	October 21, 2023	5.81	Spurious gold pledged under various customer name total 06 a/c.	-	-	-	Letter sent to police to file case against the customer.
		R T Nagar	October 30, 2023	1.97	Theft case - 05 Pkts Seized By Police On 30-10-2023 Customer Name : Raziya Sulthana, Nagina Taj.	-	-	-	Letter sent to police to file case against the customer.
		West Maredapaly	November 24, 2023	15.53	BM Vijaya lakshmi and Joint custodian R. Kumar tampered the packets and pledged new loans - cash shortage.	13.85	-	-	Termination letter sent to the concerned staff. Police case filed.

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount	Modus Operandi & Action Taken	Recovery amount	Amount Written Off	Provision	Action taken by the Company
				(₹ in lakhs)		(₹ in lakh)	(₹ in lakhs)	(₹ in lakh)	
		Konanakunte	December 15, 2023	85.12	KLM AXIVA FINVEST - Employee dishonesty at Konanakunte-76030446232400000031 FIR NO 0529/2023.	5.00	-	-	Termination letter sent to the concerned staff. Police case filed.
	Total			632.49		364.25	-	-	

M. Details of disciplinary action taken by SEBI or Stock Exchanges against the Promoters/ Group Companies in the last five financial years, including outstanding action.

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

"The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading."

Authority for the Issue

At the meeting of the Board of Directors of our Company, held May 22, 2026, the Board approved the Issue of secured, redeemable NCDs to the public for an amount up to ₹ 5,000 lakhs, with an option to retain over-subscription up to ₹ 5,000 lakhs, aggregating up to ₹ 10,000 lakhs. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013, duly approved by the shareholders *vide* their resolution passed at their general meeting held on January 05, 2022.

Prohibition by SEBI/ Eligibility of our Company for the Issue

Our Company, persons in control of our Company, our Directors and/or our Promoter has not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our Promoter Group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud and no such order or direction is in force.

None of the Promoter or Directors of our Company is a promoter or director of another company which is restrained or prohibited or debarred from accessing the securities market or dealing in securities by the Board.

Our Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of this Prospectus.

No regulatory action is pending against the Issuer or its Promoter or Directors before the SEBI or the Reserve Bank of India.

Our Company is not in default of payment of interest or repayment of principal amount in respect of non-convertible securities, for a period of more than six-months as on the date of this Prospectus.

Categorisation as a Wilful Defaulter

Our Company, our Directors and/or our Promoter have not been categorised as a Wilful Defaulter nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

Declaration as a Fugitive Economic Offender

None of our Promoter or Directors has been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

Other confirmations

None of our Company or our Directors or our Promoter, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Prospectus, in accordance Chapter V of the SEBI Delisting Regulations, as amended.

The NCDs shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee within 30 days from the date of Security Creation.

The consents/ permissions and no objection certificates required for creation of further *pari passu* charge in favour of the Debenture Trustee on the assets from the Existing Secured Creditors, wherever required, have been obtained.

Further, it is confirmed that our Company is in compliance with applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and any other guidelines so specified by SEBI;

Window Advertisements of Financial Results

The Company may publish only a window advertisement in the newspapers that refers to a quick response code and the link of the website of the Company and stock exchange(s), where such financial results are available and capable of being accessed by the investors under the terms of the SEBI Listing Regulations. Further, in respect of non-convertible securities of the Company outstanding as on date of this Prospectus, where the relevant offer documents do not provide for such windows advertisements, the Company shall obtain prior approval from the relevant debenture trustee prior to making such window advertisement.

DISCLAIMERS

DISCLAIMER STATEMENT FROM OUR COMPANY, OUR DIRECTORS, AND THE LEAD MANAGER

OUR COMPANY, OUR DIRECTORS AND THE LEAD MANAGER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS PROSPECTUS OR IN THE ADVERTISEMENTS OR ANY OTHER MATERIAL ISSUED BY OR AT OUR COMPANY'S INSTANCE IN CONNECTION WITH THE ISSUE OF THE NCDS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION INCLUDING OUR COMPANY'S WEBSITE, OR ANY WEBSITE OF ANY AFFILIATE OF OUR COMPANY WOULD BE DOING SO AT THEIR OWN RISK. THE LEAD MANAGER ACCEPT NO RESPONSIBILITY, SAVE TO THE LIMITED EXTENT AS PROVIDED IN THE ISSUE AGREEMENT.

NONE AMONG OUR COMPANY OR THE LEAD MANAGER OR ANY MEMBER OF THE SYNDICATE IS LIABLE FOR ANY FAILURE IN UPLOADING THE APPLICATION DUE TO FAULTS IN ANY SOFTWARE/ HARDWARE SYSTEM OR OTHERWISE; THE BLOCKING OF APPLICATION AMOUNT IN THE ASBA ACCOUNT ON RECEIPT OF INSTRUCTIONS FROM THE SPONSOR BANK ON ACCOUNT OF ANY ERRORS, OMISSIONS OR NON-COMPLIANCE BY VARIOUS PARTIES INVOLVED IN, OR ANY OTHER FAULT, MALFUNCTIONING OR BREAKDOWN IN, OR OTHERWISE, IN THE UPI MECHANISM.

INVESTORS WHO MAKE AN APPLICATION IN THE ISSUE WILL BE REQUIRED TO CONFIRM AND WILL BE DEEMED TO HAVE REPRESENTED TO OUR COMPANY, THE LEAD MANAGER AND THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, AFFILIATES, AND REPRESENTATIVES THAT THEY ARE ELIGIBLE UNDER ALL APPLICABLE LAWS, RULES, REGULATIONS, GUIDELINES AND APPROVALS TO ACQUIRE THE NCDS AND WILL NOT ISSUE, SELL, PLEDGE, OR TRANSFER THE NCDS TO ANY PERSON WHO IS NOT ELIGIBLE UNDER ANY APPLICABLE LAWS, RULES, REGULATIONS, GUIDELINES AND APPROVALS TO ACQUIRE THE NCDS. OUR COMPANY, THE LEAD MANAGER AND THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, AFFILIATES, AND REPRESENTATIVES ACCEPT NO RESPONSIBILITY OR LIABILITY FOR ADVISING ANY INVESTOR ON WHETHER SUCH INVESTOR IS ELIGIBLE TO ACQUIRE THE NCDS BEING OFFERED IN THE ISSUE.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED, HAS

CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF NON CONVERTIBLE SECURITIES) REGULATIONS, 2021. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER VIVRO FINANCIAL SERVICES PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 13, 2026, WHICH READS AS FOLLOWS:

1. **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTER OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDs OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**

3. **WE CONFIRM THAT THE OFFER DOCUMENT CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED.**

4. **WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

5. **WE CONFIRM THAT NO COMMENTS/COMPLAINTS WERE RECEIVED ON THE DRAFT PROSPECTUS HOSTED ON THE WEBSITE OF BSE LIMITED (DESIGNATED STOCK EXCHANGE).**

DISCLAIMER CLAUSE OF BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL LETTER DATED AUGUST 11, 2026 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR

B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR

C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY.

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER."

DISCLAIMER CLAUSE OF RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED MARCH 15, 2016 BEARING REGISTRATION NO. 09.00006 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/DISCHARGE OF LIABILITY BY THE COMPANY.

DISCLAIMER CLAUSE OF IRDAI

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA DOES UNDERTAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF OUR COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS CONNECTION.

DISCLAIMER IN RESPECT OF JURISDICTION

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THIS PROSPECTUS WILL NOT, HOWEVER, CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

DISCLAIMER CLAUSE OF ACUITÉ RATINGS

AN ACUITE RATING DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY AND SHOULD NOT BE TREATED AS A RECOMMENDATION OR OPINION THAT IS INTENDED TO SUBSTITUTE FOR A FINANCIAL ADVISER'S OR INVESTOR'S INDEPENDENT ASSESSMENT OF WHETHER TO BUY, SELL OR HOLD ANY SECURITY. RATINGS ASSIGNED BY ACUITÉ ARE BASED ON THE DATA AND INFORMATION PROVIDED BY THE ISSUER AND OBTAINED FROM OTHER RELIABLE SOURCES. ALTHOUGH REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE DATA AND INFORMATION IS TRUE, ACUITÉ, IN PARTICULAR, MAKES NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED WITH RESPECT TO THE ADEQUACY, ACCURACY OR COMPLETENESS OF THE INFORMATION RELIED UPON. ACUITÉ IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS AND ESPECIALLY STATES THAT IT HAS NO FINANCIAL LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OF ANY KIND, ARISING FROM THE USE OF ITS RATINGS. RATINGS ASSIGNED BY ACUITÉ ARE SUBJECT TO A PROCESS OF SURVEILLANCE WHICH MAY LEAD TO A REVISION IN RATINGS AS AND WHEN THE CIRCUMSTANCES SO WARRANT. PLEASE VISIT OUR WEBSITE (WWW.ACUITE.IN) FOR THE LATEST INFORMATION ON ANY INSTRUMENT RATED BY ACUITÉ. PLEASE VISIT HTTPS://WWW.ACUITE.IN/FAQS.HTM **TO REFER FAQS ON CREDIT RATING.**

DISCLAIMER CLAUSE OF CRISIL

CRISIL INTELLIGENCE (FORMERLY MARKET INTELLIGENCE & ANALYTICS), A DIVISION OF CRISIL LIMITED (CRISIL) HAS TAKEN DUE CARE AND CAUTION IN PREPARING THIS REPORT (REPORT) BASED ON THE INFORMATION OBTAINED BY CRISIL FROM SOURCES

WHICH IT CONSIDERED RELIABLE (DATA). THIS REPORT IS NOT A RECOMMENDATION TO INVEST / DISINVEST IN ANY ENTITY COVERED IN THE REPORT AND NO PART OF THIS REPORT SHOULD BE CONSTRUED AS AN EXPERT ADVICE OR INVESTMENT ADVICE OR ANY FORM OF INVESTMENT BANKING WITHIN THE MEANING OF ANY LAW OR REGULATION. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NOTHING IN THE REPORT IS TO BE CONSTRUED AS CRISIL PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL DOES NOT HAVE THE NECESSARY PERMISSION AND/OR REGISTRATION TO CARRY OUT ITS BUSINESS ACTIVITIES IN THIS REGARD. KLM AXIVA FINVEST LIMITED WILL BE RESPONSIBLE FOR ENSURING COMPLIANCES AND CONSEQUENCES OF NON-COMPLIANCES FOR USE OF THE REPORT OR PART THEREOF OUTSIDE INDIA. CRISIL INTELLIGENCE (FORMERLY MARKET INTELLIGENCE & ANALYTICS) OPERATES INDEPENDENTLY OF, AND DOES NOT HAVE ACCESS TO INFORMATION OBTAINED BY CRISIL RATINGS LIMITED, WHICH MAY, IN THEIR REGULAR OPERATIONS, OBTAIN INFORMATION OF A CONFIDENTIAL NATURE. THE VIEWS EXPRESSED IN THIS REPORT ARE THAT OF CRISIL MI&A AND NOT OF CRISIL RATINGS LIMITED. NO PART OF THIS REPORT MAY BE PUBLISHED/REPRODUCED IN ANY FORM WITHOUT CRISIL'S PRIOR WRITTEN APPROVAL.

Filing of the Prospectus with the RoC

A copy of the Prospectus will be filed with the RoC in accordance with Section 26 of the Companies Act, 2013.

Utilisation of proceeds by our Group Companies

No proceeds of the Issue will be paid to our Group Companies.

Default in payment

In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued on private placement or public issue, additional interest of at least 2% p.a. over the Coupon Rate shall be payable by the issuer for the defaulting period.

Delay in Listing

There has been no delay in the listing of any non-convertible securities issued by our Company.

Delay in Allotment

Our Company undertakes to pay interest, in connection with any delay in Allotment, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Details of Change in Shareholding

For change in shareholding please refer to Chapter title "*Capital Structure*" on page 52**.**

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI NCS Master Circular, are available at the following website.

Name of Lead Manager	Website
Vivro Financial Services Private Limited	http://www.vivro.net/offerdocuments

Listing

An application will be made to BSE for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 3 working days from the date of closure of the issue.

Consents

The written consents of (a) Directors of our Company; (b) Company Secretary and Compliance Officer; (c) Chief Financial Officer; (d) Statutory Auditors; (e) Legal Advisor to the Issue; (f) Lead Manager; (g) the Registrar to the Issue; (h) Public Issue Account Bank; (i) Refund Bank; (j) Credit Rating Agency; (k) CRISIL Limited; (l) the Banker to our Company; (m) the Debenture Trustee; (n) Sponsor Bank and (o) the Syndicate Members to act in their respective capacities, have been obtained and will be filed along with a copy of the Prospectus with the RoC as required under Section 26 of the Companies Act, 2013 and such consents have not been withdrawn as on the date of this Prospectus.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated August 03, 2026, from the Statutory Auditor, namely A. John Moris & Co, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and the Draft Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as a statutory auditor, in respect of the (i) report dated May 29, 2026 on the Audited Financial Statements for the financial year ended March 31, 2026; and (ii) report dated May 22, 2025, on the Audited Financial Statements for the financial year ended March 31, 2025. The consent of the Statutory Auditor has not been withdrawn as on the date of this Prospectus.

The above experts are not, and has not been, engaged or interested in the formation or promotion or management, of the Company and have given their written consent to the Company as stated in the paragraph above and has not withdrawn such consent before the filing of this Prospectus with the Stock Exchange and SEBI.

Common form of Transfer

We undertake that there shall be a common form of transfer for the NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant Depositary Participants of the transferor or transferee and any other applicable laws and rules notified in respect thereof.

Filing of the Draft Prospectus

The Draft Prospectus has been filed with the Designated Stock Exchange in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website(s). The Draft Prospectus has also been displayed on the website of our Company and the Lead Manager.

Filing of the Prospectus with the RoC

A copy of the Prospectus will be filed with the RoC in accordance with Section 26 of the Companies Act, 2013.

Debenture Redemption Reserve ("DRR")

Pursuant to Regulation 16 of the SEBI NCS Regulations and Section 71(4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Amendment Rules, 2019, listed NBFC is not required to create a DRR in case of public issue of debentures. The rules further mandate that the company which is coming with a Public Issue shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more prescribed methods.

Accordingly, our Company is not required to create a DRR for the NCDs proposed to be issued through this Issue. Further, our Company shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year, in terms of the applicable laws.

Issue Related Expenses

For details of Issue related expenses, see "*Objects of the Issue*" on page 60.

Reservation

No portion of this Issue has been reserved.

Terms and Conditions of Debenture Trustee Agreement

Fees charged by Debenture Trustee

The Debenture Trustee has agreed for one time acceptance fee amounting to ₹ 2,00,000/- (plus the applicable taxes) payable on acceptance of the offer with Annual fee of 0.015% (plus the applicable taxes) of the outstanding balance of secured NCDs payable at the end of each financial year commencing from April 01, 2026, and would be applicable till the Debentures are fully repaid, as agreed in the engagement letter dated June 02, 2026, annexed as Annexure III to this Prospectus.

Terms of carrying out due diligence

As per the SEBI Master Circular for Debenture Trustees, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer company are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times.

Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our company has consented to.

a. The Debenture Trustee shall carry out due diligence on a continuous basis to ensure compliance by the Company, with the provisions of the Companies Act, SEBI Listing Regulations, SEBI NCS Regulations, SEBI Debenture Trustees Regulations, the Listing Agreement, this Agreement, the SEBI Master Circular for Debenture Trustees and any other regulations or circulars issued by SEBI pertaining to debt issuance and any other Relevant Laws.

b. The Trustee in terms of Regulations 15(6) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended from time to time), either through itself or its agents/ advisors/ consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents as may be required to create the security as stipulated in the offer document/ disclosure document/ information memorandum/ private placement memorandum, including Disclosure Document, has been obtained. Prior to the appointment of any agents/advisors/consultants, the Trustee shall obtain necessary confirmation from the said agents/ advisors/ consultants that they do not have any conflict-of-interest in conducting the diligence under the transaction. For the purpose of carrying out the due diligence as required in terms of the SEBI Debenture Trustees Regulations, the Trustee, either through itself or its agents/ advisors/ consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/ valuers/ consultants/ lawyers/ technical experts/ management consultants appointed by the Trustee.

c. The Company shall provide all assistance to the Trustee to enable verification from the Registrar of

Companies, sub-registrar of assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third party security provider are registered/ disclosed.

d. Further, in the event that existing charge holders have provided conditional consent/ permissions to the Company to create further charge on the assets, the Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

e. Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite independent due diligence in connection with the issuance and allotment of the Debentures, in accordance with the Relevant Laws

f. The Trustee shall have the power by itself or to appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation shall be directly compensated/ remunerated by the Trustee.

g. The Trustee shall carry out due diligence as per the SEBI Master Circular for Debenture Trustees and shall obtain the following documents/certificates from the empanelled agency to independently assess that the assets to be secured are adequate available for the proposed issue:

   i. security cover certificate from the practicing chartered accountants;
   ii. ROC search report from the practicing company secretary;
   iii. Title search report (applicable in case of immovable property);
   iv. Valuation report (applicable in case of immovable property); and
   v. Such other documents as may be reasonable required for conducting due diligence.

h. The Debenture Trustee shall, at the time of filing the Draft Prospectus with the Stock Exchange and prior to the opening of the public issue, furnish to the SEBI and the Stock Exchange a due diligence certificate.

i. All disclosures made in the offer documents with respect to creation of security are in conformity with the clauses of debenture trustee agreement.

j. Information on consents/ permissions required for creation of further charge on assets is adequately disclosed in Offer Document/Prospectus.

k. All covenants proposed to be included in debenture trust cum hypothecation deed (including any side letter, accelerated payment clause etc.) are disclosed in Offer Document/Prospectus

While the NCD is secured as per terms of the Offer Document and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other Confirmations

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI Master Circular for Debenture Trustees.

VISTRA ITCL (INDIA) LIMITED HAVE FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED AUGUST 03, 2026, AS PER THE FORMAT SPECIFIED IN ANNEXURE II-A TO THE SEBI MASTER CIRCULAR FOR DEBENTURE TRUSTEES AND UNDER PART A OF SCHEDULE IV OF THE SEBI NCS REGULATION WHICH READS AS FOLLOWS:

1. We have examined documents pertaining to the said issue and other such relevant documents, reports and

certifications as provided to us.

2. On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications provided to us, WE CONFIRM that as on date:

   a. The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.

   b. The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).

   c. The Issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities to the best of our knowledge basis the information provided to us.

   d. Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document and all disclosures made in the offer document with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.

   e. Issuer has disclosed all covenants proposed to be included in Debenture Trust cum Hypothecation Deed (including any side letter, accelerated payment clause etc.), offer document and has given an undertaking that Debenture Trust cum Hypothecation Deed shall be executed before filing of listing application.

   f. Issuer has given an undertaking that charge shall be created in favour of Debenture Trustee as per terms of issue before filing of listing application.

We have satisfied ourselves about the ability of the Issuer to service the debt securities as on date, basis the information/documents shared with us as on date.

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annex II - A of SEBI Master Circular for Debenture Trustees and under Part A of Schedule IV of the SEBI NCS Regulations.

Details regarding the Company and other listed companies which are associate companies as described under the Companies Act, 2013, which made any capital issue during the last three years.

There are no other listed companies under the same management / associate companies as described under the Companies Act, 2013, during the last three years from the date of this Prospectus.

Public Issue of Equity Shares

Our Company has not made any public issue of Equity Shares or rights issuances in the last three years.

Previous Issues

Other than the Public Issue I, Public Issue II, Public Issue III, Public Issue IV, Public Issue V, Public Issue VI, Public Issue VII, Public Issue VIII, Public Issue IX, Public Issue X, Public Issue XI, Public Issue XII, and Public Issue XIII, our Company has previously not made any public issues of non-convertible debentures.

Dividend

Our Company has no formal dividend policy. The declaration and payment of dividends on our Equity Shares will be recommended by the Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. For details of dividend declared and paid for during the current financial year and Fiscals 2024, 2025 and 2026, please refer table below:

(*₹ in lakhs, except per share data*)

Particulars	From April 01, 2026, till date of this Prospectus	Fiscal 2026	Fiscal 2025	Fiscal 2024
On Equity Shares				
Fully Paid-up Share Capital (Nos.)	26,85,81,439	26,85,81,439	25,79,47,643	20,54,00,857
Face Value / Paid Up Value (₹)	10.00	10.00	10.00	10.00
Equity Share Capital	26,858.14	26,858.14	25,794.76	20,540.09
Rate of Dividend	Nil	Nil	Nil	5%
Dividend	Nil	Nil	Nil	1,026.15

Right to recall or redeem NCDs prior to maturity.

Not Applicable

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Kochi, Kerala, India.

Details regarding the lending done by the Issuer out of the issue proceeds of Previous Issues

A. Lending Policy

Please see "*Our Business - Gold Loans*" on page 134.

B. Utilisation of Issue Proceeds of the previous Issues by our Company

I. KLM Axiva Finvest Limited ('the Company')

i. Public issue of equity shares by the Company

The Company has not undertaken any public issue of equity shares in the last three years prior to Cut-off Date.

ii. Previous public issues of non-convertible debentures by the Company

Except as given below, the Company has not undertaken the public issues of non-convertible debentures till Cut-off Date.

Public Issue I

Sr. No.	Particulars	Amount utilised (₹ in lakhs)
	Date of Opening	September 27, 2018
	Date of Closing	October 26, 2018
	Issue Proceeds	10,000.00
	Utilisation of Issue Proceeds	
1.	Onward Lending	10,000.00
2.	Repayment of Loans	-
3.	Issue Related Expenses**	-
4.	General Corporate Purpose	-
	Total	**10,000.00**

***The Company had incurred an amount of ₹ **89.99** lakhs towards issue related expenses consisting of professional fees, statutory payments and other incidental and ancillary expenses related with the Public Issue. These expenses have been met from the internal sources of the Company and not from the Issue proceeds.*

Public Issue II

Sr. No.	Particulars	Amount utilised (₹ in lakhs)
	Date of Opening	August 28, 2019
	Date of Closing	September 26, 2019
	Issue Proceeds	9,383.38
	Utilisation of Issue Proceeds	
1.	Onward Lending	9,383.38
2.	Repayment of Loans	-
3.	Issue Related Expenses**	-
4.	General Corporate Purpose	-
	Total	**9,383.38**

***The Company had incurred an amount of **₹ 104.99** lakhs towards issue related expenses consisting of professional fees, statutory payments and other incidental and ancillary expenses related with the Public Issue. These expenses have been met from the internal sources of the Company and not from the Issue proceeds.*

Public Issue III

Sl. No.	Particulars	Amount utilised (₹ in lakhs)
	Date of Opening	June 02, 2020
	Date of Closing	June 25, 2020
	Issue Proceeds	12,428.93
	Utilisation of Issue Proceeds	
1.	Onward Lending	12,428.93
2.	Repayment of Loans	-
3.	Issue Related Expenses**	-
4.	General Corporate Purpose	-
	Total	**12,428.93**

***The Company has incurred an amount of **₹ 88.09 lakhs** towards issue related expenses consisting of professional fees, statutory payments and other incidental and ancillary expenses related with the Public Issue. These expenses have been met from the internal sources of the Company and not from the Issue proceeds.*

Public Issue IV

Sl. No.	Particulars	Amount utilised (₹ in lakhs)
	Date of Opening	July 05, 2021
	Date of Closing	July 26, 2021
	Issue Proceeds	15,000.00
	Utilisation of Issue Proceeds	
1.	Onward Lending	15,000.00
2.	Repayment of Loans	-
3.	Issue Related Expenses**	-
4.	General Corporate Purpose	-
	Total	**15,000.00**

***The Company has incurred an amount of ₹ **63.54 lakhs** towards issue related expenses consisting of professional fees, statutory payments and other incidental and ancillary expenses related with the Public Issue. These expenses have been met from the internal sources of the Company and not from the Issue proceeds.*

Public Issue V

Sl. No.	Particulars	Amount utilised (₹ in lakhs)
	Date of Opening	September 30, 2021
	Date of Closing	October 26, 2021
	Issue Proceeds	16,210.77
	Utilisation of Issue Proceeds	

Sl. No.	Particulars	Amount utilised (₹ in lakhs)
1.	Onward Lending	16,210.77
2.	Repayment of Loans	-
3.	Issue Related Expenses**	-
4.	General Corporate purpose	-
	Total	**16,210.77**

***The Company has incurred an amount of **₹ 92.65 lakhs** towards issue related expenses consisting of professional fees, statutory payments and other incidental and ancillary expenses related with the Public Issue. These expenses have been met from the internal sources of the Company and not from the Issue proceeds.*

Public Issue VI

Sl. No.	Particulars	Amount utilised (₹ in lakhs)
	Date of Opening	February 15, 2022
	Date of Closing	March 11, 2022
	Issue Proceeds	17,765.22
	Utilisation of Issue Proceeds	
1.	Onward Lending	17,765.22
2.	Repayment of Loans	-
3.	Issue Related Expenses**	-
4.	General Corporate purpose	-
	Total	**17,765.22**

***The Company has incurred an amount of **₹ 63.65 lakhs** towards issue related expenses consisting of professional fees, statutory payments and other incidental and ancillary expenses related with the Public Issue. These expenses have been met from the internal sources of the Company and not from the Issue proceeds.*

Public Issue VII

Sl. No.	Particulars	Amount utilised (₹ in lakhs)
	Date of Opening	September 15, 2022
	Date of Closing	October 12, 2022
	Issue Proceeds	18,798.56
	Utilisation of Issue Proceeds	
1.	Onward Lending	18,798.56
2.	Repayment of Loans	-
3.	Issue Related Expenses**	-
4.	General Corporate purpose	-
	Total	**18,798.56**

***The Company has incurred an amount of **₹ 74.25 lakhs** towards issue related expenses consisting of professional fees, statutory payments and other incidental and ancillary expenses related with the Public Issue. These expenses have been met from the internal sources of the Company and not from the Issue proceeds.*

Public Issue VIII

Sl. No.	Particulars	Amount utilised (₹ in lakhs)
	Date of Opening	February 20, 2023
	Date of Closing	March 3, 2023
	Issue Proceeds	13,612.96
	Utilisation of Issue Proceeds	
1.	Onward Lending	13,612.96
2.	Repayment of Loans	-
3.	Issue Related Expenses**	-
4.	General Corporate purpose	-
	Total	**13,612.96**

***The Company has incurred an amount of **₹ 101.19 lakhs** towards issue related expenses consisting of professional fees, statutory payments and other incidental and ancillary expenses related with the Public Issue. These expenses have been met from the internal sources of the Company and not from the Issue proceeds.*

Public Issue IX

Sl. No.	Particulars	Amount utilised (₹ in lakhs)
	Date of Opening	August 24, 2023
	Date of Closing	September 6, 2023
	Issue Proceeds	8,678.38
	Utilisation of Issue Proceeds	
1.	Onward Lending	8,678.38
2.	Repayment of Loans	-
3.	Issue Related Expenses**	-
4.	General Corporate purpose	-
	Total	**8,678.38**

***The Company has incurred an amount of **₹ 49.04 lakhs** towards issue related expenses consisting of professional fees, statutory payments and other incidental and ancillary expenses related with the Public Issue. These expenses have been met from the internal sources of the Company and not from the Issue proceeds.*

Public Issue X

Sl. No.	Particulars	Amount utilised (₹ in lakhs)
	Date of Opening	July 22, 2024
	Date of Closing	August 02, 2024
	Issue Proceeds	12,500.00
	Utilisation of Issue Proceeds	
1.	Onward Lending	12,500.00
2.	Repayment of Loans	-
3.	Issue Related Expenses**	-
4.	General Corporate purpose	-
	Total	**12,500.00**

***The Company has incurred an amount of **₹ 75.66 lakhs** towards issue related expenses consisting of professional fees, statutory payments and other incidental and ancillary expenses related with the Public Issue. These expenses have been met from the internal sources of the Company and not from the Issue proceeds.*

Public Issue XI

Sl. No.	Particulars	Amount utilised (₹ in lakhs)
	Date of Opening	November 14, 2024
	Date of Closing	November 28, 2024
	Issue Proceeds	10,000.00
	Utilisation of Issue Proceeds	
1.	Onward Lending	10,000.00
2.	Repayment of Loans	-
3.	Issue Related Expenses**	-
4.	General Corporate purpose	-
	Total	**10,000.00**

***The Company has incurred an amount of **₹ 62.80 lakhs** towards issue related expenses consisting of professional fees, statutory payments and other incidental and ancillary expenses related with the Public Issue. These expenses have been met from the internal sources of the Company and not from the Issue proceeds.*

Public Issue XII

Sl. No.	Particulars	Amount utilised (₹ in lakhs)
	Date of Opening	July 09, 2025
	Date of Closing	July 22, 2025
	Issue Proceeds	12,386.61
	Utilisation of Issue Proceeds	
1.	Onward Lending	12,386.61
2.	Repayment of Loans	-
3.	Issue Related Expenses**	-
4.	General Corporate purpose	-
	Total	**12,386.61**

*****The Company has incurred an amount of **₹ 75.21 lakhs** towards issue related expenses consisting of professional fees, statutory payments and other incidental and ancillary expenses related with the Public Issue. These expenses have been met from the internal sources of the Company and not from the Issue proceeds.*

Public Issue XIII

Sr. No.	Particulars	Amount utilised (₹ in lakhs)
	Date of Opening	December 01,2025
	Date of Closing	December 12,2025
	Issue Proceeds	**10,000.00**
	Utilisation of Issue Proceeds	
1.	Onward Lending	10,000.00
2.	Repayment of Loans	-
3.	Issue Related Expenses**	-
4.	General Corporate Purpose	-
	Total	**10,000.00**

***The Company has incurred an amount of **₹ 84.35 lakhs** towards issue related expenses consisting of professional fees, statutory payments and other incidental and ancillary expenses related with the Public Issue. These expenses have been met from the internal sources of the Company and not from the Issue proceeds.*

iii. Previous private placement of non-convertible debentures by the Company

The issue proceeds of the previous issues of non-convertible debentures issued on private placement basis made on or after April 1, 2023 till the Cut-off Date have been utilized by the Company; towards the objects of the issue, as per the respective offer documents.

iv. Rights issue by the Company

The Company has not undertaken any rights issue of equity shares in the last three years prior to Cut-off Date.

II. Subsidiary Company

Nil

III. Group Companies

a. KLM Tiana Gold & Diamonds Private Limited

i. **Public issue of equity shares by the KLM Tiana Gold & Diamonds Private Limited**

KLM Tiana Gold & Diamonds Private Limited has not undertaken any equity public issue in the last three years prior to Cut-off Date.

ii. **Previous public issues of non-convertible debentures by KLM Tiana Gold & Diamonds Private Limited**

KLM Tiana Gold & Diamonds Private Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to Cut-off Date.

iii. **Previous private placement of non-convertible debentures by KLM Tiana Gold & Diamonds Private Limited in the last three years**

KLM Tiana Gold & Diamonds Private Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to Cut-off Date.

iv. **Rights Issue by KLM Tiana Gold & Diamonds Private Limited in the last three years**

KLM Tiana Gold & Diamonds Private Limited has not undertaken any rights issue of equity shares in the last three years prior to Cut-off Date.

b. Ente Naadu Nidhi Limited

i. **Public issue of equity shares by Ente Naadu Nidhi Limited**

Ente Naadu Nidhi Limited has not undertaken any equity public issue in the last three years prior to Cut-off Date.

ii. **Previous public issues of non-convertible debentures by Ente Naadu Nidhi Limited Limited**

Ente Naadu Nidhi Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to Cut-off Date.

iii. **Previous private placement of non-convertible debentures by Ente Naadu Nidhi Limited Limited in the last three years**

Ente Naadu Nidhi Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to Cut-off Date.

iv. **Rights Issue by Ente Naadu Nidhi Limited in the last three years**

Ente Naadu Nidhi Limited has not undertaken any rights issue of equity shares in the last three years prior to Cut-off Date.

c. **Payyoli Granites Private Limited**

i. **Public issue of equity shares by the Payyoli Granites Private Limited**

Payyoli Granites Private Limited has not undertaken any equity public issue in the last three years prior to Cut-off Date.

ii. **Previous public issues of non-convertible debentures by Payyoli Granites Private Limited**

Payyoli Granites Private Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to Cut-off Date.

iii. **Previous private placement of non-convertible debentures by Payyoli Granites Private Limited in the last three years**

Payyoli Granites Private Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to Cut-off Date.

iv. **Rights Issue by Payyoli Granites Private Limited in the last three years**

Payyoli Granites Private Limited has not undertaken any rights issue of equity shares in the last three years prior to Cut-off Date.

d. Carbomix Polymers (India) Private Limited

i. **Public issue of equity shares by Carbomix Polymers (India) Private Limited**

Carbomix Polymers (India) Private Limited has not undertaken any equity public issue in the last three years prior to Cut-off Date.

ii. **Previous public issues of non-convertible debentures by Carbomix Polymers (India) Private Limited**

Carbomix Polymers (India) Private Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to Cut-off Date.

iii. **Previous private placement of non-convertible debentures by Carbomix Polymers (India) Private Limited in the last three years**

Carbomix Polymers (India) Private Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to Cut-off Date.

iv. **Rights Issue by Carbomix Polymers (India) Private Limited in the last three years**

Carbomix Polymers (India) Private Limited has not undertaken any rights issue of equity shares in the last three years prior to prior to Cut-off Date.

Description of our loan portfolio

C. Loans given by the Company

The company has not provided any loans/ advances to associates, entities/persons relating to Board, senior management or Promoter out of the proceeds of previous public issues and private placements of debentures.

D. Type of loans

Classification of loans/advances given

The detailed breakup of the types of loans given by the Company as on March 31, 2026 is as follows:

(₹ in lakhs)

Sr. No.	Type of Loans	Amount	Percentage of AUM
1	Secured	1,54,538.05	94.45%
2	Unsecured	9,084.80	5.55%
Total assets under management (AUM)		**1,63,622.85**	**100%**

E. Denomination of loan outstanding by LTV as on March 31, 2026*

Sr. No.	LTV	Percentage of AUM
1.	Up to 40%	2.19%
2.	40%-50%	1.77%
3.	50%-60%	4.38%
4.	60%-70%	52.21%
5.	70%-80%	39.40%
6.	80%-90%	0.04%
7.	More than 90%	0.01%
	Total	**100.00%**

**LTV at the time of origination*

F. Sectoral Exposure as on March 31, 2026

Sr. No.	Segment wise break up of AUM	Percentage of AUM
1.	**Retail**	
(a)	Mortgages (home loans and loans against property)	-
(b)	Gold Loans	75.51%
(c)	Vehicle Finance	-
(d)	MFI	3.32%
(e)	M & SME	21.17%
(f)	Capital market funding (loans against shares, margin funding)	-
(g)	Others	-
2.	**Wholesale**	
(a)	Infrastructure	-
(b)	Real Estate (including builder loans)	-
(c)	Promoter funding	-
(d)	Any other sector (as applicable)	-
(e)	Others	-
	Total	**100.00%**

G. Denomination of the loans outstanding by ticket size as on March 31, 2026*

Sr. No.	Ticket size**	Percentage of AUM
1.	Up to 2 lakhs	34.14%
2.	2 lakhs to 5 lakhs	20.09%
3.	5 lakhs to 10 lakhs	13.24%
4.	10 lakhs to 25 lakhs	13.89%
5.	25 lakhs to 50 lakhs	5.49%
6.	50 lakhs to 1 crore	3.12%
7.	1 crore to 5 crores	4.92%
8.	5 crores to 25 crores	5.11%
9.	25 crores to 100 crores	-
10.	Above 100 cores	-
	Total	**100.00%**

**Ticket size at the time of origination*
***The details provided as per borrower and not as per loan account*

H. Geographical classification of the borrowers as on March 31, 2026

Top 5 borrowers state wise

Sr. No.	Top 5 states	Percentage of AUM
1.	Tamil Nadu	19.79%
2.	Telangana	7.42%
3.	Kerala	33.83%
4.	Karnataka	30.02%
5.	Maharashtra	0.57%
6.	Andhra Pradesh	8.37%
	Total	**100.00%**

I. Details of loans overdue and classified as non-performing in accordance with the RBI's guidelines as on March 31, 2026

(₹ in lakhs)

Particulars	Amount
Movement of gross NPA	
Opening gross NPA	3,323.81
- Additions during the year	1870.26
- Reductions during the year	-
Closing balance of gross NPA	**5,194.07**
Movement of net NPA	
Opening net NPA	1,549.43
- Additions during the year	2020.65
- Reductions during the year	-
Closing balance of net NPA	**3,570.08**
Movement of provisions for NPA	
Opening balance	1745.73
- Provisions made during the year	-
- Write-off / write-back of excess provisions	121.73
Closing balance	**1,624.00**

J. Segment-wise gross NPA as on March 31, 2026

Sr. No.	Segment wise break up of gross NPA	Gross NPA (%)*
1.	**Retail**	
(a)	Mortgages (home loans and loans against property)	-
(b)	Gold Loans	0.83%
(c)	Vehicle Finance	-
(d)	MFI	26.04%
(e)	M & SME	3.62%
(f)	Capital market funding (loans against shares, margin funding)	-
(g)	Others	-
2.	**Wholesale**	
(a)	Infrastructure	-
(b)	Real Estate (including builder loans)	-
(c)	Promoter funding	-
(d)	Any other sector (as applicable)	-
(e)	Others	-
Gross NPA		**3.07%**

**Gross NPA means percentage of NPAs to total advances in that sector*

K. Residual Maturity Profile of Assets and Liabilities as on March 31, 2026

(₹ in lakhs)

Particulars	Up to 30 / 31 Days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	73.01	-	-	-	73.01
Advances	6,778.06	431.76	555.54	7,920.40	115,219.37	11,730.89	8,441.48	12,545.35	163,622.85
Investments	-	-	-	-	-	-	-	-	-
Borrowings									
a) Debt Securities									
b) Borrowings (other than debt securities)	-	-	505.6	8,542.33	17,307.64	27,444.00	9,166.77	1,793.51	64,759.85
c) Subordinated liabilities	282.6	282.59	282.59	718.13	2,321.76	1,638.88	-	-	5,526.55
Foreign Currency Assets	2,790.57	1,372.07	2,330.82	6,991.76	12,960.71	18,892.47	36,285.29	4,552.35	86,176.04
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

L. Details of top 20 borrowers with respect to concentration of advances as on March 31, 2026

(₹ in lakhs)

Particulars	Amount
Total advances to twenty largest borrowers	13,552.08
Percentage of Advances to twenty largest borrowers to Total Advances to the Company	8.28%

M. Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2026

(₹ in lakhs)

Particulars	Amount	
	Secured	Unsecured
Total exposure to twenty largest borrowers	13,552.08	NIL
Percentage of exposure to twenty largest borrowers to Total exposure to the Company	8.28%	NIL

N. Classification of loans/advances given to Group Companies as on March 31, 2026:

Name of Borrower	Amount of Advance/ exposure to such borrower (₹ in lakhs) (A)	Percentage of Exposure (A/ Total AUM)
NIL	NIL	NIL

O. **Consolidated Loan Policy**

The consolidated loan policy, approved by the Board on November 14, 2024, serves as a strategic framework for the Company to conduct lending operations in compliance with regulatory requirements. The policy covers loan products such as Gold Loans, Business Loans, Personal Loans, Microfinance Loans, and Consumer Durable Loans. A brief overview of each product is provided below:

1. Gold Loan

- *Purpose*: Short-term loans against gold jewelry.
- *Eligibility*: Individuals aged 18 and above who are legal owners of the gold and meet KYC norms.
- *Loan Amount*: Minimum ₹1,000; no upper limit.
- *Tenure*: Up to 12 months.
- *LTV Ratio*: Maximum 75% as per RBI guidelines.
- *Interest*: Based on risk gradation; minimum 7 days interest or ₹10.
- *Disbursement*: Cash up to ₹1,99,999; above via bank transfer.
- *Documentation*: KYC, DPN, ownership declaration, pawn ticket, etc.
- *Auction*: Initiated after 365 days of non-payment with detailed procedures.
- *Safety & Storage*: Strong room storage, CCTV, insurance, dual custody.
- *Items Not Accepted*: Gold coins, bars, broken items, below 18 Ct, etc.

2. Business & Personal Loans

- *Purpose*: For working capital, business expansion, and personal needs.
- *Eligibility*: Individuals, sole proprietors, and partnership firms.
- *Loan Amount*: Determined based on creditworthiness, turnover, and collateral.
- *Tenure*: Up to 60 months.
- *Interest*: Based on cost of funds, risk premium, and prevailing market conditions.
- *Security*:
  i. Primary: Personal guarantee.
  ii. Collateral: Land/building for loans above ₹5 lakhs.

- *Documentation*: Varies by loan amount; typically includes KYC, bank statements, and property documents.
- *Sanctioning Authority*:
  i. Up to ₹1 crore: Whole Time Director.
  ii. Above ₹1 crore: Board of Directors.
- *Repayment*: Through EMIs; cash repayments restricted to ₹1,99,999.

3. Microfinance Loans

- *Target Group*: Low-income individuals, Joint Liability Groups (JLGs), and Self-Help Groups (SHGs).
- *Eligibility*: Households with annual income up to ₹3,00,000.
- *Loan Amount*: ₹5,000 to ₹1,00,000.
- *Repayment*: Weekly, fortnightly, or monthly.
- *Interest*: 24% to 26%.
- *Security*: No collateral required.
- *Process*: Includes income assessment, group training, Group Recognition Test (GRT), and loan utilization checks.
- *Restrictions*: Loans not permitted for unlawful or speculative activities.

4. Consumer Durable Loans

- *Purpose*: Financing the purchase of consumer goods.
- *Eligibility*: Individuals aged between 20 and 60 years.
- *Loan Amount*: ₹3,000 to ₹20,000.
- *Interest*: 18% to 26%.
- *Process*: Loan disbursed directly to the vendor; product delivered to the customer.
- *Repayment*: Monthly or every 28 days.
- *Sanctioning Authority*: Branch Manager.

Revaluation of assets

Our Company has not revalued its assets in last three financial years.

Mechanism for redressal of investor grievances

Registrar Agreement dated July 23, 2026 between the Registrar to the Issue and our Company provides for settling of investor grievances in a timely manner and for retention of records with the Registrar to the Issue for a period of eight years.

All grievances relating to the Issue may be addressed to the Registrar to the Issue and Compliance Officer giving full details such as name, address of the applicant, number of NCDs applied for, amount paid on application and the details of Member of Syndicate or Trading Member of the Stock Exchange where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Application Locations, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

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

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be three (3) working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The contact details of Registrar to the Issue are as follows:

KFin Technologies Limited

301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road,
Nav Pada, Kurla (West) Kurla, Mumbai - 400070,
Maharashtra, India
Telephone: +91 40 6716 2222
Toll free number: 18003094001
Email: klmaxiva.ncd@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration No.: INR000000221

Compliance Officer of our Company

Ms. Naveena P. Thampi has been appointed as the Compliance Officer of our Company for this issue.

The contact details of Compliance officer of our Company are as follows**:**

Naveena P. Thampi
KLM Axiva Finvest Limited
KLM Grand Estate, Bypass Road,
Edappallv, Ernakulam – 682024
Kerala, India
Telephone: +91-484-4281182
E-mail: cs@klmaxiva.com

Change in Auditors of our Company during the last three years and the current financial year

Name of the Auditor	Address	Date of appointment	Date of cessation, if applicable	Date of resignation, if applicable
M/s R B Jain and Associates, Chartered Accountants	Kosseril House, Civil Lane Road, Palarivattom, Kochi – 682 025	May 21, 2021*	September 30, 2024	-
A. John Moris & Co Chartered Accountants	2nd Floor, Building No. G308, Shan Apartment, Near Avenue Centre, Panampilly Nagar, Kochi – 682036, Kerala, India	September 30, 2024	-	-

**Re-appointed on August 18, 2023*

Undertaking by our Company

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of '*Risk factors*' on page 20.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Prospectus contains all information with regard to the Issuer and the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Company has no side letter with any debt securities holder except the one(s) disclosed in this Prospectus. Any covenants later added shall be disclosed on the stock exchanges websites where the NCDS are proposed to be listed.

Our Company declares that nothing in this Prospectus is contrary to the provisions of Companies Act, 2013 (18 of 2013), the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder.

KEY REGULATIONS AND POLICIES

The regulations summarised below are not exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, GST laws (including CGST, SGST and IGST) and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Regulations governing NBFCs

Reserve Bank of India Act, 1934

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares/ stock/ bonds/ debentures/ securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/ purchase/ construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its 'principal business' is to be treated as an NBFC. The term 'principal businesses has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/1269) issued on April 08, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 percent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 percent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalisation of the balance sheet and in any case, not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by *inter alia* the RBI Act, the RBI Scale Based Master Directions, the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 ("**RBI Governance Directions**"), the Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 ("**RBI Asset Liability Management Directions**"), the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025 ("**RBI Capital Adequacy Directions**"), the Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025 ("**RBI Income Recognition Directions**"), the Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025 ("**RBI Credit Facilities Directions**"), the Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025, the Reserve Bank of India (Non-Banking Financial Companies – Transfer and Distribution of Credit Risk) Directions, 2025, the Reserve Bank of India (Non-Banking Financial Companies - Concentration Risk Management) Directions, 2025 ("**RBI Concentration Risk Management Directions**"), the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 ("**RBI Responsible Business Conduct Directions**"), the Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year) Directions, 2024, the Reserve Bank of Inda (Non-Banking Financial Companies - Acceptance of Public Deposits) Directions, 2025 as amended,

replaced and/or updated from time to time, and all other notifications, directions, guidelines, circulars or press notes, clarifications or letters issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- An NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and

- NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard.

Types of NBFCs

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities.

The major regulations governing our Company are detailed below:

Master Direction – Reserve Bank of India (Non-Banking Financial Company – Registration, Exemption and Framework for Scale Based Regulation) Directions, 2025, as amended from time to time ("**RBI Scale Based Master Directions**").

A Revised Regulatory Framework for NBFCs, whereby NBFCs have been categorised into following four layers based on their size, activity, and perceived riskiness by the RBI:

i) NBFC- Base Layer ("**NBFC-BL**");
ii) NBFC- Middle Layer ("**NBFC-ML**");
iii) NBFC- Upper layer ("**NBFC-UL**"); and
iv) NBFC- Top Layer ("**NBFC-TL**")

The NBFC- BL comprise of (a) non-deposit taking NBFCs below the asset size of ₹ 1,00,000 lakh and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface.

The NBFC- ML consist of (a) all deposit taking NBFCs ("**NBFC-Ds**"), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 1,00,000 lakh and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).

The NBFC-UL comprise of those NBFCs which are specifically identified by RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in appendix to RBI Scale Based Master Directions. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

The NBFC-TL will ideally remain empty. This layer can get populated if RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFC-UL. Such NBFCs shall move to the NBFC-TL.

As the regulatory structure envisages scale based as well as activity-based regulation under the RBI Scale Based Master Directions, the following prescriptions shall apply in respect of the NBFCs:

i) NBFC-P2P, NBFC-AA, NOFHC and NBFCs without public funds and customer interface will always remain in the base layer of the regulatory structure.

ii) NBFC-D, CIC, IFC and HFC will be included in middle layer or the upper layer (and not in the base layer), as the case may be. SPD and IDF-NBFC will always remain in the middle layer.

iii) The remaining NBFCs, viz., Investment and Credit Companies (NBFC-ICC), Micro Finance Institution (NBFC-MFI), NBFC-Factors and Mortgage Guarantee Companies (NBFC-MGC) could lie in any of the layers of the regulatory structure depending on the parameters of the scale based regulatory framework.

iv) Government owned NBFCs shall be placed in the base layer or middle layer, as the case may be. RBI Master Directions define 'NBFC ICC' to mean a company which is a financial institution carrying on as its principal business of asset finance, the providing of finance whether by making loans or advances or otherwise for any activity other than its own and the acquisition of securities.

As on the date of filing of this Prospectus, the Company falls under the category of NBFC-ML, as its assets size is above ₹ 1,00,000 lakh, as per the last audited balance sheet. The RBI Scale Based Master Directions provide that NBFC-ML shall comply with regulatory instructions specified in Section III along with regulatory instructions applicable to NBFC-BL as specified in Section II of the RBI Scale Based Master Directions, unless provided otherwise.

Regulatory Requirements of an NBFC under the RBI Act

Net Owned Fund

The RBI Act, read with an RBI notification dated April 20, 1999, provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 200 lakh. For this purpose, the RBI Act has defined "*net owned fund*" to mean:

Net Owned Fund - The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, (iii) deferred tax asset (net); and (iv) other intangible assets; and further reduced by the amounts representing,

(i) investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and

(ii) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10 per cent of (a) above.

Reserve Fund

In addition to the above, the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually, as disclosed in the statement of profit and loss, before declaration of dividend. Such a fund is to be created by every NBFC irrespective of whether it is a ND NBFC or not. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such appropriation.

NBFC-ML

NBFC-ML shall maintain a minimum capital ratio consisting of Tier 1 and Tier 2 capital which shall not be less than 15 percent of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items.

Rating of NBFCs

Pursuant to the Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous), Directions, 2025 dated November 28, 2025, NBFCs with asset size of ₹100 crore and above shall furnish information about downgrading/upgrading of assigned rating of any financial product issued by them, within fifteen days of such a change in rating, to the Regional Office of the Reserve Bank under whose jurisdiction their registered office is functioning.

Prudential Regulations

The RBI Scale Based Master Directions, read with applicable master directions issued by the RBI, inter alia, provide for requirements, applicable to NBFC-ML in relation to capital requirement, income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration credit/ investment and norms relating to gold loans. Further, under the RBI Concerntration Risk Management Directions, the concentration of credit/ investment norms shall not apply to non-banking financial company not accessing public funds in India, either directly or indirectly, and not issuing guarantees.

Corporate governance norms

As per the RBI Governance Directions, all NBFC-MLs are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination and remuneration committee, an asset liability management committee and risk management committee.

Under the terms of RBI Governance Directions following additional corporate governance compliances have been stipulated for NBFC-ML:

(a) *Constitution of Committees* All NBFCs on which Master Directions is applicable are required to constitute the committees mentioned below:

A. Audit Committee: An NBFC is required to constitute an audit committee consisting of not less than three members of its board of directors. The audit committee constituted by an NBFC as required under Section 177 of the Companies Act, 2013 shall be the audit committee for the purposes of the Master Directions as well, and its powers and functions shall be as provided under Section 177 of the Companies Act.

B. Nomination and Remuneration Committee: NBFCs are required to constitute a nomination committee to ensure the 'fit and proper' status of proposed or existing directors, which shall have the same powers and functions as the nomination and remuneration committee required to be constituted under Section 178 of the Companies Act.

(b) *Appointment of Chief Risk Officer (CRO)*: With the increasing involvement of NBFCs in direct credit intermediation, they must enhance their risk management practices. While NBFC boards should aim to adhere to optimal risk management standards, NBFCs categorized as NBFC-ICC, NBFC-IFC, NBFC-MFI, NBFC-Factors, and IDF-NBFC, having an asset size exceeding ₹ 5,00,000 lakh, must appoint a Chief Risk Officer ("**CRO**") with well-defined roles and responsibilities. The CRO must operate independently to uphold the highest standards of risk management.

(c) *'Fit and Proper Criteria' for Directors:* Applicable NBFCs must (a) ensure that a board-approved policy is put in place to determine directors' fit and proper criteria at the time of appointment, and on a continuing basis in accordance with the RBI Governance Directions; (b) procure a declaration and undertaking from directors, using the format outlined in RBI Governance Directions; (c) secure a deed of covenant signed by the Directors, adhering to the format specified in RBI Governance Directions; and (d) furnish to the RBI a quarterly statement on change of directors, accompanied by a certification from the managing director that 'fit and proper criteria' in selection of the directors has been followed. This statement should be submitted to the RBI's Department of Non-Banking Supervision regional office, within 15 days after each quarter's end. The auditors must certify the statement for the quarter ending March 31.

(d) *Key Managerial Personnel:* Except for directorship in a subsidiary, Key Managerial Personnel ("**KMP**") must not hold any office, including directorships, in any other NBFC-ML or NBFC-UL. It is clarified that they are allowed to take on directorship roles in NBFC-BL.

(e) *Independent Director*: Within the allowable limits per the Companies Act, 2013, an independent director may not serve on more than three NBFCs (NBFC-ML or NBFC-UL) simultaneously. The NBFC's board must ensure that no conflict of interest arises from their concurrent positions on other NBFC boards. No restrictions on directorship for NBFC-BLs exist, subject to relevant provisions of the Companies Act, 2013.

(f) *Compensation Guidelines*: To tackle problems stemming from excessive risk-taking due to poorly aligned compensation packages, NBFCs must put in place a board-approved compensation policy. The guidelines must, at a minimum, encompass (i) the constitution of a remuneration committee, (ii) criteria for

fixed/variable pay structures, and (iii) malus/clawback provisions. The nomination and remuneration committee must verify the absence of any conflict of interest.

(g) *Guidelines on Corporate Governance:* NBFCs shall frame their internal guidelines on corporate governance with the approval of the Board of Directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the guidelines in Chapter IV of the RBI Governace Directions and it shall be published on the company's website, if any, for the information of various stakeholders

(h) Disclosures - NBFCs shall, in addition to the existing regulatory disclosures, disclose the following in their annual financial statements, with effect from March 31, 2023:

i. Corporate governance report containing composition and category of directors, shareholding of nonexecutive directors, etc.

ii. Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications.

iii. Items of income and expenditure of exceptional nature.

iv. Breaches in terms of covenants in respect of loans availed by the NBFC or debt securities issued by the NBFC including incidence/s of default.

v. Divergence in asset classification and provisioning above a certain threshold to be decided by RBI.

Provisioning Requirements

Under RBI Income Recognition Directions, every NBFC (except microfinance loans of NBFCMFIs), after taking into account time lag between an account becoming non-performing, its recognition as such, the realisation of the security and the erosion over time in the value of security charged, make provision against sub-standard assets, doubtful assets and loss assets.

In the interests of counter cyclicality and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, all NBFCs (except NBFC-UL) make provision for standard assets at 0.40 per cent of the outstanding, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

Capital Adequacy Norms

Under the terms of RBI Capital Adequacy Directions, NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50 per cent or more of their financial assets) shall maintain a minimum Tier l capital of 12 percent of aggregate risk weighted assets of on-balance sheet and of risk adjusted value of off-balance sheet items.

“Tier 1 Capital” for NBFCs (except NBFCs-BL) is the sum of:

(i) Owned fund as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund; and

(ii) Perpetual debt instruments issued by a non-deposit taking NBFCs in each year to the extent it does not exceed 15 percent of the aggregate Tier 1 capital of such company as on March 31 of the previous accounting year.

Owned Funds, are defined as aggregate of paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Internal Capital Adequacy Assessment Process (ICAAP)

Under the RBI Capital Adequacy Directions, NBFC-ML and NBFC-UL are required to make a thorough internal assessment of the need for capital, commensurate with the risks in their business. The internal assessment shall be on similar lines as ICAAP prescribed for commercial banks under Pillar 2 under Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025. While Pillar 2 capital will not be insisted upon, however, NBFCs are required to make a realistic assessment of risks. Internal capital assessment shall factor in credit risk, market risk, operational risk and all other residual risks as per methodology to be determined internally. The methodology for internal assessment of capital shall be proportionate to the scale and complexity of operations as per the NBFCs board approved policy. The objective of ICAAP is to ensure availability of adequate capital to support all risks in business as also to encourage NBFCs to develop and use better internal risk management techniques for monitoring and managing of the risks.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed under the RBI Capital Adequacy Directions.

Concentration of credit/ investment (except NBFC-UL)

(i) NBFCs (except NBFC-IFC) shall not have exposure (credit/investment taken together) exceeding (a) twenty-five percent of its Tier 1 capital to a single party; and (b) forty percent of its Tier 1 capital to a single group of parties, provided that an NBFC may exceed the exposure norm specified above, by 5 percent for any single party and by 10 percent for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment.

(ii) The; ceiling on the investment in shares of another company shall not be applicable to an NBFC in respect of investment in the equity capital of an insurance company up to the extent specifically permitted, in writing, by the RBI;

(iii) Exposure norms shall not apply to any NBFC not accessing public funds in India, either directly or indirectly and not issuing guarantees. The exposure norms shall also not apply to (i) investments of NBFC in shares of (a) its subsidiaries; (b) companies in the same group, to the extent they have been reduced from Owned Funds for the calculation of NOF and (ii) the book value of debentures, bonds, outstanding loans and advances (including hirepurchase and lease finance) made to, and deposits with (a) subsidiaries of the NBFC; and (b) companies in the same group, to the extent they have been reduced from Owned Funds for the calculation of NOF; and

(iv) NBFCs shall formulate a policy in respect of exposures to a single party/a single group of parties.

Asset Classification

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

- Standard assets;
- Sub-standard Assets;
- Doubtful Assets; and
- Loss assets.

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation as laid out in the RBI Stressed Assets Directions. At present every NBFC is required to make a provision for standard assets at 0.40 per cent.

Standard Assets

The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business.

Sub-standard Assets

Assets which have been classified as non-performing asset for a period not exceeding 12 months; or assets where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms.

Doubtful Assets

Assets such as term loans, lease asset, a hire purchase asset or any other asset which remains a sub-standard asset for a period exceeding 12 months.

Loss Assets

An asset which has been identified as loss asset by the NBFC or its internal or external auditor by the RBI during the inspection of the NBFC, to the extent it is not written of by the NBFC or an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

Non-Performing Asset (NPA) for NBFC-ML

Non-performing assets shall mean:

(i) assets in respect of which interest has remained overdue for a period of more than 90 days.

(ii) a term loan inclusive of unpaid interest when the instalment is overdue for a period of more than 90 days or on which interest amount remained overdue for a period of more than 90 days.

(iii) a demand or call loan, which remained overdue for a period of more than 90 days from the date of demand or call or on which interest amount remained overdue for a period of more than 90 days.

(iv) a bill which remains overdue for a period of more than 90 days

(v) the interest in respect of a debt or the income on receivables under the head 'other current assets' in the nature of short-term loans/advances, which facility remained overdue for a period of more than 90 days.

(vi) any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of more than 90 days.

(vii) the lease rental and hire purchase instalment, which has become overdue for a period of more than 90 days

(viii) in respect of loans, advances and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower/beneficiary when any of the above credit facilities becomes non-performing asset.

Provided that in case of lease and hire purchase transactions, an NBFC shall classify each such account on the basis of its record of recovery.

Other stipulations

The board of directors of NBFCs granting/intending to grant demand/call loans shall frame a policy and implement the same. Such policies shall include provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

Maintenance of liquid assets

Under the RBI Asset Liability Management Directions, all non-deposit taking NBFCs with an asset size of ₹10,000 lakh and above (as per their last audited balance sheet), core investment companies and all deposit taking NBFCs (except Type I NBFCs, Non-Operating Financial Holding Company and Standalone Primary Dealer) are required to comply with the RBI Guidelines on Liquidity Risk Management Framework ("**LRM Framework**").

The LRM Framework provide that the applicable NBFCs should ensure sound and robust liquidity risk management system, the board of directors of the NBFC shall frame a liquidity risk management framework which ensures that it maintains sufficient liquidity, including a cushion of unencumbered, high quality liquid assets to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The liquidity risk management policy should spell out the entity-level liquidity risk tolerance; funding strategies; prudential limits; system for measuring, assessing and reporting/ reviewing liquidity; framework for stress testing; liquidity planning under alternative scenarios/formal contingent funding plan; nature and frequency of management reporting; periodical review of assumptions used in liquidity projection; etc. The LRM Framework inter alia, deal with: (i) liquidity risk management policy, strategies and practices; (ii) management information system; (iii) internal controls; (iv) maturity profiling; (v) liquidity risk measurement – stock approach; (vi) currency risk; (vii) managing interest rate risk; and (viii) liquidity risk monitoring tools.

The NBFC shall constitute risk management committee ("**RMC**") either at the Board or executive level. The RMC shall be responsible for evaluating the overall risks faced by the NBFC including liquidity risk and shall report to the Board. Further, applicable NBFCs have to constitute asset liability management committee ("**ALCO**") consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the board of directors as well as implementing the liquidity risk management strategy of the NBFC. The CEO/ MD or the Executive Director should head the Committee. The role of the ALCO with respect to liquidity risk should include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of all branches.

In addition to RMC and ALCO, applicable NBFCs shall constitute asset liability management support group ("**ALM Support Group**"). ALM Support Group consist of the operating staff responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO.

In addition to the guidelines prescribed under the LRM Framework, all non-deposit taking NBFCs with an asset size of ₹ 5,00,000 lakh and above (except Core Investment Companies, Type I NBFCs, Non-Operating Financial Holding Companies and Standalone Primary Dealers) and all deposit taking NBFCs irrespective of asset size shall adhere to the Liquidity Coverage Ratio Guidelines ("**LCR Guidelines**"). Under the LCR Guidelines, applicable NBFCs are required to maintain a minimum liquidity coverage ratio of 100% on an ongoing basis, such that the stock of high-quality liquid assets ("**HQLA**") at all times equals or exceeds total net cash outflows over a 30-day liquidity stress scenario. However, an NBFC may utilise its stock of HQLA during a period of financial stress, which may result in its liquidity coverage ratio falling below the 100% threshold. In such circumstances, the NBFC must immediately report the drawdown of HQLA to the Department of Supervision, RBI, along with the reasons for such utilisation and the corrective measures initiated to restore compliance.

Fair Practices Code

In terms of the RBI Responsible Business Conduct Directions, all NBFCs having customer interface are required to formulate with the approval of their boards a 'Fair Practices Code' (which shall preferably be in the vernacular language or a language as understood by the borrower) based on the directions outlined therein. NBFCs will have the freedom of drafting the Fair Practices Code, enhancing the scope of the directions but in no way sacrificing the spirit underlying the directions. The same shall be put up on their website, if any, for the information of various stakeholders.

In addition, the RBI *vide* the RBI Responsible Business Conduct Directions has mandated that all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has included norms for regulation of excessive interest charged by NBFCs in the RBI RBI Responsible Business Conduct Directions.

These prescribed directions stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFC's website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Microfinance Loan

As per RBI Credit Facilities Directions, a microfinance loan is defined as a collateral-free loan given to a household having annual household income up to ₹ 3,00,000. For this purpose, the household shall mean an individual family unit, i.e., husband, wife and their unmarried children. Further, all collateral-free loans, irrespective of end use and mode of application/ processing/ disbursal (either through physical or digital channels), provided to low-income households, i.e., households having annual income up to ₹ 3,00,000, shall be considered as microfinance loans. Further, to ensure collateral-free nature of the microfinance loan, the loan shall not be linked with a lien on the deposit account of the borrower or backed by hypothecation of any security.

Pricing of microfinance loans

According to the RBI Credit Facilities Directions, each of the regulated entities must implement a board-approved policy regarding pricing of microfinance loan pricing, which shall, cover well-documented interest rate model / approach for arriving at the all-inclusive interest rate; delineation of the components of the interest rate such as cost of funds, risk premium and margin, etc. in terms of the quantum of each component based on objective parameters; the range of spread of each component for a given category of borrowers; a ceiling on the interest rate and all other charges applicable to the microfinance loans; and interest rates and other charges/fees on microfinance loans should not be usurious and shall be subjected to the supervisory scrutiny of the Reserve Bank.

Implementation of Green Initiative of the Government

All NBFCs are required take proactive steps for increasing the use of electronic payment systems, elimination of post-dated cheques and gradual phase-out of cheques in their day to day business transactions which would result in more cost-effective transactions and faster and accurate settlements.

Accounting Standards & Accounting policies

NBFCs that are required to implement Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 ("**Accounting Standard Rules**") shall prepare their financial statements in accordance with Ind AS notified by the Government of India and shall comply with the regulatory guidance specified in the Master Directions. Disclosure requirements for notes to accounts specified in the Master Directions shall continue to apply. Other NBFCs shall comply with the requirements of notified Accounting Standards (AS) insofar as they are not inconsistent with Master Directions. The Ministry of Corporate Affairs ("**MCA**"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. The Accounting Standard Rules were subsequently amended by MCA press release dated March 30, 2016. The Accounting Standard Rules stipulates that NBFCs whose equity and/or debt securities are listed or in the process of listing on any stock exchange in India or outside India and having a net worth of less than ₹50,000 lakh, shall comply with Ind AS for accounting periods beginning from April 1, 2023 onwards with comparatives for the periods ending on March 31, 2023 or thereafter. Accordingly, Ind AS is applicable to our Company with effect from April 1, 2023.

Implementation of Indian Accounting Standards: RBI Notification

The Reserve bank of India *vide* notification number RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 framed regulatory guidance on Ind AS which will be applicable on Ind AS implementing NBFCs and Asset Reconstruction Companies (ARCs) for preparation of their financial statements from financial year 2019-20 onwards. These guidelines focus on the need to ensure consistency in the application of the accounting standards in specific areas, including asset classification and provisioning, and provide clarifications on regulatory capital in the light of Ind AS implementation.

The guidelines cover aspects on governance framework, prudential floor for ECL and computation of regulatory capital and regulatory ratios.

Master Direction - Know Your Customer ("KYC") Directions, 2025 (updated as on December 29, 2025), as amended ("RBI KYC Directions")

The RBI KYC Directions are applicable to every entity regulated by the RBI, specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative

banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated thereunder is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFC'S adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has prescribed detailed instructions in relation to, inter alia, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India. The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by Banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards. The RBI KYC Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies, and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies.

Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) dated July 15, 2024.

On July 15, 2024, the RBI issued the revised Master Directions on Fraud Risk Management in NBFCs (including Housing Finance Companies) ("**Fraud Directions**") superseding the erstwhile Master Directions on Monitoring of Frauds in NBFCs (Reserve Bank), Directions, 2016. Under the Fraud Directions, NBFCs classified as NBFC-BL, NBFC-ML and NBFC-UL shall put in place a board approved policy on fraud risk management delineating roles and responsibilities of board and senior management of the NBFCs. NBFCs are required to report all instances of fraud to the RBI or the National Housing Bank through fraud monitoring returns portal within 14 (fourteen) days of classifying an incident or account as fraudulent. Furthermore, all attempted and successful instances of theft, burglary, dacoity, and robbery must be reported to the fraud monitoring group of the RBI within 7 (seven) days of occurrence. NBFCs must also report all incidents of fraud immediately to appropriate law enforcement agencies through a nodal point or designated officer of such NBFC.

Reporting by Statutory Auditor

The statutory auditor of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

The Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 requires auditors of all NBFCs to furnish, in addition to the statutory audit report, a separate detailed report to the Board on regulatory compliance. This report must cover the NBFC's eligibility and continued entitlement to hold a certificate of registration, adherence to the principal business criteria, net owned fund requirements, prudential norms, and—where applicable—compliance relating to public deposits, credit ratings, capital adequacy, liquid asset maintenance, and statutory return submissions. Different categories of NBFCs (deposit-taking, non-deposit taking, systemically important, MFIs, and those exempt from certificate of registration) have tailored reporting requirements under this framework. Where an auditor issues an unfavourable or qualified opinion on any prescribed item, they must state the reasons in their report to the Board and, crucially, submit an exception report directly to RBI's regional office detailing the specific contraventions of the RBI Act or applicable NBFC master directions.

Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024 dated February 27, 2024

In order to ensure adherence to the regulatory framework by non-deposit taking NBFC-MLs, the RBI has directed

such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio, etc. as at the end of March every year, in a prescribed format. Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within 5 working days from the date of signing of the auditor's report in terms of section 134 of the Companies Act, 2013, but not later than December 31 of same year, in any case, based on audited books of accounts of the applicable entity for the preceding financial year, together with such other submissions/returns to the RBI as specified in the Master Direction - Reserve Bank of lndia (Filing of Supervisory Returns) Directions, 2024, as amended and any other related rules, regulations, directions, circulars.

The said master directions are applicable on supervised entities which includes all NBFCs except for HFCs and asset reconstruction companies. The said master direction prescribes for provisions in relation to responsibilities of the board and senior management, data architecture and IT infrastructure, accuracy and integrity in reporting, applicable returns, a general description of returns, timelines for return submissions, alternate timelines for submission of select returns, mode of submission of returns along with details of online portals for submission of returns by supervised entities.

Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity upto one year) Directions, 2024

The said master direction issued by RBI on January 3, 2024 are applicable on all persons/agencies dealing in commercial paper and/or non-convertible debentures of original or initial maturity up to one year and the same have been made effective from April 01, 2024. The eligible issuers under the said master directions include NBFCs. The issuance under these directions is subject to condition that all fund-based facilities availed, if any, by the eligible issuer from banks/ all India financial institutions/ NBFCs are classified as 'standard' at the time of issue. The said master direction provides for, among other provisions, a list of eligible investors, general guidelines (in relation to primary issuance, discount / coupon rate, credit enhancement, end-use of funds, rating requirement, primary and secondary market related conditions, buyback, repayment, default, market timing and practices), reporting requirements, roles and responsibilities of (a) issuing and paying agent, (b) debenture trustee, and (c) credit rating agency. Further, it has been stated that the public deposit directions shall not be applicable to the NBFCs raising funds by issuance of commercial papers in accordance with the aforesaid master directions.

The Reserve Bank – Integrated Ombudsman Scheme, 2021 (the "Ombudsman Scheme") dated November 12, 2021

The RBI through its 'Statement on Developmental and Regulatory Policies' dated February 5, 2021, proposed the integration of the Ombudsman Scheme for Non-Banking Financial Companies, 2018 with the Banking Ombudsman Scheme, 2006 and the Ombudsman Scheme for Digital Transactions, 2019 under the 'One Nation One Ombudsman' approach for grievance redressal and has done the same through the Ombudsman Scheme effective from November 12, 2021. This is intended to make the process of redressal of grievances easier by enabling the customers of the banks, NBFCs and non-bank issuers of prepaid payment instruments to register their complaints under the integrated scheme, with one centralized reference point. The Ombudsman Scheme was introduced by the RBI with the object of enabling resolution of complaints in respect of certain services rendered by certain categories of NBFCs, to facilitate the satisfaction or settlement of such complaints, and matters connected therewith. The Ombudsman Scheme, inter alia, establishes the office of the ombudsman, specifies the procedure for the redressal of grievances and the mechanism for appeals against the awards passed by the ombudsman.

Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 dated December 29, 2023

The Reserve Bank of India (RBI), through its circular No. RBI/CEPD/2023-24/108 CEPD.PRD.No.S1228/13.01.019/2023-24 dated December 29, 2023, has issued the Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 ("**Internal Ombudsman Directions**"). The Internal Ombudsman Directions mandates all scheduled commercial banks, NBFCs, non-bank system participants and credit information companies to comply with the updated guidelines on the internal ombudsman mechanism. The Internal Ombudsman Directions consolidates and updates the framework applicable to the mechanism governing the appointment of an internal ombudsman and aims to strengthen the internal grievance redress system within Regulated Entities (including NBFCs), thereby ensuring an independent, apex-level authority for consumer grievance redressal. The Internal Ombudsman Directions are applicable to deposit-taking NBFCs with 10 or more branches and non-deposit taking NBFCs with an asset size of ₹ 50 billion and

above. The internal ombudsman is required to be appointed based on specific eligibility criteria, including a minimum of 7 (seven) years of experience in relevant fields and not being a former or current employee of the Regulated Entity or its related parties. The Internal Ombudsman Directions also outline the procedural guidelines for complaint redressal by the internal ombudsman, including the formulation of a standard operating procedure (SOP) and the establishment of a fully automated complaints management software for auto-escalation of rejected complaints.

Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023

These directions require all NBFC-ML to implement a comprehensive IT governance framework that includes a board-level IT strategy committee and an IT steering committee for oversight. Additionally, a Chief Information Security Officer (CISO) and an Information Security Committee (ISC) must be appointed to manage cyber and information security risks. A critical aspect of this is the implementation of an IT and Information Security Risk Management Framework, which incorporates information security policies, cybersecurity policies, and a cyber crisis management plan. Furthermore, cybersecurity measures like regular Vulnerability Assessments (VA) and Penetration Testing (PT) along with a cyber incident response plan are mandated. The RBI also dictates guidelines for managing IT infrastructure and services, including software, hardware, third-party arrangements, capacity, projects, vendors, and data. Secure access controls with Multi-Factor Authentication (MFA) and audit trails are another requirement. To ensure business continuity in case of disruptions, NBFC-MLs must have a Business Continuity Plan (BCP) and Disaster Recovery (DR) policy that is tested regularly. Finally, an IS Audit policy with a separate IS Audit function is necessary to conduct risk-based audits.

Reserve Bank of India (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025

On November 28, 2025, the Reserve Bank of India ("RBI") issued the *Reserve Bank of India (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025* (**"RBI Outsourcing Directions"),** bringing into force a consolidated and comprehensive regulatory framework governing the outsourcing of financial services and information technology ("IT") services by NBFCs. The Directions apply, in varying degrees, to NBFC-D, NBFC-ICC, NBFC-Factor, NBFC-MFI, NBFC-IFC, IDF-NBFC, HFCs, SPDs, CICs, NBFC-P2P and NBFC-AA, while NBFCs in the Base Layer are exempted from IT-specific provisions. All new IT outsourcing arrangements must comply immediately, while existing IT outsourcing contracts must be aligned with the Directions by April 10, 2026**.**

The framework emphasises that outsourcing does not dilute the obligations of the NBFC, its Board, or Senior Management. NBFCs remain fully responsible for outsourced activities, including the conduct of service providers, confidentiality of customer information, and compliance with all applicable laws and supervisory requirements. Core management functions such as internal audit, strategic decision-making, compliance functions, sanctioning of loans, and portfolio management cannot be outsourced, except within the group subject to strict safeguards. The Directions mandate Board-approved outsourcing policies, comprehensive risk evaluation processes, clearly defined approval authorities, and periodic reviews of all material outsourcing arrangements.

To mitigate outsourcing risks, NBFCs must conduct robust due diligence on service providers, covering financial soundness, operational capacity, security practices, legal and reputational risks, and country-level risks in case of offshore outsourcing. Outsourcing agreements must contain stringent provisions on service standards, confidentiality, data segregation, audit rights for the NBFC and RBI, business continuity planning, contingency arrangements, and clearly defined termination rights. NBFCs must maintain a central inventory of material outsourcing arrangements and subject them to continuous monitoring, annual reviews, and internal/external audits. Any breach of customer confidentiality or security incident must be reported promptly to RBI, and NBFCs remain liable to customers for any resulting loss.

The Directions also establish extensive rules for outsourcing of IT services, which cover IT infrastructure management, application development, cloud services, data centre operations, managed security services, and other critical IT functions. For material IT outsourcing, NBFCs must adopt enhanced controls relating to information security, cyber resilience, segregation of data in multi-tenant environments, storage of data in India (where required), and integration of service-provider logs with the NBFC's Security Operations Centre. Special norms apply to cloud computing, including mandatory risk assessments, governance standards, shared

responsibility clarity, identity and access controls, contractual safeguards, and detailed exit strategies to ensure smooth transition and data protection.

Further, outsourcing within a group or conglomerate must preserve an arm's-length relationship, avoid customer confusion, and ensure independent risk management. For offshore outsourcing, NBFCs must ensure that governing laws, access to records, RBI's inspection rights, and data confidentiality requirements are fully enforceable. The Directions also require NBFCs to retain full responsibility for grievance redressal, ensuring that outsourcing does not affect the rights of customers or the NBFC's accountability. With these Directions, RBI has repealed earlier outsourcing guidelines while preserving rights, liabilities, and regulatory actions initiated under the prior framework

Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025 ("RBI Credit Facilities Directions")

The RBI has issued RBI Credit Facilities Directions laying down the regulatory policy regarding financing of NBFCs by banks. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or inter-corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) all types of loans and advances by NBFCs to their subsidiaries, group companies/ entities; (v) further lending to individuals for the purpose of subscribing to an initial public offer and for purchase of shares from secondary market.

Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025

On November 28, 2025 the RBI issued the Master Directions on Credit Information Reporting for credit reporting by regulated entities, including banks, financial institutions, and non-banking financial companies (NBFCs). The RBI mandated that credit information reporting by Credit Information Companies (**CICs**) adhere to standardized data formats to ensure clarity and consistency in the data reported by banks and financial institutions. To protect sensitive credit information, the RBI has outlined guidelines for data confidentiality and security to protect sensitive credit information directing all regulated entities (REs) must all the information must processed and stored within India. The Credit Institutions are now required to inform consumers about the reasons for rejecting data correction requests and if the consumer complaint is not resolved within 30 calendar days of filing complainants are entitled to a compensation of ₹100 per calendar day. RBI also sets guidelines stating that Credit Information Companies must also assess the reputation, financial stability, and legal compliance of the third-party entities before sharing data. CICs shall put in place a robust due diligence and control mechanisms while sharing the credit information

Additionally, the Credit Information Reporting Directions mandated that Credit Institutions must submit credit data to CICs on a regular basis, ideally fortnightly, with updates provided by the 7th calendar day of the subsequent reporting period. The Directions has instructed CICs to monitor the submission timelines and report any delays to the RBI's Department of Supervision every six months. The RBI also puts strict provisions for the unauthorized use of credit information by third parties, including subsidiaries and affiliates of the entity holding the data.

Reserve Bank of India (Non-Banking Financial Companies– Credit Facilities) Directions, 2025

On November 28, 2025, the Reserve Bank of India ("**RBI**") issued the *Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025* ("**Credit Facilities Directions**") under Sections 45JA, 45L and 45M of the RBI Act, 1934, Section 30A and 32 of the NHB Act, 1987, and Section 6 of the Factoring Regulation Act, 2011. The Directions consolidate and harmonise instructions relating to credit facilities across the NBFC sector. The Directions largely apply across regulatory layers to NBFC-D, NBFC-ICC, NBFC-Factor, NBFC-MFI, NBFC-IFC, IDF-NBFC and HFCs; with specified partial applicability for NBFC-BL without public funds/customer interface, CICs (limited paragraphs), and NBFC-P2P (limited paragraph on DLG reporting). MGCs, NBFC-AAs, SPDs, NOFHCs, and NBFCs without public funds and customer interface are excluded. NBFCs must adopt Board-approved policies covering Digital Lending (including Default Loss Guarantee or "**DLG**"), Lending against Gold/Silver collateral, Microfinance loans, Project Finance, Demand/Call loans, and Housing Finance.

Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025

On November 28, 2025, the Reserve Bank of India ("RBI") issued the *Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025* ("**Responsible Business Conduct Directions**"). Issued under Sections 45JA, 45L and 45M of the RBI Act, 1934, these Directions introduce a uniform, principle-based framework intended to strengthen fair conduct, transparency, and customer protection across the entire NBFC sector. These Directions apply to NBFC-D, NBFC-ICC, NBFC-Factor, NBFC-MFI, NBFC-IFC, IDF-NBFC, and Housing Finance Companies, across all layers of regulation, unless specified otherwise. Certain entities such as Mortgage Guarantee Companies, Core Investment Companies, NBFC-Account Aggregators, Standalone Primary Dealers, and NBFCs without customer interface are excluded. The framework lays down comprehensive norms relating to institutional governance, fair lending practices, consumer protection, transparency in pricing, interest-rate reset mechanisms, pre-payment rules, and detailed conduct requirements for gold and silver collateral loans, microfinance lending, and recovery practices.

NBFCs are required to implement Board-approved policies covering Fair Practices Code, grievance redressal, interest-rate practices, conduct in gold/silver lending, microfinance lending, floating-rate resets, engagement of recovery agents, and Code of Conduct for DSAs/DMAs. The Board must periodically review compliance with these policies and grievance redressal mechanisms. NBFCs with customer interface must follow detailed requirements relating to loan applications, appraisal, sanction, and disbursal. This includes providing loan agreements and all enclosures in a language understood by the borrower, disclosure of penal charges, transparent communication of changes in loan terms, and non-harassment provisions during recovery. For all retail and MSME term loans, NBFCs must provide a standardised, easy-to-understand Key Fact Statement containing the Annual Percentage Rate (APR), amortisation schedule, fees and charges, and all critical loan terms. Fees not mentioned in the KFS cannot be charged later without explicit borrower consent.

The Responsible Business Conduct Directions introduce a comprehensive, standardised framework governing lending against gold and silver, applicable no later than April 1, 2026.

Lending against Gold and Silver Collateral

The operational conduct provisions must be adopted no later than April 1, 2026. Board policies must set single-borrower/portfolio limits, valuation standards, purity standards, LTV ceilings and breach actions, and documentation for PSL classification. Detailed credit assessment is required above ₹2.5 lakh per borrower (for bullet loans, the total amount payable at maturity is considered for this threshold). Renewals/top-ups are allowed within LTV limits and only if the loan is standard (for bullet loans, post-interest payment). NBFCs cannot finance purchase of gold/silver or financial assets backed by them, and cannot lend against primary gold/silver. Ownership must be established; frequent/multiple loans beyond internal thresholds must be AML-monitored. Bullet consumption loans are capped at 12 months. Aggregate collateral per borrower is capped at 1 kg (gold ornaments), 10 kg (silver ornaments); coins are capped at 50 g (gold) and 500 g (silver). Re-pledging borrower collateral or lending against third-party re-pledged collateral is prohibited. Collateral must be valued at lower of (i) 30-day average closing price for actual purity, or (ii) previous day's closing price, as published by IBJA or a SEBI-regulated commodity exchange; only intrinsic metal value counts (stones/other elements excluded). Where specific purity quotes are unavailable, nearest purity is used with proportional weight adjustment.

LTV caps (consumption loans) are as follows.

- ≤ ₹2.5 lakh: 85%
- > ₹2.5 lakh & ≤ ₹5 lakh: 80%
- > ₹5 lakh: 75%

LTV must be maintained throughout the tenor (for bullet loans, LTV considers the total maturity amount).

Disbursals are generally to the borrower's bank account; KYC and Income-tax provisions (Sections 269SS/269T) must be observed. Multiple concurrent loans require stricter audits; NBFCs must disclose in their balance sheet the percentage of loans against gold and against silver.

Microfinance Loans

A collateral-free loan to a household with annual income up to ₹3,00,000; all collateral-free loans to such low-income households are microfinance loans and cannot be linked to a lien on the borrower's deposit. NBFCs must adopt a Board-approved methodology to assess household income (parameters for profile, income, and expenses are prescribed) and report household income to CICs. Total monthly loan repayment obligations for the household are capped at 50% of monthly household income; where exceeded, existing loans may run off but no new loans may be granted until the cap is met. Repayment periodicity flexibility must be provided; pricing must follow a documented interest-rate model with ceilings and be non-usurious.

Master Circular - Bank Finance to Non-Banking Financial Companies (NBFCs) dated April 01, 2025 ("Bank Finance Circular")

The RBI has issued guidelines *vide* a master circular bearing number RBI/2025-26/15 DOR.CRE.REC.No.05/21.04.172/2025-26 dated April 01, 2025 ("**Bank Finance Circular**") laying down the regulatory policy regarding financing of NBFCs by banks. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or inter-corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) all types of loans and advances by NBFCs to their subsidiaries, group companies/ entities; (v) further lending to individuals for the purpose of subscribing to an initial public offer and for purchase of shares from secondary market.

The Bank Finance Circular also lays down the following prudential ceilings for exposure of Banks to NBFCs:

i. Banks' exposures to a single NBFC (excluding gold loan companies) will be restricted to 20 percent of their eligible capital base (Tier I capital). However, based on the risk perception, more stringent exposure limits in respect of certain categories of NBFCs may be considered by banks. Banks' exposures to a group of connected NBFCs or group of connected counterparties having NBFCs in the group will be restricted to 25 percent of their Tier I Capital.
ii. The exposure of a bank to a single NBFC which is predominantly engaged in lending against collateral of gold jewellery (i.e. such loans comprising 50 per cent or more of their financial assets), shall not exceed 7.5 per cent of the bank's capital funds (Tier I plus Tier II Capital). However, this exposure ceiling may go up by 5 per cent, i.e., up to 12.5 per cent of banks' capital funds if the additional exposure is on account of funds on-lent by such NBFCs to the infrastructure sector
iii. Banks may also consider fixing internal limits for their aggregate exposure to all NBFCs put together. Banks should have an internal sub-limit on their aggregate exposures to all NBFCs, having gold loans to the extent of 50 per cent or more of their total financial assets, taken together. This sub-limit should be within the internal limit, where fixed by the banks for their aggregate exposure to all NBFCs put together as prescribed

Supervisory Framework

In order to ensure adherence to the regulatory framework by NBFCs-ML, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution with requirement to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalisation of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013 the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred relating to the above, is unfavorable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI , it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the registered office of the company is located.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "**DRT Act**") provides for establishment of the Debts Recovery Tribunals (the "**DRTs**") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

Anti-Money Laundering

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy framework for the Prevention of Money Laundering Act, 2002 ("**PMLA**") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 10 lakhs; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 10 lakhs where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 10 lakhs. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

RBI Notification dated December 3, 2015 titled "Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards" states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document 'Improving Global AML/CFT Compliance: on-going process' as on October 23, 2015.

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI")

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default.

The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution or an NBFC may sell financial assets to an asset reconstruction company provided the asset is an NPA. A bank or financial institution or NBFC may sell a financial asset only if the borrower has a consortium or multiple banking arrangements and at least 75% by value of the total loans to the borrower are classified as an NPA and at least 75% by the value of the banks and financial institutions in the consortium or multiple banking arrangement agree to the sale. In addition to the above, a financial asset may be sold by any bank or financial institution where the asset is reported, by the bank financial institution to Central Repository for Information on Large Credit, as an NPA wherein the principal or interest payment is overdue between 61-90 days.

As per the SARFAESI Amendment Act of 2004, the constitutional validity of which was upheld in a recent

Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issues by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a "without recourse" basis only.

The SARFAESI Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016 (which amended S.13 of SARFAESI). As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting inter alia any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act.

Further, in accordance with Ministry of Finance notification no. S.O. 856(E) dated February 24, 2020, the eligibility limit for to enforcement of security interest with respect to secured debt recovery by NBFCs (having assets worth ₹ 100 Crores and above) has been reduced from ₹ 1 Crore to ₹ 50 Lakhs.

Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 ("**Bankruptcy Code**") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process. RBI *vide* its circular dated June 7, 2019, laid down the Prudential Framework for Resolution of Stressed Assets whereby prescribing the regulatory approach for resolution of stressed assets interalia by: (i) early recognition and reporting of default by banks, financial institutions and NBFCs in respect of large borrowers; (ii) Affording complete discretion to lenders with regard to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluation; (iii) Laying down a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings; (iv) Withdrawal of asset classification dispensations on restructuring. Future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period; and (v) Requiring the mandatory signing of an inter-creditor agreement (ICA) by all lenders, which will provide for a majority decision making criteria. MCA *vide* notification dated November 15, 2019, issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ("**FSP Rules**") interalia governing the corporate insolvency resolution process and liquidation process of Financial Service Providers (FSPs) under the Bankruptcy Code. The issuance of the FSP Rules has made viable and unified resolution process accessible for the FSPs and their creditors with some procedural differences.

The Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules 2019 ("IBC Rules, 2019")

The Bankruptcy Code, which regulates the insolvency resolution process for "corporate persons" previously excluded financial service providers from its purview. With the notification of the IBC Rules, 2019, the provisions of the Bankruptcy Code will apply to financial service providers as well, which are subject to modifications and

additional conditions as set out in the IBC Rules, 2019. Financial service providers are defined to mean persons engaged in the business of providing financial services in terms of authorisation issued or registration granted by a financial sector regulator under the Bankruptcy Code. "Financial services" is broadly defined in the Bankruptcy Code, and includes, inter alia, services in the nature of acceptance of deposits, administration of assets, underwriting services, advisory services with respect to dealings in financial products, operation of an investment scheme, and maintenance of records of ownership of a financial product. The IBC Rules, 2019, lays down the provisions for setting up an advisory committee, resolution plan and the liquidation process of financial service providers.

Foreign Investment Regulations

Foreign investment in Indian securities is regulated through the Consolidated Foreign Direct Investment ("**FDI**") Policy and Foreign Exchange Management Act, 1999 ("**FEMA**"). The government bodies responsible for granting foreign investment approvals are the concerned ministries/ departments of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments. Subsequently, the Department of Industrial Policy & Promotion ("**DIPP**") issued the Standard Operating Procedure for processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the "**Competent Authority**") for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority. The DIPP has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendment to FEMA. In case of any conflict FEMA prevails.

The Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified by RBI on October 17, 2019, regulate investment in India by a person resident outside India in listed NCDs.

The Consolidated FDI Policy consolidates the policy framework in place as on August 27, 2017. Further, on January 4, 2018, the RBI released the Master Direction on Foreign Investment in India. Under the approval route, prior approval from the relevant ministry and competent authorities, as per the procedure established under the Standard Operating Procedure for processing FDI Proposals ("**SOP**") dated June 29, 2017 or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members. As per the sector specific guidelines of the Government of India, 100 per cent FDI/ Non-Resident Indian ("**NRI**") investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter-alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Labour Laws

India has stringent labour related legislations. Our Company is required to comply with certain labour laws, which include the Employees' Provident Funds and Miscellaneous Provisions Act 1952*, the Employees' State Insurance Act, 1948*, the Minimum Wages Act, 1948*, the Payment of Bonus Act, 1965*, Employees' Compensation Act, 1923*, the Payment of Gratuity Act, 1972*, Maternity Benefit Act, 1961* and the Payment of Wages Act, 1936*, amongst others*.

**The Government of India implemented the following: Code of Wages, 2019, Code of Social Security, 2020, the Occupational Safety, Health and Working Conditions Code, 2020 and the Industrial Relations Code, 2020, through Gazette notifications dated November 21, 2025. Post implementation of such labour codes, collectively they would replace and subsume these legislations. However, in the absence of finalization and enforcement of Central I state rules, schemes, and notifications, the existing legislations have not yet been subsumed. The codes now clarify the substantive standards employers must meet, the procedural details, including registration process, formats for returns, working hour provisions, process for recognition of trade unions, and inspection mechanisms, among other matters, will be shaped by forthcoming state rules.*

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

i. Code on Wages, 2019, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely-the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Certain provisions of this code relating to inter alia definitions, wage & bonus entitlements, payment timelines, and enforcement have been brought into force by the Ministry of Labour and Employment through a notification dated November 21, 2025, and other provisions of this code will be brought into effect on a date to be notified by the Government of lndia.

ii. Industrial Relations Code, 2020, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes received the assent of the President of India on September 28, 2020. It received the assent of the President of India on September 28, 2020. All provisions of this code have been brought into effect by the Ministry of Labour and Employment through a notification dated November 21, 2025. It has subsumed the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

iii. Code on Social Security, 2020, which received the assent of the President oflndia on September 28, 2020. Through its notification dated November 21, 2025, the Ministry of Labour and Employment has brought into effect certain provisions of this code and the remaining provisions of this code will be brought into force on a date to be notified by the Government of India. It amends and consolidates laws relating to social security, and subsumes various social security related legislations, inter alia including the Employee's Compensation Act, 1923, Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972.

iv. Occupational Safety, Health and Working Conditions Code, 2020, received the assent of the President oflndia on September 28, 2020, which amends and subsumes certain existing legislations, including Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. This code provides for, among other things, standard for health, safety and working conditions for employees of establishment and has come into effect on November 21, 2025.

Intellectual Property

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

SECTION VIII – SUMMARY OF MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. In case of any inconsistency between the Articles of Association of our Company and the Companies Act, 1956 and Companies Act, 2013, the provisions of the Companies Act, 1956 and the Companies Act 2013 shall prevail over the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act, 1956 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

SHARE CAPITAL AND VARIATION OF RIGHTS

1. The Authorised Share Capital of the Company shall be such sum as may be prescribed under Clause V of Memorandum of Association divided into such number of shares of prescribed face value as amended from time to time, which may be increased or reduced in accordance with the provisions of the Companies Act, 2013.

   Subject to the provisions of the Companies Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,

   a. one certificate for all his shares without payment of any charges; or
   b. several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first

   (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon

   (iii)In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate

   (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (i) The company may exercise the powers of paying commissions conferred by sub- section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.

   (ii)The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

   (iii)The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or

partly in the one way and partly in the other.

6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

   (ii) To every such separate meeting, the provisions of these regulations relating general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further share ranking pari passu therewith.

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

LIEN

9. (i) The company shall have a first and paramount lien—

   (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
   (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

   Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

   (ii)The company's lien, if any, on a share shall extend to all dividend bonuses declared from time to time in respect of such shares.

10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
    Provided that no sale shall be made—

    (a) unless a sum in respect of which the lien exists is presently payable; or
    (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

    (ii)The purchaser shall be registered as the holder of the shares comprised in any such transfer.

    (iii)The purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

    (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale

CALLS ON SHARES

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their

shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call

(ii)Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii)A call may be revoked or postponed at the discretion of the Board

14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium,

shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

18. The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b)upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

TRANSFER OF SHARES

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

20. The Board may, subject to the right of appeal conferred by section 58 decline to register—

(a)the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b)any transfer of shares on which the company has a lien.

21. The Board may decline to recognise any instrument of transfer unless—

(a)the instrument of transfer is in the form as prescribed in rules made under sub- section (1) of section 56;

(b)the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c)the instrument of transfer is in respect of only one class of shares.

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

TRANSMISSION OF SHARES

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a shareholder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a)to be registered himself as holder of the share; or
(b)to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii)If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii)All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have complied with.

FORFEITURE OF SHARES

27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

28. The notice aforesaid shall—

(a)name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b)state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect

30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii)The transferee shall thereupon be registered as the holder of the share; and

(iv)The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

33. The provisions of these regulations as to forfeiture shall apply in the case of non payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

35. Subject to the provisions of section 61, the company may, by ordinary resolution,-

(a)consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b)convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c)sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d)cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

36. Where shares are converted into stock,—

(a)the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b)the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c)such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words share and shareholder‖ in those regulations shall include- stock and stock-holder respectively.

37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

(a)its share capital;
(b)any capital redemption reserve account; or
(c)any share premium account.

CAPITALISATION OF PROFITS

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

GENERAL MEETINGS

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.

42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

ADJOURNMENT OF MEETING

47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so, directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii)No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii)When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv)Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice

of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

    (a)on a show of hands, every member present in person shall have one vote; and

    (b)on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

    (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

54. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

    (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

    Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

58. The first directors of the company as on the date of the Incorporation were:

    1. K. Varalakshmi

2. Ramamurthy
3. Ashwini Kumar
4. K.V. Reddy Panthulu

59. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

60. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a)in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b)in connection with the business of the company.

61. The Board may pay all expenses incurred in getting up and registering the company.

62. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

63. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

64. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

65. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

65A. Subject to the provisions of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 read with Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 (including any amendments or re-enactment thereof, for the time being in force), the Board is required to appoint a person nominated by the debenture trustee(s) as a director on the Board of Directors of the Company within such period from the date of receipt of nomination from the debenture trustee(s) as applicable from time to time.

PROCEEDINGS OF THE BOARD

66. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

67. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

68. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or

director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

69. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

70. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

71. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

72. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

73. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

74. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

75. Subject to the provisions of the Act,—

(i)A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii)A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

76. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

77. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of

the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or chief executive officer or chief financial officer or functional heads or such other person as the Board or Committee of the Board may appoint for the purpose; and those two directors and the secretary or the chief executive officer or chief financial officer or functional heads or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDENDS AND RESERVE

78. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

79. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

80. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

    (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

81. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

    (ii)No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

    (iii)All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

82. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

83. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

    (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

84. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

85. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

86. No dividend shall bear interest against the company.

ACCOUNTS

87. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

WINDING UP

88. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i)If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii)For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii)The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

89. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION IX -OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and documents (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Prospectus) which are or may be deemed material have been entered or/are to be entered into by our Company. These contracts which are or may be deemed material shall be attached to the copy of the Prospectus to be delivered to the Registrar of Companies, Telangana at Hyderabad ("**RoC**") for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 10:00 am to 5:00 pm on Working Days from the date of the filing of the Prospectus with the RoC until the Issue Closing Date.

Material Contracts

1. Issue Agreement dated August 03, 2026, between the Company and the Lead Manager;

2. Registrar Agreement dated July 23, 2026, between the Company and the Registrar to the Issue;

3. Debenture Trustee Agreement dated July 23, 2026, between the Company and Vistra ITCL (India) Limited, the Debenture Trustee;

4. Public Issue Account and Sponsor Bank Agreement dated August 12, 2026, executed by our Company, the Registrar, the Public Issue Account Bank(s), Sponsor Bank and Lead Manager;

5. Syndicate Agreement dated August 13, 2026, between the Company and the Syndicate Members;

6. Tripartite Agreement dated April 25, 2018, between CDSL, the Company and the Registrar to the Issue;

7. Tripartite Agreement dated August 24, 2018, between NSDL, the Company and the Registrar to the Issue; and

8. Agreed form of the Debenture Trust cum Hypothecation Deed to be executed between our Company and the Debenture Trustee.

Material Documents

1. Original certificate of incorporation of Company dated April 28, 1997, issued by Registrar of Companies, Andhra Pradesh at Hyderabad;

2. Revised certificate of incorporation of the Company dated February 29, 2016, issued by Registrar of Companies, Telangana at Hyderabad, pursuant to change of name;

3. Memorandum and Articles of Association of the Company, as amended to date;

4. The certificate of registration No. B-09.00006 dated March 15, 2016 issued by RBI under Section 45IA of the RBI Act;

5. Credit rating letter dated July 31, 2026, from Acuite Ratings & Research Private Limited, granting credit rating to the NCDs, for the proposed non-convertible debenture issue;

6. Copy of the Board Resolution dated May 22, 2026, approving the Issue;

7. Resolution passed by the shareholders of the Company at the Extra Ordinary General Meeting held on January 05, 2022, approving the overall borrowing limit of Company;

8. Copy of the Debenture Committee resolution dated August 03, 2026, approving the Draft Prospectus;

9. Copy of the Debenture Committee resolution dated August 13, 2026, approving this Prospectus;

10. Share Purchase Agreement dated March 9, 2013 entered into amongst Varalakshmi Kanapala, Satyanarayana

Konapala, Konapala Rajasekhar, Balla Ramalingeswara Rao, Uppu Nagaratnam, K V L Narayana, Vatti Satyavathi, Vatti Arjuna Rao and Sri Lakshmi K, Biji Shibu, Jijo M Varghese, Simi Gijo, Princy Josekutty, Ann Jose, Bindu Peeyus, Chinnamma Kuriakose, John J Pullan and Aleyamma Varghese, and our Company;

11. Consents of the Directors, Chief Financial Officer, Statutory Auditor, Lead Manager, Debenture Trustee, Credit Rating Agency, Company Secretary and Compliance Officer, Legal Advisor to the Issue, CRISIL Limited, Bankers to the Company, Public Issue Account Bank, Refund Bank, Sponsor Bank and the Registrar to the Issue, to include their names in this Proseptus and the Draft Prospectus;

12. Our Company has further received a consent dated August 03, 2026, from A. John Moris & Co, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Prospectus and the Draft Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, in respect of report dated May 29, 2026, on the Audited Financial Statements for Fiscal 2026, and the report dated May 22, 2025, on the Audited Financial Statements for Fiscal 2025.

13. Industry report titled "*Industry report on gold loans, personal loans, MSME loans, and microfinance loans*", released in July, 2026 prepared and issued by CRISIL Limited;

14. Copy of Statutory Auditor's certificate on statement of possible tax benefits dated August 13, 2026;

15. Annual Reports of the Company for Financial Years 2026, 2025 and 2024;

16. Audited Financial Statements of the Company for the years ending March 31, 2026, March 31, 2025, and March 31, 2024;

17. Due diligence certificate dated August 03, 2026, from Debenture Trustee to the Issue;

18. Due diligence certificate dated August 13, 2026, filed with SEBI by the Lead Manager; and

19. In-principle listing approval letter bearing reference number DCS/BM/PI-Bond/09/26-27 dated August 11, 2026, issued by BSE, for the Issue.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the applicants, subject to compliance of the provisions contained in the provisions of the Companies Act, 2013 and other relevant statutes.

DECLARATION

I, the Director of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including all the relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. I hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

I further certify that all the disclosures and statements made in this Prospectus are true and correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Prospectus. Whatever is stated in this Prospectus, and in the attachments thereto, is true, correct and complete and no information material to the subject matter of this Prospectus has been suppressed or concealed and whatever is stated is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association. The contents of this Prospectus have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein shall also lie with Board of Directors.

Signed by the Director of our Company

Sd/-

_____

Biji Shibu
Executive Director

Place: Ernakulam

Date: August 13, 2026

DECLARATION

I, the Director of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including all the relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. I hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

I further certify that all the disclosures and statements made in this Prospectus are true and correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Prospectus. Whatever is stated in this Prospectus, and in the attachments thereto, is true, correct and complete and no information material to the subject matter of this Prospectus has been suppressed or concealed and whatever is stated is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association. The contents of this Prospectus have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein shall also lie with Board of Directors.

Signed by the Director of our Company

Sd/-

Shibu Theckumpurath Varghese
Whole-Time Director

Place: Ernakulam

Date: August 13, 2026

DECLARATION

I, the Director of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including all the relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. I hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

I further certify that all the disclosures and statements made in this Prospectus are true and correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Prospectus. Whatever is stated in this Prospectus, and in the attachments thereto, is true, correct and complete and no information material to the subject matter of this Prospectus has been suppressed or concealed and whatever is stated is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association. The contents of this Prospectus have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein shall also lie with Board of Directors.

Signed by the Director of our Company

Sd/-

Sreenivasan Thettalil Parameswaran Pillai
Chairman and Non-Executive Director

Place: Ernakulam

Date: August 13, 2026

DECLARATION

I, the Director of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including all the relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. I hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

I further certify that all the disclosures and statements made in this Prospectus are true and correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Prospectus. Whatever is stated in this Prospectus, and in the attachments thereto, is true, correct and complete and no information material to the subject matter of this Prospectus has been suppressed or concealed and whatever is stated is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association. The contents of this Prospectus have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein shall also lie with Board of Directors.

Signed by the Director of our Company

Sd/-

Erin Lizbeth Shibu
Additional Director (Non-Executive, Non-Independent)

Place: Ernakulam

Date: August 13, 2026

DECLARATION

I, the Director of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including all the relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. I hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

I further certify that all the disclosures and statements made in this Prospectus are true and correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Prospectus. Whatever is stated in this Prospectus, and in the attachments thereto, is true, correct and complete and no information material to the subject matter of this Prospectus has been suppressed or concealed and whatever is stated is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association. The contents of this Prospectus have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein shall also lie with Board of Directors.

Signed by the Director of our Company

Sd/-

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Kaippillil Mathew Kuriakose
Independent Director

Place: Ernakulam

Date: August 13, 2026

DECLARATION

I, the Director of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including all the relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. I hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

I further certify that all the disclosures and statements made in this Prospectus are true and correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Prospectus. Whatever is stated in this Prospectus, and in the attachments thereto, is true, correct and complete and no nformation material to the subject matter of this Prospectus has been suppressed or concealed and whatever is stated is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association. The contents of this Prospectus have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein shall also lie with Board of Directors.

Signed by the Director of our Company

Sd/-

Vadakumpadan Thomas Joy
Independent Director

Place: Ernakulam

Date: August 13, 2026

ANNEXURE I - ILLUSTRATIVE CASH FLOW

Day Count Convention

Interest on the NCDs shall be computed on an actual/actual basis for the broken period, if any. For Options I, III, IV, VI and VIII the interest shall be calculated from the first day till the last date of every month on an actual/actual basis during the tenor of such NCDs. Consequently, interest shall be computed on a 365 day a year basis on the principal outstanding on the NCDs. However, if period from the Deemed Date of Allotment/anniversary date of Allotment till one day prior to the next anniversary/redemption date includes February 29, interest shall be computed on 366 days a-year basis, on the principal outstanding on the NCDs.

For Options V, VII and IX interest shall be paid on an annual basis and the relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under Options V, VII and IX shall be made at the time of redemption of the NCDs.

For Options II and X interest shall be computed on a 365 day a year basis on the principal outstanding on the NCDs which have tenors on cumulative basis.

Illustration of cash-flows: To demonstrate the day count convention, please see the following table below, which describes the cash-flow in terms of interest payment and payment of Redemption Amount per NCD for all categories of NCD Holders.

Company	**KLM Axiva Finvest Limited**									
Face Value	₹ 1,000									
Day and Date of Allotment (tentative)	Wednesday, September 2, 2026									
Series	I	II	III	IV	V	VI	VII	VIII	IX	X
Tenure	400 Days	16 Months	18 Months	2 Years	2 Years	3 Years	3 Years	5 Years	5 Years	79 Months
Coupon (%) for NCD Holders in Category I, II and III	9.50%	NA	9.85%	10.00 %	10.25 %	10.25 %	10.50 %	10.75 %	11.00 %	NA
Frequency of the Interest Payment with specified dates starting from	Monthly	Cumulative	Monthly	Monthly	Annually	Monthly	Annually	Monthly	Annually	Cumulative

date of allotment										
Day Count Convention	Actual/Actual									

Series I

Cashflow	Interest Due Date (1)	Nos of Days in Coupon /Maturity	Amount (in ₹) / per Debenture	Date of Interest/Redemption Payment (2)
1st coupon	Thursday, 1 October, 2026	30	7.81	Saturday, 3 October, 2026
2nd coupon	Sunday, 1 November, 2026	31	8.07	Monday, 2 November, 2026
3rd coupon	Tuesday, 1 December, 2026	30	7.81	Wednesday, 2 December, 2026
4th coupon	Friday, 1 January, 2027	31	8.07	Saturday, 2 January, 2027
5th coupon	Monday, 1 February, 2027	31	8.07	Tuesday, 2 February, 2027
6th coupon	Monday, 1 March, 2027	28	7.29	Tuesday, 2 March, 2027
7th coupon	Thursday, 1 April, 2027	31	8.07	Friday, 2 April, 2027
8th coupon	Saturday, 1 May, 2027	30	7.81	Monday, 3 May, 2027
9th coupon	Tuesday, 1 June, 2027	31	8.07	Wednesday, 2 June, 2027
10th coupon	Thursday, 1 July, 2027	30	7.81	Friday, 2 July, 2027
11th coupon	Sunday, 1 August, 2027	31	8.07	Monday, 2 August, 2027
12th coupon	Wednesday, 1 September, 2027	31	8.07	Thursday, 2 September, 2027
13th coupon	Friday, 1 October, 2027	30	7.81	Monday, 4 October, 2027
14th coupon	Wednesday, 6 October, 2027	5	1.30	Wednesday, 6 October, 2027
Principal	**Wednesday, 6 October, 2027**	**400**	**1000.00**	**Wednesday, 6 October, 2027**

Series II

Cashflow	Interest Due Date (1)	Nos of Days in Coupon /Maturity	Amount (in ₹) / per Debenture	Date of Interest/Redemption Payment (2)
Cumulative	Sunday, 2 January, 2028	487.00	₹1,135.00	Friday, 31 December, 2027

Series III

Cashflow	Interest Due Date (1)	Nos of Days in Coupon /Maturity	Amount (in ₹) / per Debenture	Date of Interest/Redemption Payment(2)
1st coupon	Thursday, 1 October, 2026	30	8.10	Saturday, 3 October, 2026
2nd coupon	Sunday, 1 November, 2026	31	8.37	Monday, 2 November, 2026
3rd coupon	Tuesday, 1 December, 2026	30	8.10	Wednesday, 2 December, 2026
4th coupon	Friday, 1 January, 2027	31	8.37	Saturday, 2 January, 2027
5th coupon	Monday, 1 February, 2027	31	8.37	Tuesday, 2 February, 2027
6th coupon	Monday, 1 March, 2027	28	7.56	Tuesday, 2 March, 2027
7th coupon	Thursday, 1 April, 2027	31	8.37	Friday, 2 April, 2027
8th coupon	Saturday, 1 May, 2027	30	8.10	Monday, 3 May, 2027
9th coupon	Tuesday, 1 June, 2027	31	8.37	Wednesday, 2 June, 2027
10th coupon	Thursday, 1 July, 2027	30	8.10	Friday, 2 July, 2027
11th coupon	Sunday, 1 August, 2027	31	8.37	Monday, 2 August, 2027
12th coupon	Wednesday, 1 September, 2027	31	8.37	Thursday, 2 September, 2027
13th coupon	Friday, 1 October, 2027	30	8.10	Monday, 4 October, 2027
14th coupon	Monday, 1 November, 2027	31	8.37	Tuesday, 2 November, 2027
15th coupon	Wednesday, 1 December, 2027	30	8.10	Thursday, 2 December, 2027
16th coupon	Saturday, 1 January, 2028	31	8.37	Monday, 3 January, 2028
17th coupon	Tuesday, 1 February, 2028	31	8.34	Wednesday, 2 February, 2028
18th coupon	Thursday, 2 March, 2028	30	8.07	Thursday, 2 March, 2028
Principal	**Thursday, 2 March, 2028**	**548**	**1000**	**Thursday, 2 March, 2028**

Series IV

Cashflow	Interest Due Date (1)	Nos of Days in Coupon /Maturity	Amount (in ₹) / per Debenture	Date of Interest/Redemption Payment(2)
1st coupon	Thursday, 1 October, 2026	30	8.22	Saturday, 3 October, 2026
2nd coupon	Sunday, 1 November, 2026	31	8.49	Monday, 2 November, 2026
3rd coupon	Tuesday, 1 December, 2026	30	8.22	Wednesday, 2 December, 2026
4th coupon	Friday, 1 January, 2027	31	8.49	Saturday, 2 January, 2027

Cashflow	Interest Due Date (1)	Nos of Days in Coupon /Maturity	Amount (in ₹) / per Debenture	Date of Interest/Redemption Payment(2)
5th coupon	Monday, 1 February, 2027	31	8.49	Tuesday, 2 February, 2027
6th coupon	Monday, 1 March, 2027	28	7.67	Tuesday, 2 March, 2027
7th coupon	Thursday, 1 April, 2027	31	8.49	Friday, 2 April, 2027
8th coupon	Saturday, 1 May, 2027	30	8.22	Monday, 3 May, 2027
9th coupon	Tuesday, 1 June, 2027	31	8.49	Wednesday, 2 June, 2027
10th coupon	Thursday, 1 July, 2027	30	8.22	Friday, 2 July, 2027
11th coupon	Sunday, 1 August, 2027	31	8.49	Monday, 2 August, 2027
12th coupon	Wednesday, 1 September, 2027	31	8.49	Thursday, 2 September, 2027
13th coupon	Friday, 1 October, 2027	30	8.22	Monday, 4 October, 2027
14th coupon	Monday, 1 November, 2027	31	8.49	Tuesday, 2 November, 2027
15th coupon	Wednesday, 1 December, 2027	30	8.22	Thursday, 2 December, 2027
16th coupon	Saturday, 1 January, 2028	31	8.49	Monday, 3 January, 2028
17th coupon	Tuesday, 1 February, 2028	31	8.47	Wednesday, 2 February, 2028
18th coupon	Wednesday, 1 March, 2028	29	7.92	Thursday, 2 March, 2028
19th coupon	Saturday, 1 April, 2028	31	8.47	Monday, 3 April, 2028
20th coupon	Monday, 1 May, 2028	30	8.20	Tuesday, 2 May, 2028
21th coupon	Thursday, 1 June, 2028	31	8.47	Friday, 2 June, 2028
22th coupon	Saturday, 1 July, 2028	30	8.20	Monday, 3 July, 2028
23th coupon	Tuesday, 1 August, 2028	31	8.47	Wednesday, 2 August, 2028
24th coupon	Saturday, 2 September, 2028	32	8.74	Saturday, 2 September, 2028
Principal	**Saturday, 2 September, 2028**	**732**	**1000.00**	**Saturday, 2 September, 2028**

Series V

Cashflow	Interest Due Date (1)	Nos of Days in Coupon /Maturity	Amount (in ₹) / per Debenture	Date of Interest/Redemption Payment(2)
1st coupon	Thursday, 2 September, 2027	366	102.78	Friday, 3 September, 2027
2nd coupon	Saturday, 2 September, 2028	366	102.50	Saturday, 2 September, 2028

Cashflow	Interest Due Date (1)	Nos of Days in Coupon /Maturity	Amount (in ₹) / per Debenture	Date of Interest/Redemption Payment(2)
Principal	**Saturday, 2 September, 2028**	**732**	**1000.00**	**Saturday, 2 September, 2028**

Series VI

Cashflow	Interest Due Date (1)	Nos of Days in Coupon /Maturity	Amount (in ₹) / per Debenture	Date of Interest/Redemption Payment(2)
1st coupon	Thursday, 1 October, 2026	30	8.42	Saturday, 3 October, 2026
2nd coupon	Sunday, 1 November, 2026	31	8.71	Monday, 2 November, 2026
3rd coupon	Tuesday, 1 December, 2026	30	8.42	Wednesday, 2 December, 2026
4th coupon	Friday, 1 January, 2027	31	8.71	Saturday, 2 January, 2027
5th coupon	Monday, 1 February, 2027	31	8.71	Tuesday, 2 February, 2027
6th coupon	Monday, 1 March, 2027	28	7.86	Tuesday, 2 March, 2027
7th coupon	Thursday, 1 April, 2027	31	8.71	Friday, 2 April, 2027
8th coupon	Saturday, 1 May, 2027	30	8.42	Monday, 3 May, 2027
9th coupon	Tuesday, 1 June, 2027	31	8.71	Wednesday, 2 June, 2027
10th coupon	Thursday, 1 July, 2027	30	8.42	Friday, 2 July, 2027
11th coupon	Sunday, 1 August, 2027	31	8.71	Monday, 2 August, 2027
12th coupon	Wednesday, 1 September, 2027	31	8.71	Thursday, 2 September, 2027
13th coupon	Friday, 1 October, 2027	30	8.42	Monday, 4 October, 2027
14th coupon	Monday, 1 November, 2027	31	8.71	Tuesday, 2 November, 2027
15th coupon	Wednesday, 1 December, 2027	30	8.42	Thursday, 2 December, 2027
16th coupon	Saturday, 1 January, 2028	31	8.71	Monday, 3 January, 2028
17th coupon	Tuesday, 1 February, 2028	31	8.68	Wednesday, 2 February, 2028
18th coupon	Wednesday, 1 March, 2028	29	8.12	Thursday, 2 March, 2028
19th coupon	Saturday, 1 April, 2028	31	8.68	Monday, 3 April, 2028
20th coupon	Monday, 1 May, 2028	30	8.40	Tuesday, 2 May, 2028
21th coupon	Thursday, 1 June, 2028	31	8.68	Friday, 2 June, 2028

Cashflow	Interest Due Date (1)	Nos of Days in Coupon /Maturity	Amount (in ₹) / per Debenture	Date of Interest/Redemption Payment(2)
22th coupon	Saturday, 1 July, 2028	30	8.40	Monday, 3 July, 2028
23th coupon	Tuesday, 1 August, 2028	31	8.68	Wednesday, 2 August, 2028
24th coupon	Friday, 1 September, 2028	31	8.68	Saturday, 2 September, 2028
25th coupon	Sunday, 1 October, 2028	30	8.40	Wednesday, 4 October, 2028
26th coupon	Wednesday, 1 November, 2028	31	8.68	Thursday, 2 November, 2028
27th coupon	Friday, 1 December, 2028	30	8.40	Saturday, 2 December, 2028
28th coupon	Monday, 1 January, 2029	31	8.68	Tuesday, 2 January, 2029
29th coupon	Thursday, 1 February, 2029	31	8.71	Friday, 2 February, 2029
30th coupon	Thursday, 1 March, 2029	28	7.86	Friday, 2 March, 2029
31st coupon	Sunday, 1 April, 2029	31	8.71	Monday, 2 April, 2029
32nd coupon	Tuesday, 1 May, 2029	30	8.42	Wednesday, 2 May, 2029
33rd coupon	Friday, 1 June, 2029	31	8.71	Saturday, 2 June, 2029
34th coupon	Sunday, 1 July, 2029	30	8.42	Monday, 2 July, 2029
35th coupon	Wednesday, 1 August, 2029	31	8.71	Thursday, 2 August, 2029
36th coupon	Sunday, 2 September, 2029	31	8.71	Saturday, 1 September, 2029
Principal	**Sunday, 2 September, 2029**	**1096**	**1000.00**	**Saturday, 1 September, 2029**

Series VII

Cashflow	Interest Due Date (1)	Nos of Days in Coupon /Maturity	Amount (in ₹) / per Debenture	Date of Interest/Redemption Payment(2)
1st coupon	Thursday, 2 September, 2027	365	105.00	Friday, 3 September, 2027
2nd coupon	Saturday, 2 September, 2028	366	105.00	Monday, 4 September, 2028
3rd coupon	Sunday, 2 September, 2029	365	105.00	Saturday, 1 September, 2029
Principal	**Sunday, 2 September, 2029**	**1096**	**1000.00**	**Saturday, 1 September, 2029**

Series VIII

Cashflow	Interest Due Date [(1)]	Nos of Days in Coupon /Maturity	Amount (in ₹) / per Debenture	Date of Interest/Redemption Payment[(2)]
1st coupon	Thursday, 1 October, 2026	30	8.84	Saturday, 3 October, 2026
2nd coupon	Sunday, 1 November, 2026	31	9.13	Monday, 2 November, 2026
3rd coupon	Tuesday, 1 December, 2026	30	8.84	Wednesday, 2 December, 2026
4th coupon	Friday, 1 January, 2027	31	9.13	Saturday, 2 January, 2027
5th coupon	Monday, 1 February, 2027	31	9.13	Tuesday, 2 February, 2027
6th coupon	Monday, 1 March, 2027	28	8.25	Tuesday, 2 March, 2027
7th coupon	Thursday, 1 April, 2027	31	9.13	Friday, 2 April, 2027
8th coupon	Saturday, 1 May, 2027	30	8.84	Monday, 3 May, 2027
9th coupon	Tuesday, 1 June, 2027	31	9.13	Wednesday, 2 June, 2027
10th coupon	Thursday, 1 July, 2027	30	8.84	Friday, 2 July, 2027
11th coupon	Sunday, 1 August, 2027	31	9.13	Tuesday, 3 August, 2027
12th coupon	Wednesday, 1 September, 2027	31	9.13	Thursday, 2 September, 2027
13th coupon	Friday, 1 October, 2027	30	8.84	Monday, 4 October, 2027
14th coupon	Monday, 1 November, 2027	31	9.13	Tuesday, 2 November, 2027
15th coupon	Wednesday, 1 December, 2027	30	8.84	Thursday, 2 December, 2027
16th coupon	Saturday, 1 January, 2028	31	9.13	Monday, 3 January, 2028
17th coupon	Tuesday, 1 February, 2028	31	9.11	Wednesday, 2 February, 2028
18th coupon	Wednesday, 1 March, 2028	29	8.52	Thursday, 2 March, 2028
19th coupon	Saturday, 1 April, 2028	31	9.11	Monday, 3 April, 2028
20th coupon	Monday, 1 May, 2028	30	8.81	Wednesday, 3 May, 2028
21th coupon	Thursday, 1 June, 2028	31	9.11	Friday, 2 June, 2028
22th coupon	Saturday, 1 July, 2028	30	8.81	Monday, 3 July, 2028
23th coupon	Tuesday, 1 August, 2028	31	9.11	Wednesday, 2 August, 2028
24th coupon	Friday, 1 September, 2028	31	9.11	Saturday, 2 September, 2028

Cashflow	Interest Due Date [(1)]	Nos of Days in Coupon /Maturity	Amount (in ₹) / per Debenture	Date of Interest/Redemption Payment[(2)]
25th coupon	Sunday, 1 October, 2028	30	8.81	Wednesday, 4 October, 2028
26th coupon	Wednesday, 1 November, 2028	31	9.11	Thursday, 2 November, 2028
27th coupon	Friday, 1 December, 2028	30	8.81	Saturday, 2 December, 2028
28th coupon	Monday, 1 January, 2029	31	9.11	Tuesday, 2 January, 2029
29th coupon	Thursday, 1 February, 2029	31	9.13	Friday, 2 February, 2029
30th coupon	Thursday, 1 March, 2029	28	8.25	Friday, 2 March, 2029
31st coupon	Sunday, 1 April, 2029	31	9.13	Monday, 2 April, 2029
32nd coupon	Tuesday, 1 May, 2029	30	8.84	Wednesday, 2 May, 2029
33rd coupon	Friday, 1 June, 2029	31	9.13	Saturday, 2 June, 2029
34th coupon	Sunday, 1 July, 2029	30	8.84	Monday, 2 July, 2029
35th coupon	Wednesday, 1 August, 2029	31	9.13	Thursday, 2 August, 2029
36th coupon	Saturday, 1 September, 2029	31	9.13	Monday, 3 September, 2029
37th coupon	Monday, 1 October, 2029	30	8.84	Thursday, 4 October, 2029
38th coupon	Thursday, 1 November, 2029	31	9.13	Friday, 2 November, 2029
39th coupon	Saturday, 1 December, 2029	30	8.84	Monday, 3 December, 2029
40th coupon	Tuesday, 1 January, 2030	31	9.13	Wednesday, 2 January, 2030
41st coupon	Friday, 1 February, 2030	31	9.13	Saturday, 2 February, 2030
42nd coupon	Friday, 1 March, 2030	28	8.25	Saturday, 2 March, 2030
43rd coupon	Monday, 1 April, 2030	31	9.13	Tuesday, 2 April, 2030
44th coupon	Wednesday, 1 May, 2030	30	8.84	Thursday, 2 May, 2030
45th coupon	Saturday, 1 June, 2030	31	9.13	Monday, 3 June, 2030
46th coupon	Monday, 1 July, 2030	30	8.84	Tuesday, 2 July, 2030
47th coupon	Thursday, 1 August, 2030	31	9.13	Friday, 2 August, 2030
48th coupon	Sunday, 1 September, 2030	31	9.13	Monday, 2 September, 2030

Cashflow	Interest Due Date [(1)]	Nos of Days in Coupon /Maturity	Amount (in ₹) / per Debenture	Date of Interest/Redemption Payment[(2)]
49th coupon	Tuesday, 1 October, 2030	30	8.84	Thursday, 3 October, 2030
50th coupon	Friday, 1 November, 2030	31	9.13	Saturday, 2 November, 2030
51st coupon	Sunday, 1 December, 2030	30	8.84	Monday, 2 December, 2030
52nd coupon	Wednesday, 1 January, 2031	31	9.13	Thursday, 2 January, 2031
53rd coupon	Saturday, 1 February, 2031	31	9.13	Monday, 3 February, 2031
54th coupon	Saturday, 1 March, 2031	28	8.25	Monday, 3 March, 2031
55th coupon	Tuesday, 1 April, 2031	31	9.13	Wednesday, 2 April, 2031
56th coupon	Thursday, 1 May, 2031	30	8.84	Friday, 2 May, 2031
57th coupon	Sunday, 1 June, 2031	31	9.13	Monday, 2 June, 2031
58th coupon	Tuesday, 1 July, 2031	30	8.84	Wednesday, 2 July, 2031
59th coupon	Friday, 1 August, 2031	31	9.13	Saturday, 2 August, 2031
60th coupon	Tuesday, 2 September, 2031	31	9.13	Tuesday, 2 September, 2031
Principal	**Tuesday, 2 September, 2031**	**1826**	**1000.00**	**Tuesday, 2 September, 2031**

Series IX

Cashflow	Interest Due Date [(1)]	Nos of Days in Coupon /Maturity	Amount (in ₹) / per Debenture	Date of Interest/Redemption Payment[(2)]
1st coupon	Thursday, 2 September, 2027	365	110.00	Friday, 3 September, 2027
2nd coupon	Saturday, 2 September, 2028	366	110.00	Monday, 4 September, 2028
3rd coupon	Sunday, 2 September, 2029	365	110.00	Monday, 3 September, 2029
4th coupon	Monday, 2 September, 2030	365	110.00	Tuesday, 3 September, 2030
5th coupon	Tuesday, 2 September, 2031	365	110.00	Tuesday, 2 September, 2031
Principal	**Tuesday, 2 September, 2031**	**1826**	**1000.00**	**Tuesday, 2 September, 2031**

Series X

Cashflow	Interest Due Date (1)	Nos of Days in Coupon /Maturity	Amount (in ₹) / per Debenture	Date of Interest/Redemption Payment (2)
Cumulative	Saturday, 2 April, 2033	2404	2000	Saturday, 2 April, 2033

1. Effect of public holidays has been ignored as these are difficult to ascertain for future period except January 26, August 15, October 2, day have been taken into consideration.
2. As per SEBI Operational Circular, in order to ensure uniformity for payment of interest/redemption on debt securities, the interest/redemption payment shall be made only on the Working Day. Therefore, if the interest payment date falls on a non-Working Day, the coupon payment shall be on the next day, which will be the next Working Day. However, the future coupon payment dates would be as per the schedule originally stipulated. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday. However, if the redemption date of the debt securities falls on non- Working Day, the redemption proceeds shall be paid on the previous Working Day.
3. Deemed Date of Allotment has been assumed to be Wednesday, September 2, 2026.
4. The last coupon payment will be paid along with maturity amount at the redemption date

ANNEXURE II – CREDIT RATING LETTER, RATING RATIONALE AND PRESS RELEASE

[APPENDED OVERLEAF]

Rating Letter - Intimation of Rating Action

Scan this QR Code to verify authenticity of this rating

Letter Issued on : July 31, 2026
Letter Expires on : September 24, 2026
Annual Fee valid till : September 24, 2026

KLM AXIVA FINVEST LIMITED
150/C-C5, KLM GRAND ESTATE,
EAST SERVICE ROAD, EDAPPALLY, ERNAKULAM
Kochi 682024
KERALA

Kind Attn.: Mr. Mr. Thanish Dalee, Cfo (Tel. No.9746402277)

Sir / Madam,

Sub.: Rating(s) Downgraded - Debt Instruments of KLM AXIVA FINVEST LIMITED

Please note that the current rating(s) and outlook, instrument details, and latest rating action for the aforementioned instrument are as under:

Product	Quantum (Rs. Cr) (SEBI)	Quantum (Rs. Cr) (Other FSR)	Long Term Rating	Short Term Rating	Regulated By
Non Convertible Debentures (NCD)	0.00	54.74	ACUITE BBB- | Negative | Downgraded | Stable to Negative	-	MCA
Non Convertible Debentures (NCD)	45.26	0.00	ACUITE BBB- | Negative | Downgraded | Stable to Negative	-	SEBI
Total Outstanding Quantum (Rs. Cr)	45.26	54.74	-	-	-

Note: For activities or ratings of instruments falling under the purview of Financial Sector Regulators other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Acuit® reserves the right to revise the rating(s), along with the outlook, at any time, on the basis of new information, or other circumstances which Acuit® believes may have an impact on the rating (s). Such revisions, if any, would be appropriately disseminated by Acuit® as required under prevailing SEBI guidelines and Acuit® õs policies.

This letter will expire on September 24, 2026 or on the day when Acuit® takes the next rating action, whichever is earlier. It may be noted that the rating(s) is subject to change anytime even before the expiry date of this letter. Hence lenders / investors are advised to visit https://www.acuite.in/ OR scan the QR code given above to confirm the current outstanding rating(s).

Acuit® will re-issue this rating letter on September 25, 2026 subject to receipt of surveillance fee as applicable. If the rating(s) is reviewed before September 24, 2026, Acuit® will issue a new rating letter.

Please note that under extant SEBI regulations and as per the terms of the rating agreement, once a rating is accepted and outstanding, the issuer is required to promptly furnish the ôNo Default Statementõ on the first working day of every month.

Sd/-
Chief Rating Officer
ê
This is a system generated document. No signature is required.

Annexures: êêêêêêêêê A. Details of the Rated Instrument

Annexure A. Details of the rated instrument					
Instruments	Listing status	Regulated By	Scale	Amt. (Rs. Cr)	Rating Assigned (Outlook) | Rating Action
Proposed Non Convertible Debentures	Unlisted	MCA	Long-term	54.74	ACUITE BBB- (Negative) | Downgraded
Non-Convertible Debentures (NCD)	Listed	SEBI	Long-term	9.45	ACUITE BBB- (Negative) | Downgraded
Non-Convertible Debentures (NCD)	Listed	SEBI	Long-term	9.07	ACUITE BBB- (Negative) | Downgraded
Non-Convertible Debentures (NCD)	Listed	SEBI	Long-term	9.43	ACUITE BBB- (Negative) | Downgraded
Non-Convertible Debentures (NCD)	Listed	SEBI	Long-term	13.61	ACUITE BBB- (Negative) | Downgraded
Non-Convertible Debentures (NCD)	Listed	SEBI	Long-term	3.70	ACUITE BBB- (Negative) | Downgraded
Total Quantum Rated				100.00	-

Note:ê For activities or ratings of instruments falling under the purview of Financial Sector Regulators other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

List of instruments and names of regulators of the instruments

As required by SEBI Circular (SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026) dated February 10, 2026, a list of activities or instruments falling under the purview of various Financial Sector Regulators (FSRs), along with the names of respective FSRs, is being disclosed below:

A. Rating Activity

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing Programme	-
15	Issuer Ratings	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI)	Investor-side Regulator such as IRDAI, PFRDA

¡ *Includes securitisation transactions involving assignee payout, acquirer's payout.*
[*Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.*
¡ *The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), Acuite shall separately capture the rated quantum details along with names of respective regulators.*

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side regulators have been included.

B. Other activities:

Sr. No.	Activity Name	Regulator of the activity
1	Monitoring Agency	SEBI
2	Research activities, incidental to rating, such as research for Economy, Industries and Companies	Not applicable

Permitted by SEBI vide SEBI Master Circular for CRAs.

Disclosure on instruments / activities and names of regulators:
A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has also been duly disclosed by Acuite on its website. A link to the same has been provided below for ready reference: https://acuite.in/Activities-and-Regulators.html

DISCLAIMER

An Acuit® rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy , sell or hold any security. Acuit® ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuit® , in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon.ê Acuit® is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings.Acuit® ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuit® , Acuit® õs rating scale and its definitions.

Any inadvertent omission or error in the rating letter which is discovered or brought to the notice of Acuite shall be rectified as soon as reasonably practicable not later than 48 hours of such discovery or notice. Such error or omission shall not render Acuite liable to any person for any kind of loss or damage including, but not limited to, any special, incidental, indirect or consequential damages caused by errors or omissions, provided such omission or error is rectified as soon as possible after discovery/notice.

Press Release

July 31, 2026

KLM AXIVA FINVEST LIMITED
Rating Assigned, Downgraded and Withdrawn

Product	Quantum (Rs. Cr) (SEBI)	Quantum (Rs. Cr) (Other FSR)	Long Term Rating	Short Term Rating	Regulated By
Bank Loan Ratings	0.00	200.00	ACUITE BBB- | Negative | Downgraded	-	RBI
Non Convertible Debentures (NCD)	0.00	50.00	ACUITE BBB- | Negative | Assigned	-	MCA
Non Convertible Debentures (NCD)	0.00	54.88	ACUITE BBB- | Negative | Downgraded	-	MCA
Non Convertible Debentures (NCD)	349.07	0.00	ACUITE BBB- | Negative | Downgraded	-	SEBI
Non Convertible Debentures (NCD)	74.04	0.00	Not Applicable | Withdrawn	-	SEBI
Total Outstanding	349.07	304.88	-	-	-
Total Withdrawn	74.04	0.00	-	-	-

Note:- For activities or ratings of instruments falling under the purview of Financial Sector Regulators other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Rating Rationale

Acuité has downgraded the long-term rating from **'ACUITE BBB' (read as ACUITE triple B)** to **'ACUITE BBB-' (read as ACUITE triple B minus)** on the Rs.349.07 Cr. Non Convertible Debentures facility of KLM Axiva Finvest Limited (KLM). The outlook is revised from **'Stable'** to **'Negative'**.

Acuité has downgraded the long-term rating from **'ACUITE BBB' (read as ACUITE triple B)** to **'ACUITE BBB-' (read as ACUITE triple B minus)** on the Rs.54.88 Cr. Proposed Non Convertible Debentures facility of KLM Axiva Finvest Limited (KLM). The outlook is revised from **'Stable'** to **'Negative'**.

Acuité has downgraded the long-term rating from **'ACUITE BBB' (read as ACUITE triple B)** to **'ACUITE BBB-' (read as ACUITE triple B minus)** on the Rs.200.00 Cr. Bank Loan facility of KLM Axiva Finvest Limited (KLM). The outlook is revised from **'Stable'** to **'Negative'**.

Acuité has assigned the long-term rating of **'ACUITE BBB-' (read as ACUITE triple B minus)** on the Rs.50.00 Cr. Proposed Non Convertible Debentures of KLM Axiva Finvest Limited (KLM). The outlook is **'Negative'**.

Acuité has withdrawn the long term rating on the Rs 74.04 Cr. Non- Convertible Debenture of KLM Axiva Finvest Limited (KLM) without assigning any rating as the instrument is fully repaid and no longer an outstanding obligation of the company. The rating is being withdrawn on account of request received from the issuer and No Objection Certificate from the debenture trustee. The rating withdrawal is in accordance with Acuité's policy on withdrawal of rating as applicable to the respective facility / instrument.

Rationale for Downgrade and Negative Outlook:
The rating downgrade takes into account the weakening financial and risk profile of the company, as reflected in the deterioration in asset quality, with GNPA and NNPA rising to 3.17% and 2.18%, respectively, in FY26 from 1.99% and 0.93% in FY25. The company also reported significant write-offs across the gold loan and MSME portfolios and created a sizeable impairment reserve for its MFI portfolio. Further, the capital position weakened with the Capital Adequacy Ratio (CAR) declining to 19.70% in FY26 from 23.90% in FY25, alongside a reduction in net worth to Rs 209.28 crore from Rs 267.78 crore, while gearing increased to 7.48 times from 5.74 times during the same period. The resignation of two Independent Directors during the year also remains a governance-related monitorable. However, these concerns are partly mitigated by the company's portfolio profile, with gold loans constituting

approximately 75% of the AUM, providing the benefit of a largely secured lending book. Acuite believes that significant equity infusion is required to stabilise the capital position of the company.

Going forward, the company's ability to scale operations while maintaining its asset quality within stipulated levels, improving its profitability metrics and mobilizing low cost funds will be key monitorable.

About the company

Hyderabad based KLM Axiva Finvest Limited was incorporated in 1997 as Needs Finvest Limited and in 2014, the current management took over and renamed it to KLM Axiva Finvest Limited . The company is led and promoted by the whole-time Director Mr Shibu Theckumpurath Varghese. As on March 31, 2026, 30.99% of the shareholding is held by promoters, directors and their relatives and the balance is held by other investors.
The company is engaged in lending business and offers gold loan, mortgage loan, vehicle loans, micro finance loans, etc. The company also provides foreign exchange services, money transfer and insurance broking services. The company has its branches in Andhra Pradesh, Tamil Nadu, Kerala, Hyderabad, Karnataka & Maharashtra.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has adopted a standalone approach to analyse the business and financial profile of KLM Axiva Finvest Limited.

Key Rating Drivers

Strength

Promoter support and experienced management team:
The company is headed by Mr. Shibu Varghese (whole time director) who has more than 30 years of experience in the Financial Services and is supported by seasoned professionals for the daily operations. The current promoters took over the company in 2014 and have been running the company for a decade now with the support of management having an extensive experience of over a decade in the industry. The company benefits from the rich experience of the promoters in the home state which remained significant for the overall capital raising capability of the company.
Acuite believes that company will continue to benefit from the extensive experience of the promoters and management team along with Independent Director.

Sustained AUM growth despite reduction in branch network:
KLM's AUM has seen a slight improvement to Rs.1636.22 Cr. as on March 31, 2026 despite the closure of ~100 branches during FY26, as against Rs. 1625.88 Cr. as on March 31, 2025. The disbursements significantly improved from Rs 3890.06 Cr. in FY 25 to Rs 5601.55 Cr. in FY26. KLM's loan portfolio is supported with majority portion~76 % of the total AUM contributed by Gold loans, followed by MSME loans at ~21 % of the total AUM while remaining being through the micro finance loans. Disbursements towards the micro finance loans were reduced basis delinquencies seen in this segment for the company.

Weakness

Leveraged capital structure:
KLM is engaged in loans against gold and MSME loans secured and unsecured for a period of 12 - 24 months. The company's networth stood at Rs. 209.28 Cr. and total debt stood at Rs.1564.62 Cr. as on March 2026.The company has seen a significant increase in the gearing, KLM's gearing stood at 7.48 times as on March 26 (5.74 times as on March 31, 2025). The total debt of Rs 1564.62 Cr. includes subordinated liabilities, NCDs and short term bank facilities as on March 2026, however the company was aided by an equity infusion in March 26 to the tune of ~Rs 10 Cr. To support the growth momentum KLM would require further debt and considering the already leveraged capital structure the promoters may be required to infuse additional equity to support any future business growth.
Going forward, Acuité believes that the company's ability to manage its gearing levels will be a key monitorable and infusion of capital would be required for containing gearing levels and to support business growth.

Moderation in Earnings Profile; Reliance on Capital Infusion:
The company has reported a PAT of Rs 20.19 Cr. with ROAA of 1.07 percent during FY2025 which saw a moderation to a PAT of Rs 8.86Cr. and ROAA of 0.48 percent during FY2026. The reduction in profitability was on account of higher finance cost and impairment on loan assets. Further, the operational costs are expected to rationalise in the coming years once the operational efficiency from the new branches is attained. The Capital Adequacy Ratio for the company reduced to 19.70 %, comprising of Tier 1 of 12.98% in FY 26 as against 23.90 % for FY25. The reduction was on account of increase in provisions for the year. The CAR remains above the regulatory stipulated level however, substantial equity infusion is required to boost the capital position and improve the gearing for the company.
Acuité believes that KLM will be able to sustain its financial performance and any impact on profitability metrics due to higher provisioning requirements would remain key monitorable.

Geographical and Funding profile concentration:
KLM started its operations in the state of Kerala and gradually expanded to the states of Karnataka and Tamil Nadu and has expanded to other states like Hyderabad, Andhra Pradesh and Maharashtra thereby reducing the concentration

in the state of Kerala. However, major concentration still remain in the state of Kerala. The company has reduced its branch network to ~600 branches for FY26 , approximately 100 branches were reduced as they were not profitable. KLM's resource profile is concentrated towards public and privately placed NCDs and sub-debt forming majorly proportion of the total borrowings as on March '26; though the share of bank loans has been increasing, it remains modest.
Acuite believes that geographical concentration, coupled with improvements in the earning profile, will be key monitorables.

Asset Quality Deterioration
The company's asset quality weakened in FY26, with GNPA and NNPA increasing to 3.17% and 2.18%, respectively, from 1.99% and 0.93% in FY25. The ontime portfolio also reduced from 94.14 % in FY25 to 89.17 % in FY26. The deterioration was primarily driven by stress in MSME portfolio, along with the gold loan and MFI segments. During the year, the company undertook significant portfolio clean-up measures, including Rs 6.42 crore of gold loan write-offs pursuant to RBI observations, Rs 13.83 crore of MSME loan write-offs, and the creation of a Rs 57.50 crore impairment reserve for the unsecured MFI portfolio.

Rating Sensitivity

Potential triggers (individual or collective) for an upward rating action:

- Timely capital infusions to maintain stable capital structure
- Significant improvement in the AUM while maintaining asset quality on a consistent basis
- Improvement in the Debt to equity ratio not exceeding 5 times on a consistent basis

Potential triggers (individual or collective) for a downward rating action:

- Deterioration in asset quality metrics; GNPA greater than 4 percent
- High gearing and low liquidity buffers
- Higher provisioning impacting profitability
- Exodus of senior management and board level members

All Covenants
Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may give notice to the company specifying that the NCDs and or/any particular Options of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice inter alia if any of the events of default including cross defaults, if any and consequences will be specified in the Debenture Trust Deed.

Upon Occurrence of an Event of Default, the Debenture Trustee of the NCD Holders as the case maybe, shall enforce the hypothecation and exercise the power of sale as set out under Clause 4 of Part B or any other right over the Movable properties conferred on the Debenture Trustee under the Deed.

All expenses incurred by the Debenture Trustee after an Event of Default has occurred in connection with:
i) preservation of the company's assets(whether then or thereafter existing); and ii)collection of amounts due in respect of the NCDs: shall be payable by the company.

Liquidity Position
Adequate
The company has cash and cash equivalents of Rs 36.46 Cr. as on March 31, 2025 which stood at Rs 19.49 Cr. as of FY26. No negative cumulative mismatches for the company in the near term. The company has debt repayments of Rs 582.83 Cr. for a one year period as against collections from loans of Rs 1309.05 Cr. for the same period as per the ALM of March 31, 2026.

Outlook: Negative

Other Factors affecting Rating
None

Key Financials - Standalone / Originator

Particulars	Unit	FY26 (Actual)	FY25 (Actual)
Total Assets	Rs. Cr.	1853.26	1875.16
Total Income*	Rs. Cr.	157.90	164.85
PAT	Rs. Cr.	8.86	20.19
Networth	Rs. Cr.	209.28	267.78
Return on Average Assets (RoAA)	(%)	0.48	1.07

Return on Net Worth (RoNW)	(%)	3.83	8.32
Total Debt/Tangible Net Worth (Gearing)	Times	7.48	5.74
Gross NPA	(%)	3.17	1.99
Net NPA	(%)	2.18	0.93

*Total income equals to Total Income net off interest expense

Status of non-cooperation with previous CRA (if applicable):
Not Applicable

Any other information
None

Applicable Criteria
• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
• Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm
• Non-Banking Financing Entities: https://www.acuite.in/view-rating-criteria-44.htm

Note on complexity levels of the rated instrument
In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Nov 2025	Cash Credit	Long Term	9.00	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	8.50	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	9.44	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	15.00	ACUITE BBB | Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	3.46	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	22.84	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	19.44	ACUITE BBB | Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	96.66	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	20.88	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	5.15	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	13.38	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	2.42	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	15.25	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	4.45	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	10.54	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	16.68	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	7.40	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	27.68	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	5.45	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	2.75	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	11.62	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	2.72	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	10.24	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	7.52	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	17.02	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	5.05	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	14.30	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	19.61	ACUITE BBB | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	54.89	ACUITE BBB | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	100.00	ACUITE BBB | Stable (Assigned)

	Non-Covertible Debentures (NCD)	Long Term	5.60	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	0.08	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	0.01	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	6.58	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	3.63	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	15.03	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	9.56	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	16.03	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	6.80	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	20.23	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	0.10	ACUITE BBB | Stable (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	22.01	ACUITE Not Applicable (Withdrawn)
20 Jun 2025	Term Loan	Long Term	37.52	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	13.38	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	2.42	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	15.25	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	4.45	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	10.54	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	16.68	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	7.40	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	27.68	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	22.01	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	5.45	ACUITE BBB | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	25.04	ACUITE BBB | Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	48.57	ACUITE BBB | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	3.72	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	5.15	ACUITE BBB | Stable (Reaffirmed)
	Cash Credit	Long Term	9.00	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	10.38	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	18.33	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	12.77	ACUITE BBB | Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	18.03	ACUITE BBB | Stable (Reaffirmed)

	Term Loan	Long Term	10.40	ACUITE BBB | Stable (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	2.75	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	11.62	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	2.72	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	10.24	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	7.52	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	17.02	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	5.05	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	14.30	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	19.61	ACUITE BBB | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	150.00	ACUITE BBB | Stable (Assigned)
04 Apr 2025	Cash Credit	Long Term	9.00	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	50.00	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	20.00	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	32.12	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	21.52	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	20.00	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	4.45	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	10.54	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	16.68	ACUITE BBB | Stable (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE BBB | Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE BBB | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	25.04	ACUITE BBB | Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	1.36	ACUITE BBB | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	3.72	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	5.15	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	13.38	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	2.42	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	15.25	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	11.00	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	7.40	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	27.68	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	22.01	ACUITE BBB | Stable (Reaffirmed)

	Non-Covertible Debentures (NCD)	Long Term	5.45	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	2.75	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	11.62	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	2.72	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	10.24	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	7.52	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	17.02	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	5.05	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	14.30	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	19.61	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	32.12	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	50.00	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	21.52	ACUITE BBB | Stable (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE BBB | Stable (Reaffirmed)
	Cash Credit	Long Term	9.00	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	20.00	ACUITE BBB | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	25.04	ACUITE BBB | Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	30.00	ACUITE BBB | Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE BBB | Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	2.36	ACUITE BBB | Stable (Reaffirmed)
08 Oct 2024	Proposed Non Convertible Debentures	Long Term	100.00	ACUITE BBB | Stable (Assigned)
	Non-Covertible Debentures (NCD)	Long Term	5.15	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	13.38	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	2.42	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	15.25	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	4.45	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	10.54	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	16.68	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	7.40	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	27.68	ACUITE BBB | Stable (Reaffirmed)
	Non-Covertible Debentures (NCD)	Long Term	22.01	ACUITE BBB | Stable (Reaffirmed)
11 Jun 2024	Proposed Non Convertible Debentures	Long Term	150.00	ACUITE BBB | Stable (Assigned)
	Proposed Long Term Loan	Long Term	100.00	ACUITE BBB | Stable (Assigned)
	Cash Credit	Long Term	9.00	ACUITE BBB | Stable (Reaffirmed)

	Secured Overdraft	Long Term	10.00	ACUITE BBB | Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	2.36	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	32.12	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	21.52	ACUITE BBB | Stable (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE BBB | Stable (Reaffirmed)
22 Feb 2024	Term Loan	Long Term	38.93	ACUITE BBB | Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	11.07	ACUITE BBB | Stable (Assigned)
	Term Loan	Long Term	25.00	ACUITE BBB | Stable (Assigned)
	Cash Credit	Long Term	25.00	ACUITE BBB | Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Listing Status	Regulated By	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Cash Credit	Unlisted	RBI	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Dhanlaxmi Bank Ltd	Not avl. / Not appl.	Cash Credit	Unlisted	RBI	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.00	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AW2	Non-Convertible Debentures (NCD)	Listed	SEBI	28 Jul 2025	Not avl. / Not appl.	27 Nov 2026	19.44	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AP6	Non-Convertible Debentures (NCD)	Listed	SEBI	28 Jul 2025	10.75	27 Jul 2030	20.88	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AA8	Non-Convertible Debentures (NCD)	Listed	SEBI	08 Aug 2024	Not avl. / Not appl.	07 Mar 2031	5.15	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507984	Non-Convertible Debentures (NCD)	Listed	SEBI	08 Aug 2024	10.75	07 Aug 2029	13.38	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507992	Non-Convertible Debentures (NCD)	Listed	SEBI	08 Aug 2024	11.00	07 Aug 2029	2.42	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)

Not Applicable	INE01I507976	Non-Convertible Debentures (NCD)	Listed	SEBI	08 Aug 2024	10.25	07 Aug 2027	15.25	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AC4	Non-Convertible Debentures (NCD)	Listed	SEBI	08 Aug 2024	10.50	07 Aug 2027	4.45	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507968	Non-Convertible Debentures (NCD)	Listed	SEBI	08 Aug 2024	10.25	07 Aug 2026	10.54	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507950	Non-Convertible Debentures (NCD)	Listed	SEBI	08 Aug 2024	10.00	07 Aug 2026	16.68	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AM3	Non-Convertible Debentures (NCD)	Listed	SEBI	04 Dec 2024	Not avl. / Not appl.	03 Jul 2031	5.45	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AL5	Non-Convertible Debentures (NCD)	Listed	SEBI	04 Dec 2024	11.00	03 Dec 2029	2.75	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AK7	Non-Convertible Debentures (NCD)	Listed	SEBI	04 Dec 2024	10.75	03 Dec 2029	11.62	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AJ9	Non-Convertible Debentures (NCD)	Listed	SEBI	04 Dec 2024	10.50	03 Dec 2027	2.72	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (

										from ACUITE BBB)
Not Applicable	INE01I507AI1	Non-Convertible Debentures (NCD)	Listed	SEBI	04 Dec 2024	10.25	03 Dec 2027	10.24	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AH3	Non-Convertible Debentures (NCD)	Listed	SEBI	04 Dec 2024	10.25	03 Dec 2026	7.52	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AG5	Non-Convertible Debentures (NCD)	Listed	SEBI	04 Dec 2024	10.00	03 Dec 2026	17.02	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AQ4	Non-Convertible Debentures (NCD)	Listed	SEBI	28 Jul 2025	10.5	27 Jul 2028	5.60	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AQ4	Non-Convertible Debentures (NCD)	Listed	SEBI	28 Jul 2025	10.5	27 Jul 2028	0.08	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AU6	Non-Convertible Debentures (NCD)	Listed	SEBI	28 Jul 2025	Not avl. / Not appl.	27 Feb 2032	0.01	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AU6	Non-Convertible Debentures (NCD)	Listed	SEBI	28 Jul 2025	Not avl. / Not appl.	27 Feb 2032	6.58	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AO9	Non-Convertible	Listed	SEBI	28 Jul 2025	11.00	27 Jul 2030	3.63	Simple	ACUITE BBB- |

		Debentures (NCD)								Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AR2	Non-Convertible Debentures (NCD)	Listed	SEBI	28 Jul 2025	10.25	27 Jul 2028	15.03	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AS0	Non-Convertible Debentures (NCD)	Listed	SEBI	28 Jul 2025	10.25	27 Jul 2027	9.56	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AT8	Non-Convertible Debentures (NCD)	Listed	SEBI	28 Jul 2025	10.00	27 Jul 2027	16.03	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AV4	Non-Convertible Debentures (NCD)	Listed	SEBI	28 Jul 2025	9.85	27 Jan 2027	6.80	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AN1	Non-Convertible Debentures (NCD)	Listed	SEBI	28 Jul 2025	9.50	01 Sep 2026	20.23	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AX0	Non-Convertible Debentures (NCD)	Listed	SEBI	16 Dec 2025	Not avl. / Not appl.	16 Jul 2032	5.89	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507BF5	Non-Convertible Debentures (NCD)	Listed	SEBI	16 Dec 2025	10.75	16 Dec 2030	9.45	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from

										ACUITE BBB)
Not Applicable	INE01I507BG3	Non-Convertible Debentures (NCD)	Listed	SEBI	16 Dec 2025	11.00	16 Dec 2030	2.42	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507BD0	Non-Convertible Debentures (NCD)	Listed	SEBI	16 Dec 2025	10.25	16 Dec 2028	9.07	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507BE8	Non-Convertible Debentures (NCD)	Listed	SEBI	16 Dec 2025	10.50	16 Dec 2028	4.10	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507BC2	Non-Convertible Debentures (NCD)	Listed	SEBI	16 Dec 2025	10.25	16 Dec 2027	9.43	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507BB4	Non-Convertible Debentures (NCD)	Listed	SEBI	16 Dec 2025	10.00	16 Dec 2027	13.61	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507BA6	Non-Convertible Debentures (NCD)	Listed	SEBI	16 Dec 2025	9.85	16 Jun 2027	3.70	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AZ5	Non-Convertible Debentures (NCD)	Listed	SEBI	16 Dec 2025	Not avl. / Not appl.	16 Apr 2027	21.47	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AY8	Non-Convertible	Listed	SEBI	16 Dec 2025	9.50	19 Jan 2027	20.87	Simple	ACUITE BBB- | Negative |

		Debentures (NCD)								Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	INE01I507AD2	Non-Convertible Debentures (NCD)	Listed	SEBI	04 Dec 2024	9.50	08 Jan 2026	17.25	Simple	ACUITE Not Applicable | Withdrawn
Not Applicable	INE01I507AF7	Non-Convertible Debentures (NCD)	Listed	SEBI	04 Dec 2024	9.85	03 Jun 2026	5.05	Simple	ACUITE Not Applicable | Withdrawn
Not Applicable	INE01I507AE0	Non-Convertible Debentures (NCD)	Listed	SEBI	04 Dec 2024	Not avl. / Not appl.	03 Apr 2026	14.30	Simple	ACUITE Not Applicable | Withdrawn
Not Applicable	INE01I507AD2	Non-Convertible Debentures (NCD)	Listed	SEBI	04 Dec 2024	9.50	08 Jan 2026	2.36	Simple	ACUITE Not Applicable | Withdrawn
Not Applicable	INE01I507943	Non-Convertible Debentures (NCD)	Listed	SEBI	08 Aug 2024	9.85	06 Feb 2026	7.40	Simple	ACUITE Not Applicable | Withdrawn
Not Applicable	INE01I507AB6	Non-Convertible Debentures (NCD)	Listed	SEBI	08 Aug 2024	Not avl. / Not appl.	06 Dec 2025	27.68	Simple	ACUITE Not Applicable | Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Unlisted	RBI	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	73.06	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Unlisted	MCA	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE BBB- | Negative | Assigned
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Unlisted	MCA	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.14	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Unlisted	MCA	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	54.74	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
South Indian Bank	Not avl. / Not appl.	Secured Overdraft	Unlisted	RBI	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from

										ACUITE BBB)
INDIAN OVERSEAS BANK	Not avl. / Not appl.	Term Loan	Unlisted	RBI	07 Sep 2024	Not avl. / Not appl.	07 Sep 2027	15.00	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
INDIAN OVERSEAS BANK	Not avl. / Not appl.	Term Loan	Unlisted	RBI	10 Nov 2023	Not avl. / Not appl.	28 Feb 2027	9.44	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Dhanlaxmi Bank Ltd	Not avl. / Not appl.	Term Loan	Unlisted	RBI	04 Oct 2024	Not avl. / Not appl.	04 Jan 2028	8.50	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Jana Small Finance Bank Ltd.	Not avl. / Not appl.	Term Loan	Unlisted	RBI	27 Feb 2026	Not avl. / Not appl.	03 Sep 2027	25.00	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)
Jana Small Finance Bank Ltd.	Not avl. / Not appl.	Term Loan	Unlisted	RBI	31 Mar 2026	Not avl. / Not appl.	03 Oct 2027	25.00	Simple	ACUITE BBB- | Negative | Downgraded | Stable to Negative (from ACUITE BBB)

Note:- For activities or ratings of instruments falling under the purview of Financial Sector Regulators other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Contacts

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List of instruments and names of regulators of the instruments

As required by SEBI Circular (SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026) dated February 10, 2026, a list of activities or instruments falling under the purview of various Financial Sector Regulators (FSRs), along with the names of respective FSRs, is being disclosed below:

A. Rating Activity:

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)[1]	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)[1]	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)[1]	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs [2]	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme [3]	-
15	Issuer Ratings [4]	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) [1]	Investor-side Regulator such as IRDAI, PFRDA [5]

[1] *Includes securitisation transactions involving assignee payout, acquirer's payout.*

[2] *Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.*

[3] *The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), Acuite shall separately capture the rated quantum details along with names of respective regulators.*

[4] *There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.*

[5] *These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.*

B. Other activities:

Sr. No.	Activity Name	Regulator of the activity
1	Monitoring Agency	SEBI
2	Research activities, incidental to rating, such as research for Economy, Industries and Companies [6]	Not applicable

[6] *permitted by SEBI vide SEBI Master Circular for CRAs.*

Disclosure on instruments / activities and names of regulators:
A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has also been duly disclosed by Acuite on its website. A link to the same has been provided below for ready reference:
https://acuite.in/Activities-and-Regulators.html

About Acuité Ratings & Research
Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit https://www.acuite.in/faqs.htm to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.

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ANNEXURE III – CONSENT LETTER ALONG WITH THE ENGAGEMENT LETTER OF THE DEBENTURE TRUSTEE

[APPENDED OVERLEAF]

VISTRA

Ref No: CL/MUM/2026/DEB/795 Date: 23rd July 2026

To,
The Board of Directors,
KLM Axiva Finvest Limited,
KLM Grand Estate, Bypass Road, Edapally,
Ernakulam - 682024 Kerala, India

Dear Sir / Madam,

Sub: **Consent in relation to the proposed public offering of secured redeemable non-convertible debentures of face value of ₹ 1,000 each (Rupees One Thousand only) ("NCDs"), at par, aggregating up to 10,00,000 rated, listed, secured, redeemable non-convertible debentures the aggregate nominal value of up to ₹ 100,00,00,000/- (Rupees One Hundred Crores only) ("Issue") by KLM Axiva Finvest Limited ("Company" or "Issuer")**

We, the undersigned, hereby consent to act as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the Draft Prospectus to be filed with BSE Limited ("Stock Exchange") and to be forwarded to Securities and Exchange Board of India ("SEBI") and the Prospectus to be filed with the Registrar of Companies, Telangana at Hyderabad ("RoC"), Stock Exchange and to be forwarded to SEBI in respect of the Issue and also in all related advertisements and communications sent pursuant to the Issue. The following details with respect to us may be disclosed:

Logo	VISTRA
Name	Vistra ITCL (India) Limited
Address	The Qube, 2nd Floor, A Wing, 202, Hasan Pada Road, Mittal Industrial Estate, Marol, Andheri (E) Mumbai 400059, Maharashtra, India.
Tel	022 - 2659 3333
E-mail	relcomp.ianceofficer@vistra.com
Investor Grievance e-mail	relcomp.ianceofficer@vistra.com
Website	www.vistraitcl.com
Contact Person	Mr. Jatin Chonani - Compliance Officer
SEBI Registration Number	IND000000538

We confirm that we are registered with SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herewith as **Annexure A** and a declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues. We confirm that we have not been prohibited to act as a debenture trustee by SEBI.

We hereby authorize you to deliver this letter of consent to the ROC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release (i) the nature and scope of this transaction, and (ii) our knowledge of the proposed transaction or the Company.

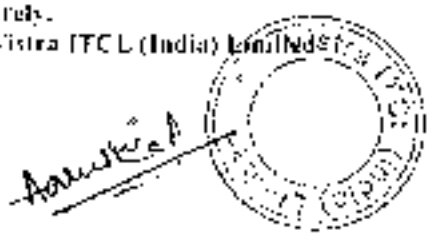
We confirm that we will immediately inform the Company and the Lead Manager of any change to the above information until the date when the proposed public issue of NCDs commences trading on the Stock Exchange.

Vistra ITCL (India) Limited

absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This letter may be relied upon by you, the Lead Manager and the legal counsel to the Issue in respect of the Issue.

Sincerely,
For Vistra ITCL (India) Limited



Authorised Signatory
Name: Aurushi Lad
Designation: Manager

Registered & Corporate office
Vistra ITCL (India) Ltd
The Quad, 2nd Floor, A Wing, 202,
Hasan Fada Road, Mahal Industrial Estate,
Mahal, Andheri (E) Mumbai 400059
Maharashtra, India

Email: info@vistra.com
www.vistra.com

Vistra ITCL (India) Limited
Corporate Identity Number (CIN): U65920MH1999PLC099307

डिबेंचर न्यासी

प्रपत्र ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000275

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उक्त अधिनियम की धारा 12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

VISTRA ITCL INDIA LIMITED
IL&FS FINANCIAL CENTRE, PLOT NO. 22
G BLOCK, BANDRA KURLA COMPLEX, BANDRA EAST
MUMBAI – 400051, MAHARASHTRA

को नियमों, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।

as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट : **IND000000578** है।

2) Registration Code for the debenture trustee is

This certificate of registration shall be valid till it is suspended or cancelled by the Board.

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।

3) Unless renewed, the certificate of registration is valid from to

आदेश से,
भारतीय प्रतिभूति और विनिमय बोई
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

RACHNA ANAND

प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

स्थान Place : Mumbai

दिनांक Date : April 15, 2024

Jai Kaushal

VISTRA

Annexure B

Date: 23rd July 2026

To,
The Board of Directors,
KLM Axiva Finvest Limited,
KLM Grand Estate, Bypass Road,
Edupally, Ernakulam - 682024 Kerala, India

Dear Sir/ Madam,

Sub: Consent in relation to the proposed public offering of secured redeemable non-convertible debentures of face value of ₹ 1,000 each (Rupees One Thousand only) ("NCDs"), at par, aggregating up to 10,00,000 rated, listed, secured, redeemable non-convertible debentures the aggregate nominal value of up to ₹ 100,00,00,000/- (Rupees One Hundred Crores only) ("Issue") by KLM Axiva Finvest Limited ("Company" or "Issuer")

We hereby confirm that as on date the following details in relation to our registration with SEBI as a Debenture Trustee is true and correct

Sr. No.	Particulars	Details
1	Registration Number	IND000000578
2	Date of registration/ Renewal of registration	15th April 2024
3	Date of expiry of registration	Not Applicable
4	If applied for renewal, date of application	Not Applicable
5	Any communication from SEBI prohibiting the entity from acting as an intermediary	Not Applicable
6	Any enquiry/ investigation being conducted by SEBI	Not Applicable

We hereby enclose a copy of our SEBI registration certificate

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the relevant stock exchange. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

Sincerely,
For Vistra ITCL (India) Limited

Authorised Signatory
Name: Aarushi Lad
Designation: Manager

VISTRA

Dated: 02nd June 2026

KLM Axiva Finvest Limited,
KLM Grand Estate, Bypass Road,
Edapally, Ernakulam, Kerala - 682024.

Kind Attention: Mr. Thanish Dalee

Re: Umbrella Offer Letter for appointment of Debenture Trustee for proposed issuance(s) of Listed Secured Redeemable NCDs by KLM Axiva Finvest Limited for NCD XIV and NCD XV

Dear Sir,

This is with reference to the captioned subject, wherein, Vistra ITCL (India) Ltd (VITCL) is in principle agreeable to act as a Debenture Trustee for the captioned transaction.

In the context, please find enclosed herewith the following:

(1) Terms of Engagement of ITCL – **Annexure I**
(2) Brief understanding of the transaction – **Annexure II**
(3) Other Terms and Conditions – **Annexure III**
(4) Requirements prior to execution of documents – **Annexure IV**

Kindly acknowledge and return a duplicate copy of this letter by fax/ courier as a token of your acceptance of the terms. Should you require any clarifications please do not hesitate to contact the undersigned.

We look forward to working with your organization and building a long standing, mutually beneficial relationship

It may be noted that this letter of offer does not construe "Consent Letter" confirming that VITCL is acting debenture trustee for the said transaction. The consent letter will be issued after execution of a Debenture Trustee Appointment Agreement between ourselves.

This offer letter is only for purpose of acceptance of the commercial terms of appointment.

Yours sincerely,
For Vistra ITCL (India) Ltd

Palash Singh
Authorized Signatory

Accepted
For KLM Axiva Finvest Limited;

KLM Axiva Finvest Ltd. Ernakulam

Authorized Signatory

VISTRA

Annexure I

Terms of Engagement of Vistra ITCL (India) Ltd (VITCL)

"Trustee Remuneration" As a Debenture Trustee:

1. **Acceptance Fee** : Onetime fee of **INR 2 Lakhs** payable on signing of this letter for proposed issuance(s) of Listed Secured Redeemable Debentures for series NCD XIV and NCD XV
2. **Annual Fee** : The annual fee will be 0.015% of the total outstanding balance of secured NCDs payable at the end of each financial Year. This letter supersedes all the earlier offer letters issued before April 2026 signed between KLM Axiva Finvest Ltd and VITCL
3. Additional Fee* (if applicable): In the event of default or in case of enforcement of security, a minimum fee of Rs. 5 Lakhs shall be payable in advance by the Lender/Investor towards assistance in initiation of any proceedings.

*In case VITCL is appointed for carrying out full enforcement process/default management, the fee shall be decided based on scope of work envisaged at the time of enforcement / default

The fees agreed herein above shall be valid for the all existing live transactions and Series NCD XIV and NDC XV, from the date of acceptance of this offer letter. For NCD XVI onwards, one time fee will be charged at 0.01 % of total issuance amount.

Fees as regards any work whether or not part of scope of services, beyond the above limit or time framework shall be mutually agreed.

The acceptance fee as above is due and payable on acceptance of this offer letter.

The above fee (commencing from point no. 1 to 3) are exclusive of Goods and Service Tax (GST), Registration charges of Central Registry etc as levied by the Government and Out of Pocket expenses like Audit fee, Legal counsel fee, Travelling expenses or any other. Expenses relating to valuation, search, inspection, etc. arranged through external agencies shall be payable on actual basis over and above the aforementioned fees. The same shall be charged after/with prior information/notice to the client.

The annual fee shall commence from the 1st April 2026 and would be applicable till the debentures are fully repaid.

Any fee paid pursuant to the above shall be non-refundable and shall be in addition to any amount that may be payable / reimbursed specifically under the provisions of the Financing Documents.

The Company shall pay VITCL on the expiry of 45 (Forty-Five) Days from the Invoice Date for payment, in addition to the stipulated Trustee Remuneration as detailed herein, penalty at the rate of 1.3% per annum, compounded on a monthly basis on the defaulted amounts, in the event of default in payment of Trustee Remuneration pursuant to the Trust Deed, during the period of default.

All charges mentioned in the offer letter are applicable for the issue size/number of investors/service/documentation requirements as mentioned in this letter. Any further issuance; any additional requirements, documentation over & above mentioned in this offer would attract fresh charges.

Accepted
For KLM Axiva Finvest Limited;

Authorised Signatory

KLM Axiva Finvest Ltd Ernakulam

VISTRA

Annexure II

Brief understanding of the Transaction

Particulars of the Transaction	**Debenture Trustee for proposed issuance(s) of Debentures (Secured) (Public) for NCD XIV and NCD XV**
Type & Structure of Debenture	**Listed Non-Convertible Debentures (NCDs) (Secured) (Public)**
Listed / Unlisted	**Listed**
Tenor & Total Amount	As per the prospectus to be approved by the Board of directors or Committee of the Board
Arranger/Distributor to the Debentures	**NA**
Proposed Security for the Debentures	**As per the Term Sheet**
Role of VITCL	VITCL shall act as a Trustee for the Debentures and hold the security for and on behalf of the subscribers to the Debentures
Documentation Review	1. DTA 2. DTD 3. Any other relevant transaction document
Scope of Work for Annual Fee	1. Monitoring of covenants, QCRs, ORR, Insurance policy, asset cover, pledge share adequacy, interest servicing and redemption, credit rating, end use certificate. 2. Security creation - perfection, pari-passu NOCs, CERSAI in case of MOE, ROC filings 3. Release of security after receipt of No-dues 4. Compliance for listing of NCDs

It may be noted that above referred terms are only indicative and not exhaustive. The details terms and conditions shall be recorded in the Debenture Trustee Appointment Agreement/ Debenture Trust Agreement /Debenture Trust Deed. Preparation/ Vetting of the First Draft of the documents will take at least two working days after receipt of the signed term sheet & acceptance of VITCL offer from the Issuer/Subscriber

Accepted

For KLM Axiva Finvest Limited;

KLM Axiva Finvest Ltd Ernakulam

Authorized Signatory

VISTRA

Annexure III

Other Terms and Conditions

1. The Client (Company) may not assign or transfer any of its obligations under this letter

2. This letter shall ensure to the benefit of the Debenture Trustee and their respective successors and assigns

3. The Debenture Trustee may assign any or all of its rights and (if any) obligations under this letter to any successor Debenture Trustee appointed in accordance with the terms of the Subscription Documents

4. This letter may only be amended (and the provisions hereof may only be waived) by agreement in writing among all of the parties hereto

5. The liability of VISTRA ITCL, its officers, employees, directors, agents as a Service Provider shall be limited to the extent of fee charged by VISTRA ITCL, except in the case of gross negligence on part of the Trustee.

6. This offer of services is subject to the management approval of VISTRA ITCL including Compliance and KYC clearance

7. The implications of the service offering and structuring thereof would depend and vary on the laws prevalent at any point of time.

8. This offer is valid for 90 days from the date of this offer.

9. In case of listed debenture issues, at the request of the issuer company VISTRA ITCL may issue an in principle consent letter to be furnished to the exchange however the same shall be subject to the condition that mutually agreed debenture trustee appointment agreement is entered into before the issue opening date.

10. VISTRA ITCL shall commence it services only upon receipt of documents under serial number 1 & 2 stated in Annexure IV.

11. The terms & conditions of this offer letter shall be in addition to the terms & conditions of the transaction documents to be executed. In the event of any contradicting terms & conditions, the terms of this letter shall prevail.

Accepted
For KLM Axiva Finvest Limited;

K L M Axiva Finvest Ltd * Ernakulam *

Authorized Signatory

Registered office:
The Qube, 2nd Floor, A Wing, 202, Hasan Pada Road, Mittal Industrial Estate, Marol, Andheri (East), Mumbai – 400059, Maharashtra, India.
Tel: +91 22 2659 3535
Fax: +912226533297
Email: mumbai@vistra.com
www.vistraitcl.com
Vistra ITCL (India) Limited
Corporate Identity Number (CIN): U66020MH1995PLC096507

VISTRA

Annexure IV

Standard requirements prior to execution of documents

For drafting or preparation or vetting of documents as the case may be, VITCL will require the following documents:

1. Signed Term Sheet / IM /Debenture Subscription Agreement / Disclosure Documents / Any other documents offering the debenture for subscription
2. Completion of VITCL KYC requirements
3. All documents enclosed in the checklist that would be forwarded by VITCL
4. Charges / Payments towards settlement of the trust

Please Note: The above list is not exhaustive & binding at this stage. The appropriate list for the particular transaction shall be provided at the time of documentation.

Accepted
For KLM Axiva Finvest Limited;

Authorized Signatory

KLM Axiva Finvest Ltd. Ernakulam

ANNEXURE IV- FINANCIAL STATEMENTS

[APPENDED OVERLEAF]

RB JAIN AND ASSOCIATES

CHARTERED ACCOUNTANTS
CIVIL LANE ROAD, PALARIVATTOM, COCHIN -25

INDEPENDENT AUDITORS' REPORT

To the Members of **KLM AXIVA FINVEST LIMITED**

Report on the Audit of Standalone Financial Results

Opinion

We have audited the accompanying standalone annual financial results of **KLM Axiva Finvest Limited** for the quarter and year ended March 31,2024 ('the statement') being submitted by the Company pursuant to the requirement of regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

a. are presented in accordance with the requirements of regulation 52 of the Listing Regulations in this regard and

b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended to the extent applicable, and other accounting principles generally accepted in India, of standalone net profit and standalone other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2024.

E-Mail:kjtassociates@gmail.com
Mobile : 8891537093, 09349254789, 8075768988

Basis for Opinion

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement 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 together with the ethical requirements that are relevant to our audit of the standalone financial results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3 to the Financial Statement, which describes that the Company has recognised impairment on financial assets to reflect the adverse business impact and uncertainties arising from the COVID-19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID-19 pandemic.

Our opinion is not modified in respect of these matters.

E-Mail:kjtassociates@gmail.com
Mobile : 8891537093, 09349254789, 8075768988

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statement of the current period. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
Provision for Expected Credit Losses (ECL) on Loans As against the provisioning norms earlier prescribed by Reserve Bank of India and adopted by the Company in prior years, Ind-AS 109 (Financial Instruments) requires the Company to recognise Expected Credit Loss (ECL) and impairment loss allowances on financial assets. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgment has been applied by the Management for: • Timely identification and classification of the impaired	We examined methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company. We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates. These controls included, among others, controls over the allocation of assets into stages including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments and disclosures. We assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage I) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3.

loans. ▪ Staging of loans [i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories]. • Determination and calculation of probability of default / Loss given default. • Consideration of probability weighted scenarios and forward looking macro-economic factors for determining credit quality of receivables. • Estimation of losses for loan products with no/minimal historical defaults The outbreak of the COVID – 19 pandemic during the year has necessitated a high degree of Management's judgement to consider the possible impact of uncertainties associated with the same and the Management's judgement involved in estimation of ECL	We tested the appropriateness of determining the Exposure At Default (EAD), Probability of Default (PD) and Loss Given Default (LGD) for a samples of exposure. 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 in considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment. We assessed disclosures included in the financial statement in respect of expected credit losses including the specific disclosures made with regards to the impact of COVID-19 on ECL estimation. Company has started providing for higher of provisions as per IND AS and IRAC norms.
Information technology Financial accounting and reporting processes, are fundamentally reliant on IT systems and IT controls to process significant volumes of	We obtained an understanding of the Company's IT control environment and changes during the audit period that may be relevant to the audit. We tested a sample of key controls operating over the information technology in relation to

transaction. The Company's financial accounting and reporting processes are so highly dependent on the automated controls in information systems, that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. In the month of Feb 2020 company implemented a new IT Software, and most of the post live fine tuning was during the F.Y 2020-21. The outbreak of the COVID – 19 pandemic during the year; subsequent lockdown and travel restrictions affected the speed of IT Software implementation related work. From a financial reporting perspective the Company uses and we have tested the financial accounting and reporting system and loan management systems and other tools for its overall financial reporting.	financial accounting and reporting systems, including system access and system change management. We evaluated the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission. We obtained an understanding of the Company's Internal control environment and check available IT set up, to counter the shortfalls if any in the IT infrastructure.

E-Mail:kjtassociates@gmail.com
Mobile : 8891537093, 09349254789, 8075768988

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

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statement and our auditor's report thereon.

Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained in the 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.

Management's Responsibility for the Standalone Financial Results

These standalone financial results have been compiled from the interim standalone financial statements. The Company's Board of Directors are responsible for the preparation of these standalone Financial Results that give a true and fair view of the net
profit/ loss and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" specified under section 133 of the Act/ issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India and in compliance with regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act/ Banking Regulation Act, 1949/non – banking financial company – systematically important non – deposit taking company and deposit taking company (Reserve Bank) directions, 2016 for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results

that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company of which we are independent auditors 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "*Annexure A*" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.

   (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified during the reporting period 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 B*".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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i. The Company does not have any pending litigations against the company which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(b) In our opinion the remuneration paid by the company to its wholetime director is in accordance with the provisions of section 197 and rules framed there under read with schedule V of Companies Act 2013.

For R.B Jain and Associates,
Chartered Accountants
(FRN: 103951W)

R.B. JAIN AND ASSOCIATES * COCHIN-25 * CHARTERED ACCOUNTANTS

K.J Thomas BSc, FCA
Partner **(M. No. 019454)**
UDIN: **24019454BKAHTG3999**
Palarivattom
14-05-2024

RB JAIN AND ASSOCIATES

CHARTERED ACCOUNTANTS
CIVIL LANE ROAD, PALARIVATTOM, COCHIN -25

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2024:

1) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(B)The Company has maintained proper records showing full particulars of Intangible assets.

(b) The Property, Plant and Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies between the book's records and the physical Property, Plant and Equipment have been noticed.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the registered sale deed provided to us by the Company, the title deeds of immovable properties are held in the name of the company;

(d) According to the information and explanations given to us and based on the valuation report issued by a registered valuer, the value of some of the property has been enhanced from Rs. 113.09 Lakhs to 146.18 Lakhs. The Purchase value accounts to 77.36% of its revalued figure. A change up to 0.50% in net carrying value of class of asset is affected by such enhancement.

(e) According to the information and explanations given to us, there are no proceedings 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 thereunder.

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2) (a)In our opinion and according to the information and explanations given to us, the nature of the Company's business is such that it is not required to hold any inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.

(b)Based upon the audit procedures performed and the information and explanations given by the management, the company has been sanctioned working capital limits in excess of five crore rupees from banking institution on the basis of security of current assets. The quarterly returns filed by the company with bank are in agreement with the books of the company.

3) (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. 2,753.14/- lakhs for more than ninety days. Reasonable steps have been taken by the company for the 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.

R.B. JAIN AND ASSOCIATES COCHIN-25 CHARTERED ACCOUNTANTS

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

5) According to the information and explanations given to us, the Company has not accepted any public deposit from the public within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed there under to the extent notified. Thus reporting under clause 3(v) of the order is not applicable to the Company.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2024 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, goods and service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) According to information and explanations given to us and on the basis of our examination of the books of account, there are no transactions surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (43 of 1961) which are not recorded in the books of account.

9) (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 thereon to any lender.

(b) According to the information and explanation given to us, the company has not declared as willful defaulter by any bank or financial institution or other lender.

(c)Based upon the audit procedures performed and the information and explanations given by the management, the loans are applied by the company for the purpose for which the same has obtained.

(d)The company has not raised any funds on short term basis from any lender. Accordingly, clause 3 (ix) (d) of the order is not applicable for the company.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures hence clause 3 (ix) (e) does not apply to company.

(f) The company does not have subsidiaries, joint ventures, or associate companies. Accordingly, the provisions of clause 3 (ix) (f) of the Order are not applicable to the Company and hence not commented upon.

10)(a) Based upon the audit procedures performed and the information and explanations given by the management, the Company has raised money by way of public issue of debt instruments and the money raised has been applied for the purpose for which they have been raised.

(b)Based upon the audit procedures performed and the information and explanations given by the management, the Company has complied with the requirements of section 42 and 62 of the Companies Act, 2013 and the amount raised by preferential allotment or private placement of shares during the year under review have been used for the purposes for which the funds were raised. During the year, the Company has not made any preferential allotment or private placement of fully, partially or optionally convertible debentures.

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11)(a)Based upon the audit procedures performed and the information and explanations given by the management, an amount aggregating to Rs. 119.95 lakhs resulting from various fraud cases on the company has been reported during the year. The same are intimated by the company with Reserve Bank of India.

(b)Based upon the audit procedures performed and the information and explanations given by the management, no offence involving fraud is being or has been committed against the company by officers or employees of the company. Accordingly, clause 3 (xi) (c) doesn't apply to the company.

(c) According to the information and explanation given to us, the company has not received any whistle – blower complaints during the year.

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 of the Companies Act 2013 and there was no transactions falling under the purview of section 188 during the year. The transactions with related parties have been disclosed in the Financial Statement as required by the applicable accounting standards.

14)(a)The company has an adequate internal audit system commensurate with the size and nature of its business.

(b)To ensure the robustness of internal audit system and internal control system in the company we have reviewed the reports made by internal auditors of the company for the period of auditing and found that the internal control systems implemented by management are effective and internal audit procedures are adequate for the company.

15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

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16) (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the registration.

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities without 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, the Company is not a Core Investment Company (CIC) Company. Therefore, the provisions of clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) In our opinion, there is no core investment company with in the group and accordingly reporting under clause 3(xvi)(d) of the order is not applicable.

17) Based upon the audit procedures performed and the information and explanations given by the management, the company has not incurred cash, losses in the financial year and in the immediately preceding financial year.

18) During the year there was no resignation of Statutory Auditor.

19) On the basis of 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 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 and when they fall due.

20)(a)There are no unspent amount 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 R.B Jain and Associates,
Chartered Accountants
(FRN: 103951W)

R.B. JAIN AND ASSOCIATES COCHIN-25 CHARTERED ACCOUNTANTS

K.J Thomas BSc, FCA
Partner **(M.No.019454)**
UDIN : **24019454BKAHTG3999**
Palarivattom
14-05-2024

RB JAIN AND ASSOCIATES

CHARTERED ACCOUNTANTS
CIVIL LANE ROAD, PALARIVATTOM, COCHIN -25

"Annexure B" to the Independent Auditor's Report of even date on the Financial Statement of KLM Axiva Finvest Limited

Report on the Internal Financial Controls 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 KLM Axiva Finvest Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statement 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 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.

Auditors' Responsibility

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

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R.B. JAIN AND ASSOCIATES COCHIN-25 CHARTERED ACCOUNTANTS

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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, 2024, 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 **R.B Jain and Associates,**
Chartered Accountants
(FRN 103951W)

R.B. JAIN AND ASSOCIATES * COCHIN-25 * CHARTERED ACCOUNTANTS

K.J Thomas, BSc, FCA
Partner (M.No.019454)
UDIN : **24019454BKAHTG3999**
Palarivattom
14-05-2024

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KLM AXIVA FINVEST LIMITED
Hyderabad

Balance Sheet as at March 31, 2024

(Rs. in Lakhs)

Sl No.	Particulars	Note No.	As at March 31,2024	As at March 31,2023
	ASSETS			
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	6	3,721.98	9,420.09
(b)	Bank Balance Other than (a) above	7	3,086.45	1,755.45
(c)	Loans & Advances	8	1,70,466.83	1,49,466.58
(d)	Investments	9		-
(e)	Other Financial Assets	10	1,689.84	1,755.36
2	**Non-Financial Assets**			
(a)	Current Tax Assets (Net)	11	1,049.12	1,486.93
(b)	Deferred Tax Assets (Net)	12	475.85	417.82
(c)	Property		6,610.03	6,396.13
(d)	Plant and Equipment	13	5,769.16	5,062.81
(e)	Capital work-in-progress		1,680.30	595.18
(f)	Other Intangible Assets	14	116.67	90.98
(g)	Other Non-Financial Assets	15	1,420.18	524.13
	TOTAL		1,96,034.43	1,77,929.65
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Payables			
(b)	Debt Securities	16	67,667.92	81,079.39
(c)	Borrowings (Other than Debt Securities)	17	15,777.25	7,562.82
(d)	Subordinated Liabilities	18	77,1$9.75	50,289.45
(e)	Other Financial liabilities	19	6,872.53	6613.26
2	**Non-Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	20	772.58	614.86
(b)	Other Non-Financial Liabilities	21	386.96	233.10
3	**EQUITY**			
(a)	Equity Share Capital	22	20,540.09	18,672.81
(b)	Other Equity	23	6,257.36	6,783.97
	TOTAL		1,96,034.43	1,77,929.65

See accompanying notes forming part of the financial statements

As per our report of even date attached

For R.B Jain and Associates,
Chartered Accountants
(FRN: 10395 IW)

K.J Thomas, BSc, FCA
Partner (M No. 019454)

UDIN : 24019454BKAHTG3949
Place:Palarivattom
Date: 14-05-2024

For and on behalf of the board of directors

Shibu Thekkumpurath Varghese
Whole-time Director (DIN 02079917)

Bijil Shibu
Director (DIN 08484566)

Manoj Raveendran Nair
Chief Executive Officer

Thomas Dalee
Chief Financial Officer

Naveena P Thampi
Company Secretary

KLM AXIVA FINVEST LIMITED
Hyderabad

Statement of Profit and Loss for the Period ended March 31, 2024

(Rs in Lakhs)

	Particulars	Note No	Year ended March 31, 2024	Year ended March 31, 2023
I	Revenue From Operations			
	Interest Income	24	30,562.49	27,540.07
II	Other Income	25	1,029.83	334.91
III	Total Income (I+II)		31,592.32	27,874.98
	EXPENSES			
	Finance Costs	26	15,476.76	14,336.15
	Impairment on Financial Instruments	27	80.60	71.36
	Employee benefits expenses	28	4,730.63	5,232.07
	Depreciation, amortisation and impairment	29	892.73	1,094.76
	Other expenses	30	5,434.18	4,676.94
IV	Total expenses		28,574.90	25,412.28
V	Profit/(Loss) before Tax (III-IV)		3,017.42	2,462.70
VI	Tax Expense:	31		
	1. Current Tax		772.58	444.86
	2. Deferred Tax		-56.03	-65.16
VII	Profit/(Loss) for the Period (V-VI)		2,300.87	1,833.10
VIII	Other Comprehensive Income		-	
IX	Total Comprehensive Income (VII+VIII)		2,300.87	1,833.10
X	Earnings per Equity Share	32		
	Basic & Diluted (Rs.)		1.14	1.51

See accompanying notes forming part of the financial statements

As per our report of even date attached

For R B Jain and Associates,
Chartered Accountants
(FRN: 103951W)

K.I Thomas, BSc, FCA
Partner (M. No. 019454)

R.B. JAIN AND ASSOCIATES * COCHIN-25 * CHARTERED ACCOUNTANTS

For and on behalf of the board of directors

Shibu Thachamparath Varghese
Whole-time Director (DIN: 02079927)

Biji Shibu
Director (DIN: 06804566)

Manoj Ravindran Nair
Chief Executive Officer

Thomas Davis
Chief Financial Officer

Naveena P Thampi
Company Secretary

UDIN: 24019454BKAHTG3999
Place: Palarivattom
Date: 24-05-2024

KLM AXIVA FINVEST LIMITED
Hyderabad

Statement of changes in Equity for the year ended March 31, 2024

A. Equity Share Capital
Equity Shares of ₹10 each issued, subscribed and fully paid

(Rs in Lakhs)

Particulars	Nos.	Amount
As at March 31, 2023	18,67,28,078	18,672.81
Issued during the year	1,86,72,779	1,867.28
As at March 31, 2024	20,54,00,857	20,540.09

B. Other Equity

(Rs in Lakhs)

Particulars	Reserves and Surplus						Other comprehensive Income	Total
	Statutory Reserve	Securities Premium	Debenture Redemption Reserve	General Reserve	Retained Earnings	Revaluation Reserve		
As at March 31, 2023	1,078.13	3,165.95	-	4.08	1,842.66	693.15	-	6,783.97
Dividends	-	-	-	-	-560.30	-	-	
Transfer to/from Retained Earnings	460.57	-	-	-	-460.57	-	-	-
Specific Purpose	-	-	-	-		-	-	-
Other Additions/Deductions during the year								
Net impact of Securities premium during the year	-	-1,867.28	-	-	-	-	-	
Net impact of assets revalued during the year	-	-	-	-	-	(1.91)	-	
Profit for the year (net of taxes)	-	-	-	-	2,303	-	-	
As at March 31, 2024	1,538.70	1,298.68	-	4.08	3,124.66	691.24	-	6,657.36

As per our report of even date attached

For R.B Jain and Associates.,
Chartered Accountants
(FRN: 103954W)

R.B. JAIN AND ASSOCIATES * COCHIN-25 * CHARTERED ACCOUNTANTS

K.I Thomas, BSc, FCA
Partner (M. No. 019454)

UDIN : 24019454BKAMTG3999
Place:Palarivattom
Date:14-05-2024

For and on behalf of the Board of Directors

Shibu Theckumpurath Varghese
Whole-time Director (DIN: 02079917)

Biji Shibu
Director (DIN: 06484566)

Manoj Raveendran Nair
Chief Executive Officer

Thanish Dalee
Chief Financial Officer

Naveena P Thampi
Company Secretary

KLM AXIVA FINVEST LIMITED
Hyderabad

Cash Flow Statement for the Period ended March 31, 2024

(Rs in Lakhs)

	PARTICULARS	For the Period ended March 31, 2024	For the Period ended March 31, 2023
A	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net profit Before Taxation	3,017.42	2,462.78
	Adjustments for		
	Depreciation and Amortisation	892.73	1,094.76
	Finance costs	15,476.76	14,336.45
	Interest on income tax	-	
	Impairment on financial instruments	40.60	71.98
	Operating Profit before Working Capital Changes	19,427.51	17,965.97
	(Increase)/Decrease in Loans & Advances Financial Assets	-26,067.85	-34,736.26
	(Increase)/Decrease in Other Financial Assets	65.52	-785.55
	(Increase)/Decrease in Other non Financial Assets	-896.04	761.09
	Increase/(Decrease) in Other Financial Liabilities	239.27	1,749.60
	Increase/(Decrease) in Other Non financial Liabilities	353.86	361.06
	Cash from operations	-6,852.75	-18,884.06
	Net income tax paid	257.05	-1,202.73
	Net Cash From Operating Activities	-7,109.80	-20,086.81
B	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Capital Expenditure	-2,893.51	-7,509.27
	Purchase of investments		
	Bank balances not considered as cash and cash equivalents	-1,131.00	1,076.95
	Net Cash From Investing Activities	-4,224.51	-5,586.22
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from issuance of equity shares	1,867.28	7,185.30
	Share Premium on issue of equity shares	-1,867.28	767.11
	Additions/Deductions in Specific Reserve	-	-81.33
	Proceeds from issue of Debentures	-13,411.47	14,668.00
	Proceeds from issue of Subordinate debts	26,670.30	-3,042.09
	(Repayment)/ Increase in long-term borrowings	6,214.44	1,193.14
	Dividend Paid	-560.30	-
	Finance cost	-15,476.76	-14,336.45
	Net Cash From Financing Activities	5,636.21	6,353.67
	NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	-5,698.10	22,319.36
	OPENING CASH AND CASH EQUIVALENTS	9,420.09	31,729.44
	CLOSING CASH AND CASH EQUIVALENTS	3,721.99	9,420.09

As per our report of even date attached

For R.B Jain and Associates,
Chartered Accountants
(FRN: 103951W)

R.B. JAIN AND ASSOCIATES
COCHIN-25
CHARTERED ACCOUNTANTS

K J Thomas, BSc FCA
Partner (M. No. 019454)

UDIN : 24019454BKAHTC1999
Place:Patarivattom
Date:14-05-2024

For and on behalf of the board of directors

Shibu Thekkumpurath Varghese
Whole-time Director (DIN: 02079917)

Biji Shibu
Director (DIN: 05494566)

Manoj Raveendran Nair
Chief Executive Officer

Thanish Dalee
Chief Financial Officer

Saveena P Thampi
Company Secretary

1. CORPORATE INFORMATION

KLM Axiva Finvest Limited, (the Company), is a Public limited company, incorporated on 28 April 1997. The Company was registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The Company has received the certificate of registration 09.00006 on 13th December, 1997 enabling the Company to carry on business as Non-Banking Financial Company.

The Company offers broad suite of lending and other financial products such as gold loan, mortgage loan, loan against securities, micro finance loans etc.

The registered office of the Company is at Plot No. 39, Door No. 8-13, 1st Floor, Ashoka Complex, MyUthripuram Colony, Gayathri Nagar X Road, Vaishalinagar PO Hyderabad, Rangareddi, Telangana, 500079.

2. BASIS OF PREPARATION AND PRESENTATION

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The above financial statements have been prepared in accordance with the Indian Accounting Standards prescribed read with relevant rules issued there under and other accounting principles generally accepted in India mainly considering the Master Directions issued by the Reserve Bank of India ('RBI') as applicable to Non-Banking Financial Company - Systemically Important Non-Deposit taking Company

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 3 - Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR).

PRESENTATION OF FINANCIAL STATEMENT

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 recognised amounts without being contingent on a future event and the parties intend to settle on a net basis.

STATEMENT OF COMPLIANCE

These separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the generally accepted accounting principles as referred to above.

P.R. JAIN AND ASSOCIATES CHARTERED ACCOUNTANTS

3. IMPACT OF COVID-19

The COVID-19 outbreak is on-going and the actual extent of its impact on the economy globally in general and in India, in particular remains uncertain. The outbreak has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020 and in accordance therewith, the Company has offered an optional moratorium of six months on the payment of all principal instalments and/or interest, as applicable, for the loans disbursed up to covid period and during the year 2020-21. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period.

A lot of requests were received during the year 2022-23 from customers under stress and concerned branches seeking extension in repayment period. The board noted that the RBI has given a total period of 2 years (including already given moratorium period, if any) for FITL, vide its circular dated May 5, 2021 and granted additional time of eighteen months.

Further, the Company has, based on current available information and based on the policy approved by the board, determined the prudential estimate of provision for impairment of financial asset as at March 31, 2024. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1. Financial Instruments

(I) Financial Assets

a) Initial recognition

All financial assets are recognised initially at fair value. In 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.

b) Subsequent measurement

The Company classifies its financial assets into the following measurement categories depending 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 amortised 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 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.

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c) Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the changes in fair value through other comprehensive income (FVOCI).

d) Direct Assignment of Loans

The company has assigned some gold loans to other parties. The assigned portfolio is reduced from the total gold loan asset under management

Particulars	Amount (In Lakhs)
Gold Loan Asset Under Management (AUM)	1,08,348.78
Less : Assigned portfolio	1,598.06
Gold Loan (As per Note 8)	1,06,750.72

(II) Financial Liabilities

a) Initial recognition

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.

b) Subsequent measurement

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

1.2. Derecognition of financial assets and liabilities

(I) Financial Assets

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive 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.

(II) Financial Liability

A financial liability is derecognised 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. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

4.3. Impairment of financial assets

I Overview of the Expected Credit Loss (ECL) model

The Company recognises impairment allowance for expected credit loss on financial assets held at amortised cost. The Company recognises loss allowances (provisions) for expected credit losses on its financial assets (including non-fund exposures) that are measured at amortised costs or at fair value through other comprehensive income account.

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. The 12-month ECL is the portion of the lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

The Company applies a three-stage approach to measuring expected credit losses (ECLs).

Stage 1: 12-months ECL

For financial assets where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECL – not credit impaired

For financial assets where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining life time of the financial asset) is recognised.

Stage 3: Lifetime ECL - credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

The Company has identified a zero bucket for financial assets that are not overdue.

II. Estimation of Expected Credit Loss

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

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.

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, whether scheduled by contract or otherwise, expected draw downs on committed facilities.

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Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a 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 realisation of any collateral.

4.4. Offsetting of financial instruments

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

4.5. Cash and cash equivalents

Cash and cash equivalents include cash on hand and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and 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.

4.6. Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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 is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income /expense in the statement of profit and loss in the year the asset is derecognised. 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.

4.7. Intangible assets

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 accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Gains or losses from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit or Loss when the asset is derecognised

4.8. Depreciation and Amortisation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current period are as follows:

Asset	Useful life
Building	30-60Years
Computers and servers	3-6 Years
Office equipment	5 Years
Furniture and fixtures	10 Years
Vehicles	8-10 Years

* Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of)

Intangible Assets are amortised on a Straight Line basis over the estimated useful economic life. Computer Software which is not an integral part of the related hardware is classified as an intangible asset, and amortised over a period of five years, being its estimated useful life.

4.9. Impairment of non-financial assets

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on written down value basis over its remaining useful life.

4.10.Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

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(I) Interest Income

The Company recognises 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 amortised cost of the financial asset from initial recognition. Such interests, where instalments are overdue in respect of non-performing assets are recognised on realization basis.

The EIR in case of a financial asset is computed

a) As 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.
b) By considering all the contractual terms of the financial instrument in estimating the cash flows
c) Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

Other Income: In respect of the other heads of income, the Company accounts the same on accrual basis.

(II) Recognition of revenue from 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 customer, excluding amounts collected on behalf of third parties. The Company recognises 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.

Processing fee which is not form part of effective interest rate has been recognised as and when it is accrued.

(III) Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established. This is established when it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

4.11.Finance cost

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial Labilities 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 amortised cost of a 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.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc. provided these are incremental costs that are directly related to the issue of a financial liability.

4.12.Employee Benefits

Short Term Employee Benefits. All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a Liability (accrued expense)

Defined Contribution Plan

Eligible employees of the Company receive benefits from provident fund which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund.

The Company's contribution to employee state insurance scheme is considered as defined contribution plans and is charged as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

4.13.Income taxes

Income tax comprises current and deferred income tax.

Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., either in other comprehensive income or in equity. Current tax items are recognised 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

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax asset is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Company offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.14.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 attributable taxes) by the weighted average number of equities shares outstanding during the year.

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

4.15.Provisions

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

When the effect of the time value of money is material, the enterprise 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

4.16.Contingent liabilities

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.

4.17.Cash flow statement

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

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4.18.Segment Reporting

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the Board of Directors, which has been identified as being the chief operating decision maker, to make decisions about resources to be allocated and to assess its performance and for which discrete financial information is available. The Company has concluded that the business of lending finance is the only reportable segment.

4.19.Leases

With effect from April 1, 2019, the Company has applied Ind AS 116 'Leases' to all lease contracts existing on April 01, 2019 by adopting the modified retrospective approach. Accordingly, the comparative information is not required to be restated

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset.

The Company as a lessee

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months and leases with low value assets. The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company recognises the lease payments associated with these leases as an expense in Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit. The related cash flows are classified as operating activities.

Wherever the above exception permitted under Ind AS 116 is not applicable, the Company at the time of initial recognition:

- measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

- measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing and any initial direct costs. Subsequently, 'Right-of-use assets' is measured using cost model i.e., at cost less any accumulated depreciation (depreciated on straight line basis over the lease period) and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. 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.

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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.

5.1. **Business Model Assessment**

Classification and measurement of financial assets depends on the results of the 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 judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

5.2. **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. Judgements 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.

5.3. **Impairment of loans portfolio**

The measurement of impairment losses across all categories of financial assets requires judgement, 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.

5.4. **Effective Interest Rate (EIR) method**

The Company's EIR methodology recognises 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 recognises 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 judgement 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.

5.5. **Other estimates**

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

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Notes on Financial Statements for the period ended March 31 ,2024

(₹ in Lakhs)

Note 4 - Cash and Cash Equivalents

Particulars	As at March 31 , 2024	As at March 31 , 2023
(a) Cash on hand		
(b) Balance with banks	722.35	1,066.80
(i) current accounts		
(ii) fixed deposits (with maturity of less than 3 months)	2,999.40	3,992.20
	-	4,961.00
TOTAL	3,721.75	9,020.00

Note 5 - Bank Balance Other Than Above

Particulars	As at March 31 , 2024	As at March 31 , 2023
(a) Balance deposits with maturity more than 3 months	3,046.35	4,795.15
(b) On Escrow Accounts		
Unpaid Dividend account		
TOTAL	3,046.35	4,795.15

Note 6 - Loans & Advances

Particulars	As at March 31, 2024				
	Amortised Cost	At Fair Value			Total
		Through other Comprehensive Income	Through profit/loss	Designated at fair value through Profit or loss	
Loans					
(A)					
Gold Loan	1,46,750.72	-	-	-	1,46,750.72
MSME & Other Receivables	46,180.21	-	-	-	46,180.21
Micro Enterprise Loan	19,264.89	-	-	-	19,264.89
	-				-
Total (A) - Gross	1,72,095.82	-	-	-	1,72,095.82
Less: Impairment loss allowance	1,408.99	-	-	-	1,408.99
	-				-
Total (A) - Net	1,70,686.83	-	-	-	1,70,686.83
(B)	-				-
(a) Secured by tangible assets	1,52,830.93	-	-	-	1,52,830.93
(b) Covered by Bank/Government guarantees	-	-	-	-	-
(c) Unsecured	19,264.89	-	-	-	19,264.89
	-				-
Total (B) - Gross	1,72,095.82	-	-	-	1,72,095.82
Less: Impairment loss allowance	1,408.99	-	-	-	1,408.99
	-				-
Total (B) - Net	1,70,686.83	-	-	-	1,70,686.83
(C)	-				-
Loans in India	-				-
(a) Public Sector	-				-
(b) Others	1,72,095.82	-	-	-	1,72,095.82
	-				-
Total (C) - Gross	1,72,095.82	-	-	-	1,72,095.82
Less: Impairment loss allowance	1,408.99	-	-	-	1,408.99
	-				-
Total (C) - Net	1,70,686.83	-	-	-	1,70,686.83

KLM AXIVA FINVEST LIMITED
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Notes on Financial Statements for the period ended March 31, 2024

Note 9 - Loans & Advances

Particulars	As at March 31, 2023				
	Amortised Cost	At Fair Value			Total
		Through other Comprehensive Income	Through profit/loss	Designated at fair value through profit or loss	
Loans					
(A)					
Gold Loan	93,796.18	-	-	-	93,796.18
MSME & Other Receivables	37,840.92	-	-	-	37,840.92
Microfinance Loan	14,395.87	-	-	-	14,395.87
Total (A) - Gross	1,46,032.97	-	-	-	1,46,032.97
Less: impairment loss allowance	1,568.39	-	-	-	1,568.39
Total (A) - Net	1,44,464.58	-	-	-	1,44,464.58
(B)					
(i) Secured by tangible assets	1,31,637.10	-	-	-	1,31,637.10
(ii) Covered by Bank/Government guarantees	-	-	-	-	-
(iii) Unsecured	14,395.87	-	-	-	14,395.87
Total (B) - Gross	1,46,032.97	-	-	-	1,46,032.97
Less: impairment loss allowance	1,568.39	-	-	-	1,46,032.97
Total (B) - Net	1,44,464.58	-	-	-	1,44,464.58
(C)					
Loans in India	-				
(i) Public Sector	-				
(ii) Others	1,46,032.97	-	-	-	1,46,032.97
Total (C) - Gross	1,46,032.97	-	-	-	1,46,032.97
Less: impairment loss allowance	1,568.39	-	-	-	1,568.39
Total (C) - Net	1,44,464.58	-	-	-	1,44,464.58

Summary of ECL provisions

Particulars	F.Y. 2023-24			
	Stage 1	Stage 2	Stage 3	Total
Gold Loan	0.52	3.14	278.62	282.47
MSME & Other Receivables	-	-	891.73	891.73
Microfinance Loan	0.13	0.77	133.58	134.78
Total Closing ECL provision	0.65	3.91	1,304.43	1,308.99

Summary of ECL provisions

Particulars	F.Y. 2022-23			
	Stage 1	Stage 2	Stage 3	Total
Gold Loan	3.28	10.29	96.08	124.18
MSME & Other Receivables	9.06	25.98	1,040.84	618.46
Microfinance Loan	14.06	5.22	444.79	314.77
Total Closing ECL provision	17.40	49.41	1,501.58	1,568.39

Note 10 - Other Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Interest accrued on fixed deposits	100.46	43.02
(b) Security Deposits	1,476.89	1,450.40
(c) Other Receivables	52.49	261.93
TOTAL	1,659.84	1,755.36

Note 11 - Current Tax Assets (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance tax and tax deducted at source	1,049.12	1,486.93
TOTAL	1,049.12	1,486.93

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KLM AXIVA FINVEST LIMITED
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Notes on Financial Statements for the period ended March 31 ,2024

Rs in Lakhs

Note 12 - Deferred Tax

Deferred Tax Assets/(Liabilities)	As at March 31 , 2024	As at March 31 , 2023
Fixed Asset : Timing difference on account of depreciation and amortisation	169.30	156.14
Impairment of financial instruments	404.95	394.73
Amortisation of expenses & income under effective interest rate me	-98.39	-133.04
Total	475.85	417.82
Net deferred tax asset	475.85	417.82

Note 15 - Other Non-Financial Assets

Particulars	As at March 31 , 2024	As at March 31 , 2023
(a) Balance with revenue Authorities		
GST receivable	189.19	83.28
Income Tax Refund	968.66	-
(b) Advances for land	-	-
(c) Other Advances	259.70	438.23
(d) Stock of Stationary	2.63	2.63
TOTAL	1,420.18	524.13

Note 16 - Debt Securities

Particulars	As at March 31 , 2024	As at March 31 , 2023
At Amortised Cost:		
(a) Secured Non-Convertible Debentures - Privately Placed	727.08	235.10
(b) Secured Non-Convertible Debentures - Public Issue	66,940.84	80,844.29
Total (A)	67,667.92	81,079.39
Borrowings in India	67,667.92	81,079.39
Borrowings outside India	-	-
TOTAL	67,667.92	81,079.39

Nature of Security :

Secured by way of first ranking pari passu charge on all movable assets and fixed assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of the Company and first ranking pari passu charge on the immovable property situated at Malligai Nagar Kombai Village, Uthampalayam Taluk, Theni District, Tamil Nadu.

Extend of Security:

Equal to the value of one time (one hundred percentage) of the NCDs outstanding plus interest accrued thereon.

16.1 - Secured Non Convertible Debentures - Private Placement

Series wise classification of secured non convertible debentures

Particulars	*As at March 31 , 2024*	*As at March 31 , 2023*
Non Convertible Debentures 2023 - 24 Series	727.08	158.10
Non Convertible Debentures 2017 - 18 Series	-	62.70
Non Convertible Debentures 2016 - 17 Series	-	12.10
Non Convertible Debentures 2015 - 16 Series	-	2.20
TOTAL	727.08	235.10

Interest wise classification of secured non convertible debentures

Particulars	*As at March 31 , 2024*	*As at March 31 , 2023*
Non Convertible Debentures - 12.5%	-	29.30
Non Convertible Debentures - 12%	-	155.30
Non Convertible Debentures - < 12%	727.08	50.50
TOTAL	727.08	235.10

Maturity wise classification of secured non convertible debentures

Particulars	*As at March 31 , 2024*	*As at March 31 , 2023*
Non Convertible Debentures - 48 months maturity	678.08	
Non Convertible Debentures - 60 months maturity	-	220.80
Non Convertible Debentures - 36 months maturity	49.00	14.30
TOTAL	727.08	235.10

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CHARTERED ACCOUNTANTS

Rs in Lakhs

Note 2 - Secured Non Convertible Debentures - Public Issue

Series wise classification of secured non convertible debentures

Particulars	As at March 31 2024	As at March 31 , 2023
Non Convertible Debentures 2023 - 24 Series (Public Issue IX)	8,078.38	-
Non Convertible Debentures 2022 - 23 Series (Public Issue VIII)	13,612.96	13,612.96
Non Convertible Debentures 2022 - 23 Series (Public Issue VII)	14,638.08	16,799.56
Non Convertible Debentures 2021 - 22 Series (Public Issue VI)	8,036.82	10,551.13
Non Convertible Debentures 2021 - 22 Series (Public Issue V)	6,983.02	10,525.35
Non Convertible Debentures 2021 - 22 Series (Public Issue IV)	7,063.13	9,892.45
Non Convertible Debentures 2020 - 21 Series (Public Issue III)	3,936.33	6,196.99
Non Convertible Debentures 2019 - 20 Series (Public Issue II)	2,982.19	3,184.62
Non Convertible Debentures 2018 - 19 Series (Public Issue I)	1,424.10	4,576.08
Sub Total	67,397.02	81,398.44
Less: EIR impact of transaction cost	456.18	554.15
TOTAL	66,940.84	80,844.29

Policy wise classification of secured non convertible debentures

Particulars	As at March 31 , 2024	As at March 31 , 2023
Non Convertible Debentures - > 12%	1,424.10	2,274.99
Non Convertible Debentures - 12%	999.47	2,850.66
Non Convertible Debentures - > 11.5% to 11.86%	6,321.05	6,810.64
Non Convertible Debentures - >11.25% to 11.5%	363.08	2,444.58
Non Convertible Debentures - 11% to 11.25%	15,429.93	15,990.60
Non Convertible Debentures - <11%	43,259.39	51,077.02
Sub Total	67,397.02	81,398.44
Less: EIR impact of transaction cost	456.18	554.15
TOTAL	66,940.84	80,844.29

Maturity wise classification of secured non convertible debentures

Particulars	As at March 31 , 2024	As at March 31 , 2023
Non Convertible Debentures - 82 months maturity	1,996.30	1,551.69
Non Convertible Debentures - 80 months maturity	1,709.46	948.53
Non Convertible Debentures - 78 months maturity	1,076.26	1,837.19
Non Convertible Debentures - 73 months maturity	2,177.35	2,177.35
Non Convertible Debentures - 72 months maturity	1,424.10	1,424.10
Non Convertible Debentures - 60 months maturity	27,646.31	28,770.95
Non Convertible Debentures - 45 months maturity	-	202.43
Non Convertible Debentures - 36 months maturity	11,040.54	13,948.93
Non Convertible Debentures - 24 months maturity	7,407.60	12,324.96
Non Convertible Debentures - 18 months maturity	3,131.54	6,892.49
Non Convertible Debentures - 15 months maturity	5,376.20	6,030.00
Non Convertible Debentures - 12 months maturity	2,477.36	2,525.53
Sub Total	-	2,024.79
Less: EIR impact of transaction cost	67,397.02	81,398.44
TOTAL	456.18	554.15
	66,940.84	80,844.29

Note 17 - Borrowings (Other than Debt Securities)

Particulars	As at March 31 , 2024	As at March 31 , 2023
At Amortised Cost		
(a) Term Loan		
Indian Rupee Loans from Banks (Secured)	10,646.12	3,941.88
(b) Loans repayable on demand		
Cash credit / overdraft facilities from banks (Secured)	5,131.13	3,660.00
Less: EIR impact of transaction cost	-	39.72
Total (A)	15,777.25	7,562.82
Borrowings in India	15,777.25	7,562.82
Borrowings outside India	-	-
TOTAL	15,777.25	7,562.82

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KLM AXIVA FINVEST LIMITED
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Notes on Financial Statements for the period ended March 31, 2024

Rs in Lakhs

Nature of Security :

(a) Term loan from bank :-

Particulars	Primary	Collateral	Guarantors
Kotak Mahindra - 68.96 Lakhs (Release Order No : CF/22207065 dated 25-08-2023) (Release Order No : CF/22360034 dated 26-09-2023)	The loans are secured by hypothecation of respective vehicles against which the loans have been availed	Nil	Nil

Particulars	Primary	Collateral	Guarantors
State Bank of India (Term Loan of Rs 125.00Crs) (Sanction Letter dated 29-12-2023)	Hypothecation of Book Debts, Loan Receivables and other Current Assets on First Pari Passu basis with Debenture Trustees of the Company and other Banks in MBA	a. Exclusive Equitable Mortgage charge over the commercial plot bearing survey number Sy no 569,570/3-2,3-10 / 3-1, Situated at door no 5/499, Muringoor Thekkumuri, Chalakkudy 680308, Admeasuring total Area 4.09 Acres, Belonging to KLM Axiva Finvest Limited(Sale Deed No 561/2019)	1. Shibu Varghese 2. Biji Shibu
		b. Exclusive Equitable Mortgage charge over the Commercial Plot bearing Survey Number Sy No 379 / 1-2 and 379 /2, situated near Vallakkunnu junction, Opp. Two Pole Structure No. 11KV/RS/287, R S Road, Vallakkunnu, Irinjalakuda, Thrissur 680683 Admeasuring Total Area 2.93 Acres, Belonging to KLM Axiva Finvest Limited (Sale Deed No 1791/2022)	
		c. Exclusive Equitable Mortgage charge over the Commercial plot bearing Survey Number Sy. No 1267 / 3-2 with a commercial building bearing Door No 10/564 of Kothamangalam Municipality, in Kothamangalam Village, Kothamangalam Taluk Ernakulam District, Admeasuring Total Area 7.78 Acres, Belonging to KLM Axiva Finvest Limited (Sale Deed No 836/2022)	
		d. Exclusive Equitable Mortgage Charge over the commercial building bearing Survey number : Re-Sy. No 26/2, all in block no 280 situated in Edappally North Village, Kanayannur Taluk, Ernakulam District, Admeasuring Total Area : 3.24 Acres, Belonging to KLM Axiva Finvest Limited (Sale Deed No 1854/2019) and commercial building bearing survey Number Resy. No 26, all in block no 280 situated in Edappally North Village, Kanayannur Taluk, Ernakulam District Admeasuring Total Area 1.75 Acres Belonging to Shibu T V (Sale Deed No 5327 /2019)	
		e. Exclusive Charge(Lien) Over the Fixed Deposit of Rs 21.85 Crs (Rs. 11.85 Crs + Rs 10.00 Cr) held in the name of the company with SBI	
Indian Overseas Bank - Term Loan of Rs. 20.00 Crores (Sanction Letter Dated 06-11-2023)	Exclusive first charge by way of assignment/hypothecation of Book Debts (principal amount pertains to Standard / regular underlying Assets) with asset coverage of 1.43 times of the Loan Component at any point of time during the currency of the Loan.	30% of the exposure by way of fixed deposits	1. Shibu Thechuropurath Varghese 2. Biji Shibu

(b) Loans repayable on demand

Particulars	Primary	Collateral	Guarantors
South Indian Bank (Limit - Rs 10.00 Crores) (Sanction Letter dated 13-02-2024)	Hypothecation of Book debts, Loan Receivables and other current assets on first pari passu basis with Debenture Trustees of the company and other banks on MBA. Asset coverage ratio of not less than 1.50 times to be maintained at all times for SIBs Exposure	1. EM of Property admeasuring to 7.92 ares of land situated under Sy No 1160/18 of village Kothamangalam, Taluk Kothamangalam, District Ernakulam, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future	1. Shibu T. Varghese 2. Biji Shibu
		2. EM of property admeasuring to 9.37 Ares of land situated under Sy No 1160/6A, 1160/6B of village Kothamangalam, Taluk Kothamangalam, District Ernakulam, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future.	
		3. EM of property admeasuring to 8.75 Ares of land situated under Sy No 1159/9 village Kothamangalam, Taluk Kothamangalam, District Ernakulam, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future	
		4. EM of property admeasuring to 63.94 ares (61.92 Ares + 2.02 Ares) situated under Sy No 571/3-20 (61.92 Ares) and 571/4-4 (2.02 Ares) of village Muringoor Thekkumuri, Taluk Chalakudy, District Thrissur, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future	
		5. EM of property admeasuring to 22.80 Ares of land situated under old Sy No 269/1C/2 & 269/1B/1 ; Re Sy No 136/2 of village pattimattom, Taluk Kunnathunadu, District Ernakulam, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future	

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Notes on Financial Statements for the period ended March 31, 2024

Rs. in Lakhs

Dhanalakshmi Bank (Limit - Rs 9.00 Crores) (Sanction Letter dated 03-07-2023)	For working capital purposes charge with existing security interest including debenture trustees on all movable assets including book debts and receivables (Cash and Bank balances, Loans & advances, both present and future of the company at a margin of 30%.(For DP (de-valuation only gold loan portfolio to be reckoned at the applicable margin level of 30%) cover period upto 90 days	1. EM of Rs 79 Area (6.35.48 cents) of dry residential vacant land under Sy no 322/4 of 4.90 cents & Sy No 322/5 of 45.58 cents under TP No 18468, of Vellarm Village, Valiyam GP, Kunnathunad Desom, Mevallipparthe SRO, Muvattupuzha Taluk, Ernakulam District, Kerala standing in the name of M/s. KLM Axiva Finvest Limited. 2. EM of 02.35 Area (235.48 cents) of dry residential land and 1,879.03 sq.m residential building standing thereon bearing Door Nos 3-173 & 3-174 under Re Sy no. 470/11-3-3 of 21.22 Area, Re Sy no. 470/11 of 2.26 Area, Re Sy 470/11-3-2 of 22.54 Area, Re Sy 470/11-3-2 of 19.99 Area, Re Sy 470/11-3 of 3.34 Area, Re Sy 470/2 of 6.44 Area and Re Sy 470/15 of 4.70 Area in Block 32, Ward No. V, TP No. 4822 of Kizhakkumuri Village, Kodanadu GP, Vazhoor Desom, Pathanamvat SRO, Kanjirathanam Taluk, Ernakulam (Dist), Kerala standing in the name of M/s. KLM Axiva Finvest Limited 3. EM of 19.91 Area (49.25 cents) of dry residential vacant land under Re Sy No 365/2-2-4 of 6.07 Area, Re Sy No 365/2-2-5 of 7.80 Area and Re Sy No 365/2-2-6 of 0.40 Area (Combined Old Sy No. 100/10) at Block 6, TP No. 8957, Kuruppanthi village, Kuruppanthi GP, Unnai Desom, Pothanikkad SRO, Kanjirathanam Taluk, Ernakulam (Dist) Kerala, in the name of M/s. KLM Axiva Finvest Limited.	1. Shibu T Varghese 2. Biji Shibu
State Bank of India (Limit- Rs.25.00 Crores) (Sanction Letter dated 29-12-2023)	Hypothecation of Book Debts, Loan Receivables and other Current Assets (Pari Passu Basis with Debenture Trustees of the Company and other Banks in MBA	1. Exclusive Equitable Mortgage Charge over the commercial plot bearing survey number : Sy.no 849/370/1-2,370/2-2, situated at door no 5/694, purpayoor Thekkumuri, Chelakkudy 680308, admeasuring total Area 5.08 Acres, belonging to KLM Axiva Finvest Limited(Sale Deed No 561/2019) 2. Exclusive Equitable Mortgage Charge over the Commercial Plot bearing Survey Number Sy. No 379/1-1 and 379/2, situated near Vallakunnu junction, Oppo: Two Pole Structure No. IRKU/RS/207, R S Road, Vallakunnu, Irinjalakuda, Thrissur 680683 Admeasuring Total Area: 2.93 Acres, Belonging to KLM Axiva Finvest Limited (Sale Deed No 8388/2022) 3. Exclusive Equitable Mortgage Charge over the Commercial plot bearing Survey Number Sy. No 1297/9-1 with a commercial building bearing Door No 40/564 of Kothamangalam Municipality, in Kothamangalam Village, Kothamangalam Taluk Ernakulam District, Admeasuring Total Area 7.78 Acres, belonging to KLM Axiva Finvest Limited (Sale Deed No 874/2022) 4. Exclusive Equitable Mortgage Charge over the commercial building, bearing Survey number : Re Sy. No 36/2, all in Block no 280, situated in Elappally North Village, Kanjiramattom Taluk, Ernakulam District, Admeasuring Total Area : 3.24 Acres, belonging to KLM Axiva Finvest Limited (Sale Deed No 6854/2019) and commercial building bearing survey Number, Resy. No 36/4 in block no 280, situated in Elappally North Village, Kanjiramattom Taluk Ernakulam District Admeasuring Total Area 1.75 Acres belonging to Shibu T V Sale Deed No 5127/2019 5. Exclusive Charge(Lien) Over the Fixed Deposit of Rs 24.15 Crs (Rs. 11.85 Crs + Rs 10.00 Cr) held in the name of the company with SBI	1. Shibu T Varghese 2. Biji Shibu

Note 18 : Sub-classified Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
At Amortised Cost		
(a) Subordinated Debts	73,621.22	47,845.52
(b) Other Than Capital - Perpetual Debt Instruments	3,538.53	2,443.93
Total (A)	77,159.75	50,289.45
Subordinated Liabilities in India	77,159.75	50,289.45
Subordinated Liabilities outside India	-	-
TOTAL	77,159.75	50,289.45

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Notes on Financial Statements for the period ended March 31, 2024

Rs in Lakhs

Note 18 - Subordinated Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
At Amortised Cost		
(a) Subordinated Debts	73621.22	47,845.52
(b) Tier - I Capital - Perpetual Debt Instruments	3,538.53	2,443.93
Total (A)	77,159.75	50,289.45
Subordinated liability in India	-	-
Subordinated liability outside India	77,159.75	50,289.45
	-	-
TOTAL	77,159.75	50,289.45

18.1 - Unsecured Subordinated Debt - Private Placement

Series wise classification of unsecured subordinated debt

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured Subordinated Debt 2020 - 22, 2022-23 and 2023-24 Series	60,761.83	27,612.67
Unsecured Subordinated Debt 2019 - 20 Series	11,593.53	11,593.53
Unsecured Subordinated Debt 2018 - 19 Series	1,052.98	8,354.22
Unsecured Subordinated Debt 2017 - 18 Series	213.08	285.30
Unsecured Subordinated Debt 2016 - 17 Series		-
TOTAL	73,621.22	47,845.52

Interest wise classification of unsecured subordinated debt

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured Subordinated Debt - 12.5%	7,015.26	1,284.57
Unsecured Subordinated Debt - 12.5%	174.20	201.21
Unsecured Subordinated Debt - 12.25%	388.63	376.13
Unsecured Subordinated Debt - 12%	5,160.38	3,569.16
Unsecured Subordinated Debt - 12%	60,882.35	42,614.46
TOTAL	73,621.22	47,845.52

Maturity wise classification of unsecured subordinated debt

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured Subordinated Debt - 5 years maturity	4,265.07	4,351.21
Unsecured Subordinated Debt - 5 years maturity	69,356.15	43,494.29
TOTAL	73,621.22	47,845.52

Note 19 - Other Financial Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Interest payable on debt securities	4,193.17	3,594.98
(b) Interest payable on subordinated debts	2,410.21	2,346.61
(c) Interest payable on PDI	70.11	28.79
(d) Others	169.01	642.89
TOTAL	6,872.53	6,613.26

Note 20 - Current Tax Liabilities (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Income tax provision	772.58	694.86
	772.58	694.86

Note 21 - Other Non-Financial Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Statutory remittances	80.59	108.59
(b) Gratuity Payable	183.81	124.51
(c) Other Payables	322.56	-
	-	-
TOTAL	586.96	233.10

₹ in Lakhs

Note 22 - Equity Share Capital

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

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
250,000,000 (March 31, 2023: 250,000,000) Equity Shares of ₹10/- each	25,000.00	25,000.00
	25,000.00	25,000.00
Issued, Subscribed & Fully Paid Up		
1,854,013,857 (March 31, 2023: 1,854,013,857) Equity Shares of ₹10/- each	18,540.14	18,672.81
TOTAL	18,540.14	18,672.81

i. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	In Numbers	Amount
As at March 31, 2023	18,67,28,078	18,672.81
Shares issued during the year	1,86,22,221	1,867.33
As at March 31, 2024	20,54,00,857	20,540.14

ii. Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share.

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

iii. Details of equity shareholders holding more than 5% Shares

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of Holding	No. of shares	% of Holding
Asianet Satellite Communications Limited	3,84,29,109.00	87.03	3,17,98,298	87.03
Mr. Shaji	1,15,48,127.00	5.62	1,04,98,298	5.62
Bharti Airtel Limited	2,39,56,314.00	11.66	2,21,96,748	11.83
Others	97,61,489.00	4.75	98,74,013	1.75

Note 23 - Other Equity

Particulars	Amount
Securities Premium	
As at March 31, 2023	3,195.95
Add: Additions upon share issue	-1,867.28
As at March 31, 2024	1,328.66
Statutory Reserve	
As at March 31, 2023	3,499.31
Add: Additions/(Deductions) during the year	39.57
As at March 31, 2024	3,538.78
General Reserve	
As at March 31, 2024	0.00
Utilised during the year	-
	0.00
Revaluation reserve	
As at March 31, 2023	693.85
Add: Additions/(Deductions) during the year	-1.01
As at March 31, 2024	692.84
Retained Earnings	
As at March 31, 2023	1,842.66
Add: Profit for the year	2,300.87
Less: Dividend	-560.90
Less: Transfer to statutory reserve	-368.57
	3,223.06
Total Other Equity	
As at March 31, 2023	6,783.97
As at March 31, 2024	8,657.36

P.R. JAIN AND ASSOCIATES COCHIN-25 CHARTERED ACCOUNTANTS

KLM ANIVA FINVEST LIMITED
Hyderabad

Notes on Financial Statements for the period ended March 31, 2024

Rs in Lakhs

Nature and purpose of Reserves

Securities premium
This Reserve represents the premium on issue of equity shares. The reserve can be utilised only for the purposes in accordance with the provisions of the Companies Act, 2013.

Statutory reserve
Statutory Reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934. It requires every non-banking finance institution which is a Company to create a reserve fund and transfer thereto a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. The Company has appropriated 20% of the Profit After Tax to the fund for the year.

General reserve

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

Revaluation reserve
The revaluation reserves represents the gain/ loss attained by the company while revaluing its assets to fair market value. During the year, the company revalued some of its landed property and the gain/loss has been transferred to revaluation reserve.

Retained earnings
This reserve represents the cumulative profits of the Company.

Note 24 - Interest Income

Particulars	March 31, 2024	March 31, 2023
On financial assets measured at amortised cost		
(i) Interest on Loans		
Gold Loan	22,085.96	18,008.58
MSME & Other Loans	5,321.87	5,680.42
Microfinance Loans	2,904.20	3,756.25
(ii) Interest on deposit with banks	277.46	486.73
(iii) Other interest income	1.42	6.09
TOTAL	30,562.49	27,548.07

Note 25 - Other Income

Particulars	March 31, 2024	March 31, 2023
Commission Income	469.76	175.68
Processing Fee	161.18	
Notice Charge	20.02	12.29
Miscellaneous Income	2.09	142.11
Closing Charges	467.52	-
Documentation charges	209.25	-
Profit on Investment	-	4.83
TOTAL	1,029.63	334.91

Note 26 - Finance Cost

Particulars	March 31, 2024	March 31, 2023
On financial liabilities measured at amortised cost		
Interest on Borrowings (other than debt securities)	1,066.32	496.37
Interest on Subordinate Debt	6,125.95	6,137.10
Interest on Debentures	7,901.59	7,455.17
Interest on PDI	380.09	247.21
Others		-
Interest on delayed payment of income tax	0.82	-
TOTAL	15,476.76	14,336.45

Note 27 - Impairment on Financial Instruments

Particulars	March 31, 2024	March 31, 2023
On financial assets measured at amortised cost		
Loan assets	40.60	71.98
TOTAL	40.60	71.98

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KLM AXIVA FINVEST LIMITED
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Notes on Financial Statements for the period ended March 31, 2024

Rs in Lakhs

Note 28 - Employee benefits expenses

Particulars	March 31, 2024	March 31, 2023
Salaries & Wages	4,266.16	4,877.00
Contributions to provident and other funds	391.41	293.88
Gratuity	73.05	61.19
TOTAL	6,730.63	5,232.07

Note 29 - Depreciation, amortisation and impairment

Particulars	March 31, 2024	March 31, 2023
Depreciation of tangible assets	878.50	1,080.39
Amortisation of intangible assets	14.23	14.37
TOTAL	892.73	1,094.76

Note 30 - Other expenses

Particulars	March 31, 2024	March 31, 2023
Advertisements	268.91	181.31
Audit Expenses	0.40	0.40
Audit Fee	11.50	11.50
Bank Charges	87.53	39.00
Business Promotion	132.54	129.96
Celebration Expense	12.51	9.51
Collection Expenses	8.25	5.17
Computer & Software Expenses	14.39	17.84
Corporate social responsibility expenditure	37.57	24.39
Conducting expenses	0.90	2.74
Customer Meet expenses	12.56	5.12
Cibil Charges	3.45	4.70
Debenture Trustee Remuneration	1.21	1.20
Discount Given	102.32	70.97
Electricity Charges	170.64	126.50
Fuel Expenses	15.44	14.22
Inaugural Expense	5.59	21.19
Incentive	750.54	957.57
Insurance Charges	172.28	21.88
Internet Charges	39.32	31.62
Legal Expense	52.86	30.93
Loss on Auction Gold	17.55	68.74
Loss on sale of fixed Assets	11.55	-
Marketing Expenses	4.63	5.52
Meeting Expenses	22.22	36.65
Membership Fee	1.05	2.01
Miscellaneous Expense	0.11	0.00
Newspaper & Periodicals	1.41	1.78
Office Expense	172.90	162.53
Postage	39.89	36.11
Printing & Stationery	105.58	107.31
Professional Fee	65.61	97.33
Public Issue	147.42	246.07
Rates & Taxes	33.30	42.10
Rent	2,140.49	1,636.30
Repairs and Maintenance	20.74	12.40
Repairs and Maintenance Building	4.03	4.51
ROC Filing Charge	6.18	14.67
Sitting Fees	6.40	6.00
Staff Training Expense	40.47	99.60
Telephone Charges	81.79	73.87
Travelling expenses	351.16	299.67
GST & Food Loss Paid	157.97	-
Vehicle Maintenance	5.07	6.99
Water Charges	10.40	7.31
TOTAL	5,434.18	4,676.94

Note - 30 I

Payment to the auditors comprises :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Auditors - statutory audit	9.20	9.20
Tax Audit Matters	2.30	2.30
TOTAL	11.50	11.50

A.B. JAIN AND ASSOCIATES
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All amounts

Note 31 - Income Tax

The components of income tax expense for the year ended March 31, 2024 and year ended March 31, 2023 are:

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Current tax	777.98	544.86
Deferred Tax	-58.03	-65.11
Income tax expense reported in statement of profit and loss	719.95	479.75

Note 32 - Earnings per share

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Net profit for calculation of basic earnings per share	2,302.87	1,403.88
Weighted average number of shares used as denominator for calculating basic and diluted earning per share	1,023.40	1,376.54
Basic and diluted earnings per share (Rs.)	2.25	1.55

Note 35 - Related party disclosures

Names of Related Parties

(A) Key Management Personnel

		Designation
1	Shibu Thekkumpurathu Varghese	Director
2	Raj Shibu	Chief Executive Officer
3	Manoj Raveendran Nair	Chief Financial Officer
4	Thanish Dalip	Company Secretary
5	Nawaz P Thottiyil	Independent Director
6	Kuppillil Mathew Mathews	Independent Director
7	Joseph Paul Mukkadayil	Director
8	Abraham Thomas	Independent Director (Resigned on 19-05-2023)
9	Sreenivasan Thekkil Parameswaran Pillai	Independent Director (Resigned on 12-04-2024)
10	Sivadas Chithra	Independent Director (Ceased due to vacation on 08-11-2025)
11	Sudhangadi Gunabhooshanan	Company Secretary (Resigned on November 08, 2023)
12	Unni Jacob	
13	Sreenath C Menon	

(B) Entities in which KMP / Relatives of KMP / Director can exercise significant influence

1. KKM Farm Craft & Hotpoints Private Limited
2. Pascali Cuisines Private Limited
3. Five Needle Night Limited
4. Aura Palm Limited - Strike Off
5. Cashew's Delicacies (India) Private Limited
6. Chief Financial Holdings Private Limited
7. St Joseph's KANASA Initiatives (P) Private Limited
8. Ashtone Suite Limited

(C) Relatives of Key Management Personnel

Elen Ria Shibu	d/o Shibu Thekkumpurathu Varghese
Ann Liz Shibu	d/o Shibu Thekkumpurathu Varghese
Alexandria Varghese	Mother of Shibu Thekkumpurathu Varghese
Vidya Mathew	w/o Thanish Dalip
Aswathy R	W/o Manoj Raveendran Nair
Lekshmi C Kurian	S/o Nawaz P Thottiyil
Lakshmi P S	w/o Sreenath C Menon

Related Party transactions during the year

Particulars	Related Party		Relatives of Related Party	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Shares subscribed (including share premium)	-	2,305.71	-	2,305.71
Purchase of listed NCD of the Company	-	-	-	-
Purchase of sub-debts of the Company	-	-	2.50	-
Interest paid on listed NCD	1.10	-	0.48	0.17
Bonus Shares issued	54.90	-	22.41	-
Remuneration paid	253.31	166.57	-	-
Dividend paid	115.79	-	65.56	-
Sitting Fees	4.20	-	-	

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Notes on Financial Statements for the period ended March 31, 2024

Rs in Lakhs

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

Particulars	Related Party		Relatives of Related Party	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Investment in Subsidiary Company		-		-
Equity shares subscribed	5,893.34	3,479.83	2,793.18	4,758.92
NCD - Listed		2.56	2.00	
Subordinate debt		-	4.00	-
Interest payable on NCD		0.26	0.09	-

Note:
Related parties have been identified on the basis of the declaration received by the management and other records available and the same has been relied upon by the auditors.

Note 36 - Capital
Capital Management
The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also along-range strategy. These growth plans are aligned to assessment of risks which include credit, liquidity and interest rate. The Company monitors its capital to risk-weighted assets ratio (CRAR) on a regular basis through its Asset Liability Management Committee (ALCO).

Regulatory Capital

Particulars	As at March 31, 2024	As at March 31, 2023
Tier I Capital	29,452.20	26,698.76
Tier II Capital	15,110.84	13,797.42
Total capital	44,563.05	40,496.18
Risk Weighted Assets	1,44,653.47	1,40,245.38
Tier I CRAR	15.41%	16.46%
Tier II CRAR	8.81%	8.61%
Total capital ratio	25.67%	25.27%

Regulatory capital consists of Tier I capital, which comprises share capital, share premium, Perpetual Debt Instruments, statutory reserve and retained earnings including current year profit. The other component of regulatory capital is other Tier 2 Capital Instruments.

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CHARTERED ACCOUNTANTS

KLM AXIVA FINVEST LIMITED

Hyderabad

Notes on Financial Statements for the year ended march 31, 2024

Note 13 - Property,Plant and Equipment

Particulars	Land	Computers and data processing units	Electrical Installations and Equipment	Furniture and furnishings	Building	Office Equipments	Motor Vehicles	Capital Work in progress	Total
Cost:									
Deemed cost as at 1st April 2023	6,396.33	399.67	247.04	2,989.10	592.48	904.18	30.33	555.18	12,014.32
Additions	283.71	98.01	38.68	1,214.87	-	156.69	75.81	1,053.32	2,921.68
Disposals	-	-	-	-		-	-	-	-
Depreciation:									
Disposals	-	-	-	-		-	-	-	-
Depreciation charge for the year	-	170.98	5.23	518.75	56.29	116.68	10.76	-	878.50
Carrying Amount:									
As at 31st March 2023	6,396.33	399.67	247.04	2,989.10	592.48	904.18	30.33	555.18	12,014.32
As at 31st March 2024*	6,680.03	327.69	280.50	3,685.22	536.19	944.19	95.37	1,608.50	14,957.50

*Represented asset amounts to Rs. 6,604.90 Lakhs

Note 14 - Other Intangible Assets

Particulars	Computer Software
Cost:	
Deemed cost as at 1st April 2023	90.98
Additions	39.92
Disposals	-
Accumulated Amortization:	
Disposals	-
Amortization charge for the year	14.23
Carrying Amount	
As at 31st March 2023	90.98
As at 31st March 2024	116.67

P.R. JAIN AND ASSOCIATES COCHIN-25 CHARTERED ACCOUNTANTS

Note 33 - Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled and considering contractual terms. For Loans and advances to customers, maturity analysis is based on expected repayment behaviour

(Rs in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
Cash and Cash Equivalents	3,723.98	-	3,723.98	9,420.09	-	9,420.09
Bank Balance Other than above	3,086.45	-	3,086.45	1,755.45	-	1,755.45
Loans	1,23,868.22	48,227.60	1,72,095.82	1,10,628.74	35,404.23	1,46,032.97
- Adjustment on account of EIR/ ECL	-	-1,608.99	-1,608.99	-	-1,568.39	-1,568.39
Investments	-	-	-	-	-	-
Other Financial Assets	212.95	1,476.89	1,689.84	304.95	1,450.40	1,755.36
Non-Financial Assets	-	-	-			
Current Tax Assets (Net)	1,049.12	-	1,049.12	1,486.93	-	1,486.93
Deffered Tax Assets (Net)	-	475.85	475.85	-	417.82	417.82
Property, Plant and Equipment	-	13,987.50	13,987.50	-	12,014.32	12,014.32
Other Intangible Assets	-	116.67	116.67	-	90.98	90.98
Other Non-Financial Assets	189.19	1,230.99	1,420.18	524.13	-	524.13
Total Assets	1,32,127.92	63,906.51	1,96,034.43	1,24,120.29	47,869.36	1,71,989.65
LIABILITIES						
Financial Liabilities						
Payables	-	-	-	-	-	-
Debt Securities	28,192.60	39,931.50	68,124.10	22,914.90	58,719.64	81,634.54
- Adjustment on account of EIR	-	-456.18	-456.18	-	-554.15	-554.15
Borrowings (Other than Debt Securities)	9,886.39	7,890.68	17,777.25	4,740.27	2,822.55	7,562.82
Subordinated Liabilities	9,889.83	67,269.95	77,159.78	8,901.31	41,388.14	50,289.45
Other Financial Liabilities	3,020.81	3,852.12	6,872.93	2,211.02	4,402.74	6,613.76
Non-Financial Liabilities	-	-	-			
Current Tax Liabilities (Net)	772.58	-	772.58	694.85	-	694.85
Other Non-Financial Liabilities	566.96	-	566.96	233.10	-	233.10
Total Liabilities	50,348.95	1,16,488.04	1,66,836.99	39,695.43	1,06,777.42	1,46,472.87
Net	81,778.97	-54,581.53	27,197.44	84,424.85	-58,908.06	25,516.78

S. S. JAIN AND ASSOCIATES
COCHIN-25
CHARTERED ACCOUNTANTS

Note 34 - Risk Management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial lending institution, the Company is exposed to risks that are particular to its lending and the environment within which it operates. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company's Risk Management Committee of the Board of Directors constituted is responsible for the overall risk management approach, approving risk management strategies and principles.

The Risk Management Committee shall be responsible for the following:

1. Reviewing the operations of the organization followed by identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

2. Identifying the risks an organization is subject to, deciding how to manage it, implementing the management technique, measuring the ongoing effectiveness of management and taking appropriate corrective action and provide a framework that enables future activities to take place in a consistent & controlled manner.

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

1. Credit risk

Credit risk is the possibility of loss due to the failure of any counterparty abiding by the terms and conditions of any financial contract obligations resulting in financial loss to the Company. The Company's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances.

The Company addresses credit risk through following processes:

1. Through a rigorous loan approval and collateral appraisal process as well as a strong NPA monitoring and collection strategy.
2. Minimise losses due to defaults or untimely payments by borrowers.
3. Credit risk on Gold loan is considerably reduced as collateral is in the form of Gold ornaments which can be easily liquidated and adequate margin of 25% or more is retained while disbursing the loan.

Classification of financial assets under various stages

The Company classifies its financial assets in three stages having the following characteristics:

Stage 1: unimpaired and without significant increase in credit risk since initial recognition on which a 12 month allowance for ECL is recognised;

Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised;

Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

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 (DPD) on its contractual payments. All financial assets are deemed to have suffered a significant increase in credit risk when they are 30 DPD and are accordingly transferred from stage 1 to stage 2.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD).

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, whether scheduled by contract or otherwise.

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 and Stage 2, the Company assesses whether any abnormal reasons occured for a possible default.
To calculate the ECL for 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, expertise of the management team to determine PD.

Loss Given Default (LGD)
LGD is the estimated loss that the Company might bear if the borrower defaults. The Company determines its recovery by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset. In estimating LGD, the company reviews macro-economic developments taking place in the economy.

II. Liquidity risk
Liquidity risk is the non-availability of cash to pay a liability that falls due. A company is deemed to be financially sound if it is in a position to carry on its business smoothly and meet all the obligations – both long term as well as short term – without strain. Liquidity Risk arises largely due to maturity mismatch associated with assets and liabilities of the Company. Liquidity risk stems from the inability of the Company to fund increase in assets, manage unplanned changes in funding sources and meet financial commitments when required.

Company has implemented liquidity management policy for reducing the risk relating to liquidity issues. Currently the policies relating to liquidity are as follows:
1. The Company is maintaining high capital adequacy ratio over and above limits prescribed by regulators.
2. The Company ensures to keep liquidity to cover unexpected repayment obligation.
3. Promoting fund infusion by way of Non-Convertible debentures and subordinated debts so that due date for interest and maturity can be pre known.
4. Funding from long terms sources and lending as short term loans.
5. Reducing the percentage of unsecured lending so that repayment up to a level is not affected.

Asset Liability Management (ALM)
The table below shows the maturity pattern of significant financial assets and financial liabilities. In the case of loans, contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the below maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

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Notes on Financial Statements for the year ended march 31, 2024

Maturity pattern of assets and liabilities as on March 31, 2024:

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30 / 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Not sensitive to ALM*	Total
Deposits	-	-	-		-	-	3,086.45	-	-	-	-	3,086.45
Advances	4,977.89	308.42	647.54	3,337.16	4,331.89	17,478.79	92,346.53	30,745.09	6,886.23	10,596.29	-1,608.99	1,70,486.83
Investments	-	-	-	-	-	-		-		-	-	-
Borrowings												
a) Debt Securities	-	1,358.17	1,613.54		-	7,596.76	17,628.13	25,911.92	14,021.28	1,996.30	-456.18	67,667.92
b) Borrowings (other than debt securities)	57.58	-	362.41	320.50	320.52	361.65	3,963.42	6,375.35	1,515.33	-	-	15,777.26
c) Subordinated liabilities	543.99	146.29	216.47	717.10	900.50	1,029.69	6,335.79	44,297.17	17,658.57	5,344.18	-	77,159.75
Foreign Currency Assets	-	-	-		-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-		-	-	-	-	-	-	-	-	-

* represents adjustments on account of EIR/ECL

Maturity pattern of assets and liabilities as on March 31, 2023:

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30 / 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Not sensitive to ALM*	Total
Deposits	-	-	-	-	4,061.00	1,755.45	-	-	-	-	-	5,816.45
Advances	15,151.53	2,078.70	2,290.60	2,213.09	2,829.24	8,132.50	78,011.08	26,877.89	7,282.26	1,249.08	1,568.39	1,44,464.58
Investments	-		-		-	-	-	-	-	-	-	-
Borrowings										-		
a) Debt Securities	-	-	4,098.78	28.50	26.00	9,073.45	9,688.17	45,183.01	13,535.63	-	-554.15	81,079.39
b) Borrowings (other than debt securities)	-	-	90.14	90.17	90.18	270.58	4,199.18	2,862.26	-	-	-39.72	7,562.81
c) Subordinated liabilities	-	-	336.13	573.53	227.42	1,240.41	6,523.82	22,120.92	16,823.29	2,443.91	-	50,289.45
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-

* represents adjustments on account of EIR/ECL

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III. Market risk

Market risk refers to potential losses arising from the movement in market values of interest rates in the Company's line of business. The objective of market risk management is to avoid excessive exposure of our earnings to loss

Interest rate risk

Interest rate risk is the risk where changes in the market interest rates might adversely affect the Company's financial condition. The interest rate risks are viewed from earning perspective and economic value perspective respectively. Over the last several years, the Government of India has substantially deregulated the financial sector. As a result, interest rates are now primarily determined by the market, which has increased the interest rate risk exposure.

The results of the Company's operations are substantially dependent upon the level of the net interest margin. Interest rates are a routine to many factors beyond the Company's control, including the RBI's monetary policies, domestic and international economic and political conditions and other factors. Rise in inflation, and consequent changes in the bank rates, repo rates and reserve repo rates by the RBI has led to an increase in interest rates on loans provided by banks and financial institutions.

In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans and the company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

IV. Operational risk

Operational risk is broadly defined as the risk of direct or indirect loss due to the failure of systems, people or processes, or due to various other external events. The Company has instituted a series of checks and balances, including an operating manual, and both internal and external audit reviews. Any loss on account of failure by employees to comply with defined appraisal mechanism is recovered out of their variable incentive. The Company also has detailed guidelines on movement and security measures of cash or gold. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Company also have a strong internal audit department which checks the level of operational compliances of branches.

V. Price risk

In recent years the company have become a gold loan NBFC. The variations in market price of gold can affect the business of the company. Gold price is affected by large number of macro economic scenarios and not predictable. Any sharp decrease in price can adversely affect the business of the company.

Note 38 - Disclosure with regard to dues to Micro Enterprises and Small Enterprises

Based on the information available with the Company and has been relied upon by the auditors, 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, 2022 together with interest paid / payable are required to be furnished.

Note 39 - Details of the Auctions conducted with respect to Gold Loan

Year	Number of Loan Accounts	Amount due as on the date of auction	Value fetched
31/03/2024	8,922	6,494.19	6,896.35
31/03/2023	15,078	17,290.57	17,321.55

Note 40 - 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

(₹ in Lakhs)

Sl No		Particulars	As at March 31, 2024		As at March 31, 2023	
		Liabilities side :	Amount out-standing	Amount overdue	Amount out-standing	Amount overdue
1		Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid.				
	(a)	Debentures : Secured	67,667.97	-	81,079.39	-
		: Unsecured	-	-	-	-
		(other than falling within the meaning of public deposits)	-	-	-	-
	(b)	Deferred Credits	-	-	-	-
	(c)	Term Loans	10,646.11	-	3,941.08	-
	(d)	Inter-corporate loans and borrowing	-	-	-	-
	(e)	Commercial Paper	-	-	-	-
	(f)	Public Deposits	-	-	-	-
	(g)	Other Loans –	-	-	-	-
		Subordinated debt	73,621.22	-	47,885.32	-
		Perpetual Debt Instruments	3,538.50	-	2,443.93	-
		Cash credit / overdraft facilities from banks	5,131.13	-	3,660.66	-
2		Breakup of (b)(i) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)				
	(a)	In the form of Unsecured debentures	-	-	-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c)	Other public deposits			-	
		Assets side :	Amount out-standing			
3		Breakup of Loans and Advances including bills receivables [other than those included in (4) below]	As at March 31, 2024		As at March 31, 2023	
	(a)	Secured	1,52,830.93		1,31,637.12	
	(b)	Unsecured	15,264.88		14,395.87	
4		Break up of Leased Assets and stock on hire and other assets counting towards asset financing 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 asset financing activities				
		(a) Loans where assets have been repossessed	-		-	
		(b) Loans other than (a) above			-	

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Notes on Financial Statements for the year ended March 31, 2024

5	Break-up of Investments		
	Current Investments	As at March 31, 2024	As at March 31, 2023
	1 Quoted :		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference		-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2 Unquoted :		
	(i) Shares		
	(a) Equity	-	
	(b) Preference		-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	Long Term Investments	As at March 31, 2024	As at March 31, 2023
	1 Quoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2 Unquoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-

6 Borrower group-wise classification of assets financed as in (3) and (4) above :

Category	Amount net of provisions as at March 31, 2024			Amount net of provisions as at March 31, 2023		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1 Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2 Other than related parties	1,38,651.73	18,830.11	1,70,486.83	1,30,532.69	13,931.89	1,44,464.58

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category	As at March 31, 2024		As at March 31, 2023	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2 Other than related parties	-	-	-	-
Total	-	-	-	-

8 Other Information

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Gross Non-Performing Assets*		
(a) Related parties	-	-
(b) Other than related parties	2,755.14	2,692.14
(ii) Net Non-Performing Assets*		
(a) Related parties	-	-
(b) Other than related parties	1,844.86	1,123.75
(iii) Assets acquired in satisfaction of debt	-	-

* Stage 3 loan assets under Ind AS

R.B. JAIN AND ASSOCIATES COCHIN-25 CHARTERED ACCOUNTANTS

Note 40.2 - Capital

(₹ in lakhs)

Sl. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	CRAR (%)	23.62%	25.27%
2	CRAR - Tier I Capital (%)	15.61%	16.66%
3	CRAR - Tier II Capital (%)	8.01%	8.61%
4	Amount of subordinated debt raised as Tier - II capital	14,726.40	13,349.58
5	Amount raised by issue of perpetual debt instruments	3,538.54	2,443.93

Note 40.3 - Investments

(₹ in lakhs)

Sl. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	-	-
	(b) Outside India	-	-
	(ii) Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	-	-
	(b) Outside India	-	-
2	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	-	-
	(ii) Add: Provisions made during the year	-	-
	(iii) Less: Write off / write back of excess provisions during the year	-	-
	(iv) Closing balance	-	-

Note 40.4 - Ratings assigned by Credit rating Agencies

Sl. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Bank Loans - Cash Credit/overdraft	IND BBB-/Stable, ACUITE BBB-/Stable	CARE BBB-/Stable, IND BBB-/Stable, BWR BBB-/Stable
2	Non Convertible Debentures - Public issue	CARE BBB-/Stable, IND BBB-/Stable,	CARE BBB-/Stable, IND BBB-/Stable,

Withdrawal of rating for bank loans during the year by the company from BWR BBB-/Stable and CARE BBB-/Stable

Assigned rating for bank loans during the year from Acuite BBB.

Note 40.5 - Provisions and Contingencies

(₹ in lakhs)

Sl. No.	Break up of Provisions and Contingencies shown under the head Expenses in the Statement of Profit and Loss	As at March 31, 2024	As at March 31, 2023
1	Provisions for depreciation on investment	-	-
2	Provision towards NPA (Expected Credit Loss)	-	-
3	Provision made towards income Tax	772.58	698.86
4	Other Provisions and Contingencies (with details)	-	-
5	Provision for Standard Assets	-	-

Note 40.6 - Concentration of Advances

(₹ in lakhs)

Sl. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Total Advances to twenty largest borrowers	17,100.25	15,234.74
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	9.94%	10.43%

Note 40.7 - Concentration of Exposures

(₹ in lakhs)

Sl. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Total Exposures to twenty largest borrowers/customers	17,100.25	15,234.74
2	Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/Customers	9.94%	10.43%

Note 40.8 - Concentration of NPAs

(₹ in lakhs)

Sl. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Total Exposures to top four NPA accounts	161.94	124.76

Note 40.9 - Sector wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		As at March 31, 2024	As at March 31, 2023
1	Agriculture & allied activities	-	-
2	MSME	2.07%	3.68%
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans (vehicle loans)	-	-
7	Other loans	-	-
	(i) Gold loans	0.52%	0.05%
	(ii) Microfinance Loans	6.43%	8.03%

B. JAIN AND ASSOCIATES COCHIN-25 CHARTERED ACCOUNTANTS

Note 40.10 - Movement of NPAs

(₹ in lakhs)

Sr. No.	Particulars		As at March 31, 2024	As at March 31, 2023
(i)	Net NPAs to Net Advances (%)		0.63%	0.71%
(ii)	Movement of NPAs* (Gross)			
	(a)	Opening balance	2,692.14	4,292.53
	(b)	Net additions during the year	68.01	(1,600.40)
	(c)	Closing balance	2,760.14	2,692.14
(iii)	Movement of Net NPAs*			
	(a)	Opening balance	1,123.75	2,498.48
	(b)	Net additions during the year	20.48	(1,374.73)
	(c)	Closing balance	1,144.16	1,123.75
(iv)	Movement of provisions for NPAs* (excluding Provisions on Standard Assets)			
	(a)	Opening balance	1,568.38	1,794.05
	(b)	Provision made during the year	102.53	107.53
	(c)	Write-off / write-back of excess provisions	-	-
	(d)	Closing balance	1,666.91	1,568.38

* Stage 3 loan assets under Ind AS

Note 40 - Customer complaints

Sl. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	No. of complaints pending at the beginning of the year	Nil	Nil
2	No. of complaints received during the year	45	6
3	No. of complaints redressed during the year	45	6
4	No. of complaints pending at the end of the year	Nil	Nil

Note 40.01 - Top five grounds of complaints received

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	No. of complaints pending beyond 30 days
Current Year					
STAFF MISCONDUCT	-	5	400%	-	-
ALOTMEN	-	4	300%	-	-
INTEREST ISSUE	-	2		-	-
TECHNICAL ISSUE	-	4	100%	-	-
INVESTMENT INTEREST	-	-	-100%	-	-
Ground - 6					
OTHERS	-	29		-	-
TOTAL		45			
Previous Year					
STAFF MISCONDUCT		1	100%	-	-
ALOTMEN		1	100%	-	-
INTEREST ISSUE		2	200%	-	
TECHNICAL ISSUE		-	-	-	-
INVESTMENT INTEREST		1	200%	-	-
OTHERS					
TOTAL		6			

P. B. JAIN AND ASSOCIATES
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Note 44 - Master Direction DNBS. [illegible] dated September 29, 2016.

(₹ in lakhs)

Sl. No.	Particulars	As at	As at
1	Amount related to Public reported	[illegible]	164.59

Note 45 - Percentage of Loans granted against collateral of gold jewellery to total assets

(₹ in lakhs)

Sl. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Gold Loans granted against collateral of gold jewellery	1,06,750.72	93,796.38
2	Total Financial assets of the Company	1,72,176.67	1,46,219.41
3	Percentage of Gold Loans to Total Assets	62.00%	64.15%

Note 46 - Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

As per our report of even date attached

For R.B Jain and Associates,
Chartered Accountants
(FRN: 103951W)

R.B. JAIN AND ASSOCIATES
COCHIN-25
CHARTERED ACCOUNTANTS

K.J Thomas, BSc, FCA
Partner (M. No. 019454)

UDIN : 24019454BKAHTG3999
Place:Palarivattom
Date:14-05-2024

For and on behalf of the Board of Directors

Shibu Therkumpurath Varghese
Whole time Director (DIN: 02079917)

Biji Shibu
Director (DIN: 06484546)

Manoj Raveendran Nair
Chief Executive Officer

Thanish Babu
Chief Financial Officer

Naveena P Thampi
Company Secretary

KLM AXIVA FINVEST LIMITED
Hyderabad

Notes on Financial Statements for the year ended march 31, 2024

As at March 31, 2024

Note 41 - Disclosure required as per Reserve Bank of India Notification No. DOR (NBFC). CC . PD. No.109/ 22.10.106 /2019-20 dated March 13,2020
A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 - Financial instruments

Asset Classification as per RBI Norms (1)	Asset Classification as per IND AS 109 (2)	Gross Carrying Amount as per IND AS (3)	Loss Allowances (Provisions) as required under IND AS 109 (4)	Net carrying Amount (5)=(3)-(4)	Provisions required as per IRACP norms (6)	Difference between IND AS 109 provisions and IRACP norms (7)=(4)-(6)
Performing Assets						
Standard Assets	Zero overdue	1,68,933.37	-	1,68,933.37	675.73	-675.73
	Stage 1	185.97	0.65	185.32	0.74	-0.09
	Stage 2	223.34	3.91	219.43	0.89	3.02
Subtotal		**1,69,342.68**	**4.56**	**1,69,338.12**	**677.37**	**-672.81**
Non-Performing Assets						
Sub Standard	Stage 3	1,108.55	249.67	858.94	110.86	138.76
Doubtful- up to 1 year	Stage 3	391.46	195.73	195.73	78.29	117.44
1 to 3 years	Stage 3	376.27	282.16	94.05	112.86	169.29
More than 3 years	Stage 3	876.93	876.93	-	438.47	438.47
Subtotal for doubtful		**1,644.60**	**1,354.82**	**289.78**	**629.62**	**725.20**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**2,753.15**	**1,604.43**	**1,148.72**	**740.48**	**863.95**
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	**Zero overdue**	**1,68,933.37**	-	**1,68,933.37**	**675.73**	**-675.73**
	Stage 1	**185.97**	**0.65**	**185.32**	**0.74**	**-0.09**
	Stage 2	**223.34**	**3.91**	**219.43**	**0.89**	**3.02**
	Stage 3	**2,753.15**	**1,604.43**	**1,148.72**	**740.48**	**863.95**
	Total	**1,72,095.83**	**1,608.99**	**1,70,486.84**	**1,417.85**	**191.14**

R. B. JAIN AND ASSOCIATES CHARTERED ACCOUNTANTS

As at March 31, 2023

Note 41 - Disclosure required as per Reserve Bank of India Notification No. DOR (NBFC). CC. PD. No.109/ 22.10.106/2019-20 dated March 13,2020

A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 - Financial instruments.

Asset Classification as per RBI Norms (1)	Asset Classification as per IND AS 109 (2)	Gross Carrying Amount as per IND AS (3)	Loss Allowances (Provisions) as required under IND AS 109 (4)	Net carrying Amount (5)=(3)-(4)	Provisions required as per IRACP norms (6)	Difference between IND AS 109 provisions and IRACP norms (7)=(4)-(6)
Performing Assets						
Standard Assets	Zero overdue	1,35,547.33	-	1,35,547.33	542.19	(542.19)
	Stage 1	4,970.02	17.40	4,952.63	19.88	(2.49)
	Stage 2	2,823.48	49.41	2,774.07	11.29	38.12
Subtotal		**1,43,340.83**	**66.81**	**1,43,274.02**	**573.36**	**(506.55)**
Non-Performing Assets						
Sub Standard	Stage 3	993.95	115.39	878.56	99.40	16.00
Doubtful- up to 1 year	Stage 3	313.21	156.60	156.60	62.64	93.96
1 to 3 years	Stage 3	621.55	466.16	155.39	186.46	279.70
More than 3 years	Stage 3	763.43	763.43	-	381.71	381.71
Subtotal for doubtful		**1,698.18**	**1,386.19**	**311.99**	**630.82**	**755.37**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**2,692.14**	**1,501.58**	**1,190.55**	**730.21**	**771.37**
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	Zero overdue	**1,35,547.33**	-	**1,35,547.33**	**542.19**	**(542.19)**
	Stage 1	**4,970.02**	**17.40**	**4,952.63**	**19.88**	**(2.49)**
	Stage 2	**2,823.48**	**49.41**	**2,774.07**	**11.29**	**38.12**
	Stage 3	**2,692.14**	**1,501.58**	**1,190.55**	**730.21**	**771.37**
	Total	**1,46,032.97**	**1,568.39**	**1,44,464.58**	**1,303.58**	**264.80**

S.B. JAIN AND ASSOCIATES COCHIN-25 CHARTERED ACCOUNTANTS

As at March 31, 2024

Note 42 - Disclosure required as per Reserve Bank of India Notification No. DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023

(i) Funding Concentration based on significant counterparty (both deposits and borrowings):

Sr No.	Number of Significant Counterparties	Amount (Rs. Lakhs)	% of Total deposits	% of Total Liabilities
1	2	13,867.00	N.A	8.21%

(ii) Top 20 large deposits (amount in Rs. Lakhs and % of total deposits): Not Applicable

(iii)Top 10 borrowings (amount in Rs. Lakhs and % of total borrowings):

Amount in Rs. Lakhs	18,794.89
% of total borrowings	11.70%

(iv) Funding Concentration based on significant instrument/product:

Sr No.	Name of the instrument/product	Amount (Rs. Lakhs)	% of Total Liabilities
1	Secured NCD	67,667.92	40.08%
2	Borrowings from Banks & FI's	15,777.25	9.34%
3	Subordinated Liabilities	77,159.75	45.70%
	Total	1,60,604.92	95.12%

(v) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities, and total assets: Not Applicable

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities, and total asset: Not Applicable

(c) Other short-term liabilities, if any as a % of total public funds, total liabilities, and total assets:

Particulars	Weightage
Other short-term liabilities as % of Total Public funds	31.35%
Other short-term liabilities as % of Total Liabilities	29.82%
Other short-term liabilities as % of Total Assets	25.68%

(vi) Institutional set-up for liquidity risk management:

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk. The Board approves the governance structure, policies, strategy, and the risk tolerance limit for the management of liquidity risk.

The Board of Directors approves the constitution of Risk Management Committee (RMC) for the effective supervision and management of various aspects including liquidity risks faced by the company. The meetings of RMC are held periodically.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), consisting of the Company's top management which functions as the strategic decision- making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and tolerance limits approved by the Board. The role of the ALCO also includes periodic revision of interest rates, diversification of source of funding and its mix, maintenance of enough liquidity and investment of surplus funds. ALCO meetings are held periodically.

Note:

1) Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

2) Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

3) Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

4) Public funds are as defined in Master Direction - Non Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016

INDEPENDENT AUDITORS' REPORT

To The Members of **KLM AXIVA FINVEST LIMITED,**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone annual financial statements of **KLM Axiva Finvest Limited** ("the Company") for the quarter and year ended March 31, 2025 ('the statement') which comprise of the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, Statement of the Cash flows for the year ended 31st March, 2025 and Notes to the Financial Statements including a Summary of material Accounting Policies and other explanatory information ('the Financial Statements') being submitted by the Company pursuant to the requirement of regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') and the Companies Act, 2013 ('the Act")

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial statements:

a. give the information required by the Companies Act, 2013 and regulation 52 of the Listing Regulations, in the manner so required and

b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended to the extent applicable, RBI guidelines and other accounting principles generally accepted in India, of standalone net profit and standalone other comprehensive income and other financial information of the Company for the year ended March 31, 2025.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the

Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Emphasis of Matter

We draw attention to Note 3 & 23.1 to the Financial Statement against 'Other Equity' wherein it is stated that Reserve Bank of India (RBI) had conducted an inspection of the financial statements of the Company. RBI during September 2024 observed that additional provisioning is required in respect of loan restructured and existing in the books as on 31st March, 2024. Accordingly, the Company has written off the outstanding loans as on 31.03.2024 and has restated Other Equity for the year ended 31 March 2024.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statement of the current period. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Audit Procedure adopted
Provision for Expected Credit Losses (ECL) on Loans The Company recognizes Expected Credit Losses (ECL) on loan assets under IND AS 109 "Financial Instruments" held at amortized cost. The company recognizes loss provisions for expected credit losses on its financial assets that are measured at amortized costs or at fair value through other comprehensive income account. The	We examined methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company. Assessed the accounting policy for

ECL provision is based on the credit losses expected to arise over the life of the assets, unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months expected credit loss. The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is reasonable approximation of EIR. ECL Model uses evaluation of credit loss based on probability of default and is re-evaluated over time and can be subjective. A comparison of provisions (ECL vs IRAC norms) is evaluated and presented in the financial statements. In case if provisions as per IRAC norms are higher, then the higher is provided as a measure of prudence.	impairment of financial assets and its compliance with Ind-AS 109. Obtained an understanding of the Company's Expected Credit Loss (ECL) calculation and the underlying assumptions. Checked the key controls over the assessment and identification of significant increase in credit risk and staging of assets. Tested the appropriateness of determining the Exposure at Default (EAD), Probability of Default (PD) and Loss Given Default (LGD) for a sample of exposure. Assessed the disclosure made in relation to Ind- AS 109 for ECL provision. Also ensured that the higher of the provision as per ECL policy and as per IRAC norms is provided as a matter of prudence.
Information Technology Financial accounting and reporting processes, are fundamentally reliant on IT systems and IT controls to process significant volumes of transaction. The Company's financial accounting and reporting processes are so highly dependent on the automated controls in information systems, that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.	We obtained an understanding of the Company's IT control environment and changes during the audit period that may be relevant to the audit. We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management.

During the year, the Company migrated its Micro Finance operations which was earlier operated using Legacy Descpro software to Prosper of LCode thereby consolidating its entire business onto a single software platform. From a financial reporting perspective, the Company uses and we have tested the financial accounting and reporting system and loan management systems and other tools for its overall financial reporting.	We obtained an understanding of the Company's Internal control environment and check available IT set up, to counter the shortfalls if any in the IT infrastructure. The Company has appointed an audit firm to conduct a migration audit for verifying and certifying that all the data and processes of Micro Finance operations are captured in the LCode software correctly which is in the process.

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

The Company's Board of Directors are responsible for preparation of the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained in 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. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate to those charged with governance and take appropriate actions as applicable under the relevant laws and regulations.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors are responsible for the preparation of these Standalone Financial Statements that give true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS prescribed under Section 133 of the Act read with relevant rules issued thereunder, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to

time ("RBI guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors 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 users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 Statement 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company as considered appropriate, we give in the "**Annexure 2**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

3. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified during the reporting period 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 3**".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations against the company which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has paid dividend during the year which was in compliance with Section 123 of the Companies Act,2013.

v. (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 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 person 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) As per the information and explanation given to us by the management , no funds have been received by the company from any person or entity including foreign entities("Funding Parties"), with the understanding whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other person 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; and

(c) On the basis of above representations, nothing has come to our notice that has caused to believe that the above representations contained any material mis-statement.

(h) In our opinion the remuneration paid during the year by the company to its wholetime directors are in accordance with the provisions of section 197 and rules framed there under read with schedule V of the Act.

(i) Based on our examination which included test checks, the company has used accounting software for maintain its books of accounts for the financial year ended 31st March 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at the database level to log any direct data changes. Further during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating.

For **A. John Moris & Co**,
Chartered Accountants
Firm registration No: 007220S

CA Jobin George, FCA
Partner
Membership No: 236710
UDIN: 25236710BMIXWJ3814

Place: Kochi
Date: 22-05-2025

Annexure 1 to the Auditor's Report of even date

(Referred to in paragraph 1 under Report on Other Legal and other Regulatory Requirements section of our report of even date)

To the Board of Directors
KLM Axiva Finvest Limited
CIN: U65910TG1997PLC026983

We have audited the Balance Sheet of KLM Axiva Finvest Limited for the year ended on March 31, 2025, 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 45-1A of the RBI Act, 1934.

ii. The Company is entitled to continue to hold the Certificate of Registration in terms of the Financial Asset/Income pattern as on March 31, 2025.

iii. The company is meeting the requirements of net owned funds as laid down in Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

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 – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

vii. The capital adequacy ratio as disclosed in the return submitted to RBI in terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale

Based Regulation) Directions, 2023, 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, 2025.

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 **A. John Moris & Co**,
Chartered Accountants
Firm registration No: 007220S

CA Jobin George, FCA
Partner
Membership No: 236710
UDIN: 25236710BMIXWJ3814

Place: Kochi
Date: 22-05-2025

"Annexure 2" to the Independent Auditors' Report of even date.

(Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date)

As required by the Companies (Auditors Report) Order issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, as per the information and explanations provided to us by the company, we give a statement on the matters specified in paragraph 3 and 4 of the Order, to the extend applicable:

1) (a) In respect to the Company's property, plant and equipment and intangible assets

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) The Property, Plant and Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the registered sale deed provided to us by the Company, the title deeds of immovable properties are held in the name of the company.

(d) The Company has not revalued its property, plant and equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us, there are no proceedings 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 thereunder.

2) (a) In our opinion and according to the information and explanations given to us, the nature of the Company's business is such that it is not required to hold any inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.

(b) Based upon the audit procedures performed and the information and explanations given by the management, the company has been sanctioned working capital limits in excess of five crore rupees from banking institution on the basis of security of current assets. The quarterly returns filed by the company with bank are in agreement with the books of the company.

3) (a) The company being an NBFC whose principle business is to give loans and hence the requirement to report on clause 3(iii)(a) of the order is not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the 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. Being a Non-Banking Financial Company there are cases where repayment of principal or payment of interest is not as stipulated and in respect of these cases, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting.

(d) According to the information and explanations given to us and based on the audit procedures performed by us, in respect of loans and advances granted by the Company and amount overdue for more than ninety days, reasonable steps have been taken by the Company for recovery of the principal and interest.

(e) The company being an NBFC whose principle business is to give loans is exempt from clause 3(iii) (e) of the order.

(f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying the terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security given, where applicable.

5) According to the information and explanations given to us, the Company has not accepted any public deposit from the public within the meaning of section 73 to 76 of the Companies Act. 2013 and the Rules framed there under to the extent notified. Thus, reporting under clause 3(v) of the order is not applicable to the Company.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2025 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, goods and service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) According to information and explanations given to us and on the basis of our examination of the books of account, there are no transactions surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (43 of 1961) which are not recorded in the books of account.

9) (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 thereon to any lender.

(b) According to the information and explanation given to us, the company has not declared as willful defaulter by any bank or financial institution or other lender.

(c) Based upon the audit procedures performed and the information and explanations given by the management, the loans are applied by the company for the purpose for which the same was obtained.

(d) According to the information and explanations given to us, we report that no funds raised on short-term basis have been utilized for long-term purpose of the company.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures hence clause 3 (ix) (e) does not apply to company.

(f) The company does not have subsidiaries, joint ventures, or associate companies. Accordingly, the provisions of clause 3 (ix) (f) of the Order are not applicable to the Company and hence not commented upon.

10) (a) Based upon the audit procedures performed and the information and explanations given by the management, the Company has raised money by way of public issue of debt instruments and the money raised has been applied for the purpose for which they have been raised.

(b) Based upon the audit procedures performed and the information and explanations given by the management, the Company has complied with the requirements of section 42 and 62 of the Companies Act, 2013 and the amount raised by preferential allotment or private placement of shares during the year under review have been used for the purposes for which the funds were raised. During the year, the Company has not made any preferential allotment or private placement of fully, partially or optionally convertible debentures.

11) (a) To the best of our knowledge and explanations given by the management, instances of fraud on the company, aggregating to Rs.52.26 lakhs resulting from various fraud cases on the company has been reported during the year to RBI. No fraud by the company has been noticed or reported during the year nor have we been informed of any such instances by the Management.

(b) No report under subsection (12) of section 143 of the Companies Act has been filed in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year by the Statutory Auditors.

(c) According to the information and explanation given to us, the company has not received any whistle – blower complaints during the year.

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 of the Companies Act 2013 and there were no transactions falling under the purview of section 188 during the year. The transactions with related parties have been disclosed in the Financial Statement as required by the applicable accounting standards.

14) (a) The company has an adequate internal audit system commensurate with the size and nature of its business.

(b) To ensure the robustness of internal audit system and internal control system in the company we have reviewed the reports made by internal auditors of the company for the period of auditing and found that the internal control systems implemented by management are effective and internal audit procedures are adequate for the company.

15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the registration.

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities without 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, the Company is not a Core Investment Company (CIC) Company. Therefore, the provisions of clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) In our opinion, there is no core investment company with in the group and accordingly reporting under clause 3(xvi)(d) of the order is not applicable.

17) Based upon the audit procedures performed and the information and explanations given by the management, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.

18) During the year there was no resignation of Statutory Auditor.

19) On the basis of 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 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.

20) (a) There are no unspent amount 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 section 135(6) of the Companies Act. Accordingly, reporting under clause 3(xx)(b) of the order is not applicable for the year.

For **A. John Moris & Co**,
Chartered Accountants
Firm registration No: 007220S

CA Jobin George, FCA
Partner
Membership No: 236710
UDIN: 25236710BMIXWJ3814

Place: Kochi
Date: 22-05-2025

"Annexure 3" to the Independent Auditor's Report of even date.

(Referred to in paragraph 3(f) under Report on Other Legal and other Regulatory Requirements section of our report of even date)

Report on the Internal Financial Controls 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 KLM Axiva Finvest Limited ("the Company") as of 31st March, 2025 in conjunction with our audit of the financial statement 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 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.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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 31st March, 2025, 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 **A. John Moris & Co**,
Chartered Accountants
Firm registration No: 007220S

CA Jobin George, FCA
Partner
Membership No: 236710
UDIN: 25236710BMIXWJ3814

Place: Kochi
Date: 22-05-2025

KLM AXIVA FINVEST LIMITED

Registered Office: Plot No. 39, Door No. 8-13, 1st Floor, Ashoka Complex, Mythrinagar Colony, Gayathri Nagar X Road, Vaishalinagar PO., Hyderabad, Rangareddi - 500079

CIN: U65910TG1997PLC026983

Balance Sheet as at 31 March, 2025

(₹ In Lakhs)

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024 Restated
I ASSETS			
1 Financial Assets			
(a) Cash and Cash Equivalents	6	3,646.18	3,721.98
(b) Bank Balance Other than (a) above	7	3,909.49	3,086.45
(c) Loans & Advances	8	1,65,610.66	1,65,991.29
(d) Other Financial Assets	9	1,728.17	1,692.34
2 Non-Financial Assets			
(a) Current Tax Assets (Net)	10	662.36	1,049.12
(b) Deferred Tax Assets (Net)	11	1,093.05	1,607.29
(c) Property	12	9,372.92	7,146.23
(d) Plant and Equipment	12	4,693.07	5,232.96
(e) Capital Work- In -Progress	12	-	1,608.30
(f) Other Intangible Assets	13	80.25	116.67
(g) Other Non-Financial Assets	14	2,545.30	2,572.14
Total Assets		**1,93,341.45**	**1,93,824.78**
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
(a) Payables			
I. Trade Payables			
(i) Total outstanding dues of MSMEs	15	-	-
(ii) Total outstanding dues of creditors other than MSMEs	15	57.48	100.67
(b) Debt Securities	16	61,636.55	67,699.69
(c) Borrowings (Other than Debt Securities)	17	13,176.90	15,743.48
(d) Subordinated Liablities	18	82,705.94	77,159.75
(e) Other Financial liabilities	19	6,356.47	6,703.52
2 Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)	20	-	772.58
(b) Other Non-Financial Liabilities	21	1,938.41	1,809.75
3 EQUITY			
(a) Equity Share Capital	22	25,794.76	20,540.09
(b) Other Equity	23	1,674.95	3,293.26
Total Liabilities and Equity		**1,93,341.45**	**1,93,824.78**

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached

For and on behalf of the board of directors

For A. John Moris & Co.,
Chartered Accountants
Firm Registration No.: 007220S

CA. Jobin George
Partner
Membership No.: 236710
UDIN: 25236710BMIXWJ3814

Date: 22/05/2025
Place: Ernakulam

Shibu Pheckumpurath Varghese
Whole-time Director
(DIN: 02079917)

Biji Shibu
Director
(DIN: 06484566)

Manoj Raveendran Nair
Chief Executive Officer

Thanish Dalee
Chief Financial Officer

Naveena P Thampi
Company Secretary

KLM AXIVA FINVEST LIMITED

Registered Office: Plot No. 39, Door No. 8-13, 1st Floor, Ashoka Complex, Mythripuram Colony, Gayathri Nagar X Road, Vaishalinagar PO., Hyderabad, Rangareddi - 500079

CIN: U65910TG1997PLC026983

Statement of Profit and Loss for the year ended 31st March 2025

(₹ In Lakhs)

Particulars	Note No.	For the year ended 31st March 2025	For the year ended 31st March 2024 Restated
I Revenue from operations			
(a) Interest Income	24	33,246.68	30,562.49
II Other income	25	819.05	1,029.83
III Total income (I+II)		34,065.73	31,592.32
Expenses			
(a) Finance Costs	26	17,453.40	15,476.76
(b) Impairment on Financial Instruments	27	518.97	40.60
(c) Employee Benefits Expenses	28	7,045.72	6,730.63
(d) Depreciation, Amortization And Impairment	29	874.72	892.73
(e) Other Expenses	30	6,192.13	5,434.18
IV Total Expenses		32,084.94	28,574.90
V Profit before tax (III - IV)		1,980.79	3,017.42
VI Tax expense:	31		
(i) Current tax		-	772.58
(ii) Deferred tax		(38.57)	(58.03)
(iii) Tax for earlier years		-	-
VII Profit for the year (V - VI)		2,019.36	2,302.87
VIII Other Comprehensive Income		-	-
IX Total Comprehensive Income (VII+VIII)		2,019.36	2,302.87
X Earnings per Equity Share:	32		
(i) Face value per equity share ₹ 10/- each			
(ii) Basic and Diluted (₹)		0.85	1.14

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached

For A. John Moris & Co.,
Chartered Accountants
Firm Registration No.: 007220S

CA. Jobin George
Partner
Membership No.: 236710
UDIN: 25236710BMIXWJ3814
Date: 22/05/2025
Place: Ernakulam

For and on behalf of the board of directors

Shibu Theckumpurath Varghese
Whole-time Director
(DIN: 02079917)

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Director
(DIN: 06484566)

Manoj Raveendran Nair
Chief Executive Officer

Thanish Dalel
Chief Financial Officer

Naveena P Thampi
Company Secretary

A. JOHN MORIS & Co. Cochin 682 036 Chartered Accountants

KLM AXIVA FINVEST LIMITED

Registered Office: Plot No. 39, Door No. 8-13, 1st Floor, Ashoka Complex, Mythripuram Colony, Gayathri Nagar X Road, Vaishalinagar PO., Hyderabad, Rangareddi - 500079

CIN: U65910TG1997PLC026983

Cash Flow Statement for the year ended March 31, 2025

(Rs. In Lakhs)

	PARTICULARS	For the year ended March 31, 2025	For the year ended March 31, 2024 Restated
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net profit Before Taxation	1,980.79	3,017.42
	Adjustments for:		
	Depreciation and Amortisation	874.72	892.73
	Finance costs	17,453.40	15,476.76
	Interest on income tax	-	-
	Impairment on financial instruments	518.97	40.60
	Operating Profit before Working Capital Changes	**20,827.89**	**19,427.51**
	(Increase)/Decrease in Loans & Advances -Financial Assets	(138.34)	(21,567.31)
	(Increase)/Decrease in Other Financial Assets	(35.83)	63.02
	(Increase)/Decrease in Other Non Financial Assets	26.84	(2,048.00)
	Increase/ (Decrease) in Other Financial Liabilities	(347.05)	90.26
	Increase/ (Decrease) in Other Non financial Liabilities	128.66	1,576.65
	Cash from operations	**20,462.15**	**(2,457.87)**
	Net income tax paid/ Refundable	(385.82)	(257.06)
	Net Cash From Operating Activities	**20,076.33**	**(2,714.93)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Capital Expenditure	(916.80)	(2,893.51)
	Purchase of investments	-	-
	Bank balances not considered as cash and cash equivalents	(823.04)	(1,331.00)
	Net Cash From Investing Activities	**(1,739.85)**	**(4,224.51)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from issuance of equity shares	3,106.53	-
	Additions/Deductions in Specific Reserve	89.45	(4,495.54)
	Increase / (Decrease) in Payables	(43.19)	100.67
	Increase / (Decrease) in Debt securities	(6,063.14)	(13,379.70)
	Increase / (Decrease) in Subordinated liabilities	5,546.19	26,870.30
	Increase / (Decrease) in Borrowings (other than Debt securities)	(2,568.58)	8,182.66
	Dividend Paid	(1,026.15)	(569.30)
	Finance cost	(17,453.40)	(15,476.76)
	Net Cash From Financing Activities	**(18,412.29)**	**1,241.34**
	NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(75.80)**	**(5,698.10)**
	OPENING CASH AND CASH EQUIVALENTS	**3,721.98**	**9,420.09**
	CLOSING CASH AND CASH EQUIVALENTS	**3,646.18**	**3,721.98**

As per our report of even date attached

For A. John Moris & Co.,
Chartered Accountants
Firm Registration No.: 007220S

CA. Jobin George
Partner
Membership No.: 236710
UDIN: 25236710BMIXWJ3814

Date: 22/05/2025
Place: Ernakulam

A. JOHN MORIS & CO. Cochin 682 036 Chartered Accountants

For and on behalf of the board of directors

Shibu Thekkumpurath Varghese
Whole-time Director
(DIN: 02079917)

Manoj Raveendran Nair
Chief Executive Officer

Biji Shibu
Director
(DIN: 06484566)

Naveena P Thampi
Company Secretary

Thanish Dalee
Chief Financial Officer

1. CORPORATE INFORMATION

KLM Axiva Finvest Limited ("the Company") is a public limited company classified as a Middle Layer Non-Banking Financial Company (NBFC-ML) under the Scale-Based Regulatory Framework (SBR) for NBFCs. The Company is not accepting public deposits and is registered with the Reserve Bank of India (RBI) under Section 45-IA of the Reserve Bank of India Act, 1934. The Company is primarily engaged in financing and related activities. The Company has received the certificate of registration from R"I (Registration No. 09.00006) on 13th December, 1997 enabling the Company to carry on business as a Non-Banking Financial Company.

The Company offers broad suite of lending and other financial products such as gold loan, mortgage loan, loan against securities, micro finance loans etc.

The registered office of the Company is at Plot No. 39, Door No. 8-13, 1st Floor, Ashoka Complex, Mythripuram Colony, Gayathri Nagar X Road, Vaishalinagar PO. Hyderabad, Rangareddi, Telangana, 500079 and corporate office located at KLM Grand Estate, Bypass Road, Edappally, Ernakulam, Kerala - 682024.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 and the generally accepted accounting principles. The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

In the preparation of these financial statements, the management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities (including contingent liabilities), income, and expenses. These estimates and associated assumptions are based on management's best knowledge of current events, business conditions, historical experience, and other relevant factors as of the reporting date.

Actual results may differ from these estimates, and such differences could result in material adjustments to the carrying amounts of assets or liabilities in future reporting periods. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 – Significant Accounting Judgements, Estimates, and Assumptions.

a) Statement of compliance

The above financial statements have been prepared in accordance with the Indian Accounting Standards prescribed read with relevant rules issued there under and other accounting principles generally accepted in India mainly considering the Master Directions issued by the Reserve Bank of India ('RBI') as applicable. The regulatory disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the RBI ('RBI Master Directions') and other relevant circulars/ directions to be included as a part of the Notes to Accounts are prepared as per the Ind AS, pursuant to the RBI notification on Implementation of Indian Accounting Standards, dated March 31,2025.

b) **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). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI.

The financial statements are presented in Indian Rupees (INR) which is determined to be functional currency of the Company and all values are rounded to the nearest lakhs, except when otherwise stated.

3. **Restatement Of Financial Statements**

In Pursuance to the significant disruption caused by the COVID-19 pandemic and the resulting decline in global and Indian financial markets, the Reserve Bank of India (RBI) issued a series of guidelines during 2020. In line with these guidelines, the Company extended the benefit of moratorium to eligible borrowers for certain gold loan accounts falling due between 1st March 2020 and 31st August 2020.

Subsequently, during the second wave of the pandemic under the provisions of the Resolution Framework 2.0, as outlined in RBI circular DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021, the Company extended restructuring benefits to borrowers affected by the pandemic, offering an additional optional period of six months for repayment based on eligibility and financial stress

During inspection by RBI during January 2023 to February 2023 for the financial year 2021-22, RBI issued a risk mitigation plan for certain observations vide letter dated 23rd May 2023. RBI objected to the moratorium granted by the company citing violation of instructions contained in circular DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 and instructed the company to create an additional provision of Rs. 11.35 crore on rolled over gold loan amounting to Rs. 119.92 crore outstanding as on 31st March 2022.

The company in its reply to the inspection report clarified that such relief were granted in accordance with the Resolution Framework – 2.0; Resolution of Covid-19 related stress of Individuals and Small Businesses as per the RBI directions No.DOR.STR.REC.11/21.04.048/2021-22 dated 05-05-2021. The company also framed a policy in this regard for the implementation of a viable resolution plan for eligible borrowers under this framework, ensuring that the resolution under this facility is provided only to the borrowers having stress on account of Covid-19.

RBI vide letter dated 13th September 2024, advised the company to create additional provisioning for the divergence created for loans restructured as mentioned above, in the books of accounts for the year ended 31st March 2024. The outstanding amount of such loans existing as on 31st March 2024 amounted to Rs. 44.95 crore and as advised by the RBI the outstanding loan was transferred to Loan Loss Appropriation account under retained earnings and the deferred tax impact of the same was also considered in the retained earnings to the tune of Rs. 11.31 crore in accordance with Ind AS 12.

In view of above, the company elected to restate the financial statements for the year ended 31st March 2024, in accordance with Ind AS 8.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1. Financial Instruments

Financial assets and financial liabilities are recognized in the Company's Balance Sheet when the company becomes a party to the contractual provisions of the instrument. The transaction costs if ary that are directly attributable to the acquisition or issue of financial assets and financial liabilities are amortized over the period of the Instrument using the Effective Interest Rate.

I. Financial Assets

a) **Initial recognition**

All financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets are adjusted as appropriate on its initial recognition.

b) **Subsequent measurement**

The Company classifies its financial assets into the following measurement categories depending on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets:

i. **Financial assets measured at amortised 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.

ii. **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 financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. **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.

At present the company classifies all its Loans and Advances at Amortised cost as the business model is to hold them to collect contractual cash flows and the contractual terms of the loans give rise on specified dates to cash flows that are solely repayments of principal and interest.

c) **Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present under Amortized Cost.

d) **Assignment Transactions**

The Company transfers loan assets through Direct Assignments (DA) arrangements in accordance with the Reserve Bank of India guidelines and Ind AS 109, Loan assets transferred under DA are assessed to determine whether they meet the criteria for derecognition. The financial asset is derecognised when the Company transfers the contractual rights to receive the cash flows and substantially all the risks and rewards of ownership of the financial asset.

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards, the transfer of such financial assets qualifies for derecognition in its entirety, hence the interest income from such assets is offset against the interest expense on direct assignments and corresponding gain or loss recognized in statement of profit or loss

The company has assigned certain gold loans to other parties. The assigned portfolio is reduced from the total gold loan asset under management.

II. Financial Liabilities

a) Initial recognition

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.

b) Subsequent measurement

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

4.2. Derecognition of financial assets and liabilities

I. Financial Assets

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive 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.

II. Financial Liability

A financial liability is derecognised 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. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

4.3. Impairment of financial assets

I. Overview of the Expected Credit Loss (ECL) Model

The Company recognises impairment allowance for expected credit loss on financial assets held at amortised cost. The Company recognises loss allowances (provisions) for expected credit losses on its financial assets that are measured at amortised costs

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. The 12-month ECL is the portion of the lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

The Company applies a three-stage approach to measuring expected credit losses (ECLs).

Stage 1: 12-months ECL

For financial assets where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECL - not credit impaired

For financial assets where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining life time of the financial asset) is recognised.

Stage 3: Lifetime ECL - credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

The Company has identified a zero bucket for financial assets that are not overdue.

II. Estimation of Expected Credit Loss

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

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.

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, whether scheduled by contract or otherwise, expected draw downs on committed facilities.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a 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 realisation of any collateral.

4.4. Offsetting of financial instruments

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

4.5. Cash and cash equivalents

Cash and cash equivalents include cash on hand and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and 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.

4.6. Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bring the item to the condition necessary for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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 is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income or expense in the statement of profit and loss in the year the asset is derecognised. 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.

4.7. Intangible assets

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 accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Gains or losses from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit or Loss when the asset is derecognised.

4.8. Input Tax Credit (Goods and Service Tax)

Input Tax Credit is accounted for in the books in the period when the underlying service or supply received is accounted to the extent permitted as per the applicable regulatory laws. The ineligible input credit is charged off to the respective expense or capitalised as part of asset cost as applicable.

4.9. Provisions and Contingent liabilities

Provisions are recognised only 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 pretax 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.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed. Contingent liability is disclosed in case of present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligations and the present obligation arising from past events, when no reliable estimate is possible.

4.10.Depreciation and Amortization

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current period are as follow:-

Asset	Useful life
Building	30-60Years
Computers and servers	3-6 Years
Office equipment	5-20 Years
Furniture and fixtures & Electrical equipment's	10-20 Years
Vehicles	8-10 Years

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Intangible Assets are amortised on a straight-line basis over the estimated useful economic life. Computer Software which is not an integral part of the related hardware is classified as an intangible asset and amortised over a period of six years, being its estimated useful life.

4.11.Impairment of non-financial assets

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been

recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on written down value basis over its remaining useful life.

4.12.Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(I) Interest Income

The Company recognises 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 amortised cost of the financial asset from initial recognition. Such interests, where instalments are overdue in respect of non-performing assets are recognised on realization basis.

The EIR in case of a financial asset is computed

a) As 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
b) By considering all the contractual terms of the financial instrument in estimating the cash flows
c) Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

Other Income: In respect of the other heads of income, the Company accounts the same on accrual basis.

(II) Recognition of revenue from 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 customer, excluding amounts collected on behalf of third parties. The Company recognises 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

Processing fee which is not form part of effective interest rate has been recognised as and when it is accrued.

(III) Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established. This is established when it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

4.13.Finance cost

Finance costs represent Interest expense recognised 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 amortised cost of a 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.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

4.14.Employee Benefits

Defined Contribution Plan
The Company's contribution towards Provident Fund and State Insurance are considered as defined contribution plans, eligible employees and the Company make monthly contributions to the Government administered provident fund scheme and employee state insurance scheme equal to a specified percentage of the eligible employee's salary. The same is charged as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans
Short Term Employee Benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense)

Post Employment Benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method and the same recorded in the balance sheet.

4.15.Taxes on Income

Income tax comprises current and deferred income tax.

Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., either in other comprehensive income or in equity. Current tax items are recognised 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.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax asset is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Company offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.16.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 attributable taxes) by the weighted average number of equities shares outstanding during the year.

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

4.17.Cash flow statement

Statement of Cash Flows is prepared using the indirect method segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is arrived after adjusting the net profit for the effects of changes during the period in operating receivables and payables transactions of a noncash nature; non-cash items such as depreciation, provisions, deferred taxes and unrealized foreign currency gains and losses, all other items for which the cash effects are investing or financing cash flows.

4.18.Segment Reporting

An operating segment is a component of the Company that engages in the business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by Company's Chief operating decision maker.

The Company's primary business segments are reflected based on the principal business carried out, i.e. financing. The risk and returns of the business of the Company is not associated with geographical segmentation, hence the Company has concluded that the business of lending finance is the only reportable segment.

4.19.Leases

The Company evaluates each contract or arrangement, whether it qualifies as a lease as defined under Ind AS 116, at the inception of the contract or arrangement. A contract is classified as a lease contract, only if it 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 considers whether

a) The contract involves the use of identified asset;
b) The company has substantially gained all of the economic benefits from the use of the asset through the period of lease and
c) The company has right to direct the use of the asset.

The Company as a lessee

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months, leases with low value and where the contract includes a mutual termination clause allowing either party to terminate the lease at any time without substantive penalty, making the lease non-enforceable beyond the notice period.

Ind AS 116 requires lessees to determine the lease term after consideration of non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The determination of the lease term and the enforceability of the lease contract is based on the substantive rights and obligations of both parties and considers any legal, economic, or practical restrictions on terminating the lease.

The company assesses whether it is reasonably certain to continue the contract. The Company determines the lease term after consideration of any option to extend or terminate the lease, where the Company is reasonably certain to exercise that option, lease term shall be revised accordingly.

Based on the analysis of the agreements, the entity as elected not to adopt lease accounting for the branches.

Where the Company elected to recognises the payments made under Ind AS 116, the Company at the time of initial recognition:

- Measures lease liability at present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

- Measures 'Right-of-use assets' at present value of all lease payments discounted using the Company's incremental cost of borrowing and any initial direct costs. Subsequently, 'Right-of-use assets' is measured using cost model i.e., at cost less any accumulated depreciation (depreciated on straight li..e basis over the lease period) and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases' associated with these leases as an expense in Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit. The related cash flows are classified as operating activities.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. 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:

5.1. Business Model Assessment

Classification and measurement of financial assets depends on the results of the 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 judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

5.2. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

When the fair values of financial assets and financial liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Fair value note in accounting policy.

However, the Company measures its financial assets and financial liabilities primarily at amortised cost, in accordance with the business model and contractual cash flow characteristics. As such, fair value measurement is not required for accounting purposes, except for disclosures as applicable.

5.3. Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, 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.

5.4. Effective Interest Rate (EIR) method

The Company's EIR methodology recognises 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 recognises 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 judgement 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.

5.5. Other estimates

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

5.6. Regrouping and Reclassification

Previous years' figures have been regrouped and/or reclassified wherever necessary to conform to the current year's presentation.

Notes forming part of Finaacial Statements for the period ended March 31 ,2025

Note 6 - Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Cash on hand	685.37	722.35
(b) Balance with banks		
- In current accounts	2,960.81	2,999.63
- In fixed deposits (with maturity of less than 3 months)	-	-
Total	3,646.18	3,721.98

Note 7 - Bank Balance Other Than Above

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Balance deposits with maturity more than 3 months	3,884.06	3,086.45
(b) On Earmarked Accounts		
- Unpaid Dividend Account	-	-
- Unclaimed Debenture Account	25.43	-
Total	3,909.49	3,086.45

Note 8 - Loans & Advances

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(A) Loans at Amortized Cost		
(a) Gold Loan	1,10,159.14	1,02,255.18
(b) MSME & Other Receivables	43,943.16	46,080.21
(c) Microfinance Loan	13,282.73	19,264.89
Total (A) - Gross	1,67,385.04	1,67,600.28
Less: Impairment loss allowance	1,774.38	1,608.99
Total (A) - Net	1,65,610.66	1,65,991.29
(B) Secured/Unsecured		
(i) Secured by tangible assets	1,52,421.88	1,48,335.39
(ii) Covered by Bank/Government guarantees	-	-
(iii) Unsecured	14,963.16	19,264.89
Total (B) - Gross	1,67,385.04	1,67,600.28
Less: Impairment loss allowance	1,774.38	1,608.99
Total (B) - Net	1,65,610.66	1,65,991.29
(C) I. Loans in India		
(i) Public Sector	-	-
(ii) Others	1,67,385.04	1,67,600.28
II. Loans Outside India		
(i) Public Sector	-	-
(ii) Others	-	-
Total (C) - Gross	1,67,385.04	1,67,600.28
Less: Impairment loss allowance	1,774.38	1,608.99
Total (C) - Net	1,65,610.66	1,65,991.29

Note:

1. Loan assets are accounted under Amortized cost method as per Ind AS 109, there are no loans measured at FVTPL or FVTOCI or Designated at FVTPL

Notes forming part of Financial Statements for the period ended March 31 ,2025

Summary of ECL provisions

(₹ In Lakhs)

Particulars	As at 31st March 2025			
	Stage 1	Stage 2	Stage 3	Total
Gold Loan	0.61	5.21	205.68	211.50
MSME & Other Receivables	19.15	1.21	1,078.10	1,098.46
Microfinance Loan	0.25	2.23	461.95	464.42
Total Closing ECL provision	20.01	8.65	1,745.73	1,774.39

Summary of ECL provisions

(₹ In Lakhs)

Particulars	As at 31st March 2024			
	Stage 1	Stage 2	Stage 3	Total
Gold Loan	0.52	3.14	278.82	282.47
MSME & Other Receivables	-	-	891.73	891.73
Microfinance Loan	0.13	0.77	433.88	434.78
Total Closing ECL provision	0.65	3.91	1,604.43	1,608.99

Note 9 - Other Financial Assets

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Interest accrued on fixed deposits	270.69	180.46
(b) Security Deposits (Assets)	1,421.34	1,476.89
(c) Other Receivables	36.14	32.49
(d) Other Financial Assets	-	2.50
Total	1,728.17	1,692.34

Note 10 - Current Tax Assets (Net)

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Advance tax and tax deducted at source	662.36	1,049.12
Total	662.36	1,049.12

Note 11 - Deferred Tax

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Deferred Tax Assets		
Property, plant and equipments and intangible assets	157.37	169.30
Impairment of financial instruments	446.58	404.95
Business Loss recognised in other equity	578.62	-
Loan Loss recognised in other equity	-	1,131.44
Provision for compensated absences and gratuity	65.92	-
(b) Deferred Tax Liabilities		
Amortisation of expenses & income under effective interest rate method	(153.43)	(98.39)
Deferred Tax Assets (Net) recognised	1,093.05	1,607.29

Note 11.1 - Movement of Deferred Tax

(₹ In Lakhs)

Particulars	Opening balance (as on April 01, 2024)	Recognized in Profit and Loss account	Recognized in Other Equity	Closing balance (as on March 31, 2025)
(a) Property, plant and equipments and intangible assets	169.30	(11.93)	-	157.37
(b) Impairment of financial instruments	404.95	41.63	-	446.58
(c) Business Loss recognised in other equity	-	-	578.62	578.62
(d) Loan Loss recognised in other equity	1,131.44	-	(1,131.44)	-
(e) Provision for compensated absences and gratuity	-	65.92		65.92
(f) Amortisation of expenses & income under effective interest rate method	(98.39)	(55.04)	-	(153.43)
Deferred Tax Assets (Net) recognised	1,607.29	38.57	(552.82)	1,093.05

Notes forming part of Financial Statements for the period ended March 31 ,2025

Note 12 - Property,Plant and Equipments

(₹ In Lakhs)

Particulars	Property			Plant and Equipments					Total
	Land	Building	Capital Work in progress	Computers and data processing units	Electrical Installations and Equipment	Furniture and furnishings	Office Equipments	Motor Vehicles	
Gross carrying amount									
As at 01st April 2023	6,396.33	651.08	555.18	911.29	405.90	4,196.59	1,556.40	88.92	14,761.68
Additions during the year	213.71	-	1,053.12	98.80	38.68	1,214.87	156.69	75.81	2,851.68
Disposals during the year	-	-	-	-	-	-	-	-	-
As at 31st March 2024	6,610.03	651.08	1,608.30	1,010.09	444.58	5,411.46	1,713.09	164.73	17,613.36
As at 01st April 2024	6,610.03	651.08	1,608.30	1,010.09	444.58	5,411.46	1,713.09	164.73	17,613.36
Additions during the year	702.03	1,886.52	78.09	79.27	18.06	98.70	66.37	-	2,928.85
Disposals during the year	266.38	-	1,686.39	-	-	64.87	-	7.60	2,025.24
As at 31st March 2025	7,045.68	2,537.60	-	1,089.36	462.64	5,445.29	1,779.26	157.13	18,516.97
Depreciation									
Accumulated depreciation as at 01st April 2023	-	58.60	-	511.62	138.86	1,307.49	652.21	58.59	2,747.36
Charge for the year	-	56.29	-	170.98	5.23	518.75	116.48	10.78	878.50
Up to 31st March 2024	-	114.88	-	682.60	164.08	1,826.24	768.70	69.36	3,625.87
Accumulated depreciation as at 01st April 2024	-	114.88	-	682.60	164.08	1,826.24	768.70	69.36	3,625.87
Charge for the year	-	95.48	-	143.91	74.44	353.92	134.64	22.72	825.10
Up to 31st March 2025	-	210.36	-	826.51	238.52	2,180.16	903.34	92.08	4,450.97
Net carrying amount									
As at 31st March 2024	6,610.03	536.20	1,608.30	327.49	280.50	3,585.22	944.39	95.37	13,987.50
As at 31st March 2025	7,045.68	2,327.24	-	262.85	224.12	3,265.13	875.93	65.05	14,066.00

1. Land Acquired on Satisfaction of Debt

Management had acquired possession of the freehold land in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions.

Notes forming part of Financial Statements for the period ended March 31 ,2025

Note 13 - Other Intangible Assets

Particulars	Software
Gross carrying amount	
As at 01st April 2023	191.85
Additions during the year	39.92
Disposals during the year	-
As at 31st March 2024	**231.77**
As at 01st April 2024	231.77
Additions during the year	13.20
Disposals during the year	-
As at 31st March 2025	**244.97**
Amortization	
Accumulated amortization as at 01st April 2023	100.87
Charge for the year	14.23
Up to 31st March 2024	**115.10**
Accumulated amortization as at 01st April 2024	115.10
Charge for the year	49.62
Up to 31st March 2025	**164.72**
Net carrying amount	
As at 31st March 2024	**116.67**
As at 31st March 2025	**80.25**

1. The Company has not revalued any of its intangible assets.
2. None of the intangible assets are internally generated.

Notes forming part of Financial Statements for the period ended March 31 ,2025

Note 14 - Other Non-Financial Assets

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Balances with Government Authorities		
- Input Tax Credit (Inclusive of Accrued ITC)	286.68	189.19
- Income Tax Refund Receivable (AY 2021-22)	191.96	191.96
- Income Tax Refund Receivable (AY 2023-24)	490.86	715.86
- Income Tax Refund Receivable (Other years)	34.55	60.85
(b) Stock of Stationary	0.77	2.63
(c) Prepaid Expenses	874.72	792.00
(d) Other Advances	665.77	619.65
(e) Other Non-Financial Assets	-	-
Total	2,545.30	2,572.14

Note 15 - Trade Payables

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Trade Payables		
(i) Total outstanding dues of MSMEs	-	-
(b) From Other Parties		
(i) Total outstanding dues of creditors other than MSMEs	57.48	100.67
Total	57.48	100.67

Note 15.1: The disclosure as required under Micro, Small and Medium Enterprises Development Act 2006

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Principal Amount due and remaining unpaid as at the year end.	-	-
(b) Interest due thereon and remaining unpaid as at the year end.	-	-
(c) Interest paid by the Company in terms of Section 16 of Micro, Small & Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-
(d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(e) Interest accrued and remaining unpaid as at the year end.	-	-
(f) Further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	-	-

Ageing Schedule of Trade Payables

(₹ In Lakhs)

Particulars	MSMEs	Others	Disputed – MSME	Disputed – Others	Total
Outstanding for following periods from the due date of payment:					
(i) Less than 1 year	-	57.48	-	-	57.48
(ii) 1 - 2 year	-	-	-	-	-
(iii) 2 - 3 year	-	-	-	-	-
(iv) More than 3 year	-	-	-	-	-
Total	-	57.48	-	-	57.48

Dues to Micro, Small and Medium Enterprises have been disclosed to the extend such parties are identified on the basis of information obtained by the company.

A. JOHN MORIS & Co. Cochin 682 036 Chartered Accountants

Notes forming part of Financial Statements for the period ended March 31 ,2025

Note 16 - Debt Securities

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
At Amortised Cost:		
(a) Secured Non-Convertible Debentures - Privately Placed	727.08	727.08
(b) Secured Non-Convertible Debentures - Public Issue	61,337.49	67,397.02
Sub-Total	62,064.57	68,124.10
Less: EIR impact of transaction cost (Public Issue)	(428.02)	(424.41)
Total A	**61,636.55**	**67,699.69**
(a) Debt Securities in India	61,636.55	67,699.69
(b) Debt Securities outside India	-	-
Total B	**61,636.55**	**67,699.69**

16.1 - Secured Non Convertible Debentures - Private Placement

Series wise classification of secured non convertible debentures

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Non Convertible Debentures 2023 - 24 Series	727.08	727.08
	727.08	**727.08**

Interest wise classification of secured non convertible debentures

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Non Convertible Debentures - < 12%	727.08	727.08
	727.08	**727.08**

Maturity wise classification of secured non convertible debentures

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Non Convertible Debentures - 60 months maturity	-	-
(b) Non Convertible Debentures - 36 months maturity	49.00	49.00
(c) Non Convertible Debentures - 18 months maturity	678.08	678.08
	727.08	**727.08**

16.2 - Secured Non Convertible Debentures - Public Issue

Series wise classification of secured non convertible debentures

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Non Convertible Debentures 2023 - 24 Series (Public Issue XI)	9,633.07	-
(b) Non Convertible Debentures 2023 - 24 Series (Public Issue X)	12,500.00	-
(c) Non Convertible Debentures 2023 - 24 Series (Public Issue IX)	5,278.58	8,678.38
(d) Non Convertible Debentures 2022 - 23 Series (Public Issue VIII)	5,523.85	13,612.96
(e) Non Convertible Debentures 2022 - 23 Series (Public Issue VII)	9,186.66	14,688.09
(f) Non Convertible Debentures 2021 - 22 Series (Public Issue VI)	6,011.47	8,036.82
(g) Non Convertible Debentures 2021 - 22 Series (Public Issue V)	4,437.87	6,983.02
(h) Non Convertible Debentures 2021 - 22 Series (Public Issue IV)	4,003.96	7,053.13
(i) Non Convertible Debentures 2020 - 21 Series (Public Issue III)	3,938.33	3,938.33
(j) Non Convertible Debentures 2019 - 20 Series (Public Issue II)	823.70	2,982.19
(k) Non Convertible Debentures 2018 - 19 Series (Public Issue I)	-	1,424.10
Sub-Total	61,337.49	67,397.02
Less: EIR impact of transaction cost (Public Issue)	(428.02)	(424.41)
	60,909.47	**66,972.61**

Notes forming part of Financial Statements for the period ended March 31 ,2025

Interest wise classification of secured non convertible debentures

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Non Convertible Debentures - > 12%	-	1,424.10
(b) Non Convertible Debentures - 12%	345.20	599.47
(c) Non Convertible Debentures - > 11.5% to 11.86%	4,416.83	6,321.05
(d) Non Convertible Debentures - >11.25% to 11.5%	363.08	363.08
(e) Non Convertible Debentures - 11% to 11.25%	13,958.03	15,429.93
(f) Non Convertible Debentures - <11%	42,254.35	43,259.39
Sub-Total	61,337.49	67,397.02
Less: EIR impact of transaction cost (Public Issue)	(428.02)	(424.41)
	60,909.47	**66,972.61**

Maturity wise classification of secured non convertible debentures

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Non Convertible Debentures - 82 months maturity	1,996.30	1,996.30
(b) Non Convertible Debentures - 80 months maturity	1,709.46	1,709.46
(c) Non Convertible Debentures - 78 months maturity	2,136.47	1,076.26
(d) Non Convertible Debentures - 75 months maturity	2,177.35	2,177.35
(e) Non Convertible Debentures - 72 months maturity	-	1,424.10
(f) Non Convertible Debentures - 60 months maturity	28,505.64	27,646.31
(g) Non Convertible Debentures - 36 months maturity	8,688.90	13,040.54
(h) Non Convertible Debentures - 24 months maturity	6,514.84	7,407.60
(i) Non Convertible Debentures - 18 months maturity	1,246.55	3,131.54
(j) Non Convertible Debentures - 16 months maturity	4,199.10	5,310.20
(k) Non Convertible Debentures - 13 months maturity	4,162.88	2,477.36
Sub-Total	61,337.49	67,397.02
Less: EIR impact of transaction cost (Public Issue)	(428.02)	(424.41)
	60,909.47	**66,972.61**

Note 17 - Borrowings (Other than Debt Securities)

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
At Amortised Cost:		
(i) *Term Loans - From Banks*		
(a) Term loan (Secured by pari passu floating charge on loan receivables)	10,669.02	11,673.71
(b) Term Loan (Secured by specific charge on vehicles)	38.51	61.11
(ii) *Loans Repayable on Demand*		
(a) Cash credit / overdraft facilities from banks (Secured)	2,716.22	4,042.43
Sub-Total	13,423.75	15,777.25
Less: EIR impact of transaction cost on Borrowings	(246.86)	(31.77)
Total A	**13,176.90**	**15,745.48**
(a) Borrowings (Other than Debt Securities) in India	13,176.90	15,745.48
(b) Borrowings (Other than Debt Securities) outside India	-	-
Total B	**13,176.90**	**15,745.48**

A. JOHN MORIS & CO. Cochin 682 036 Chartered Accountants

Details of Security and Terms of Repayment

(a) Term loan (Secured by pari passu floating charge on loan receivables) from Banks

(i) State Bank of India

Total Term Loan Sanctioned of Rs 125.00 Cr

Rate of Interest: 1.65% above the 6M MCLR coming to an effective rate of 10.20% revised w.e.f 01.02.2025 changed to 3.10% above 6M MCLR coming to an revised effective rate of 12.00%.

Terms of Repayment:

55 monthly installments of ₹.89,30,000/- commencing on 30.04.2022 and last falling due on 30.11.2026 (Term loan of ₹. 50 crore)
35 monthly installments of ₹.69,44,000/- commencing on 25.07.2023 and last falling due on 25.06.2026 (Term loan of ₹. 25 crore)
47 monthly installments of ₹. 1,04,16,667/- commencing on 25.04.2024 and last falling due on 25.03.2028 (Term loan of ₹. 50 crore)

Primary Security

Hypothecation of Book Debts , Loan Receivables and other Current Assets on First Pari Passu basis with Debenture Trustees of the Company and other Banks in MBA.

Collateral

Exclusive Equitable Mortage charge over the commerical plot bearing survey number:Sy.no 549,570/3-2,570 /3-3, Situated at door no 5/699, muringoor Thekkummuri, Chalakkudy, 680308, Admeasuring total Area:4.09 Acres,Belonging to KLM Axiva Finvest Limited(Sale Deed No.561/2019).

Exclusive Equitable Mortgage charge over the Commercial Plot bearing Survey Number: Sy. No 379 /1,-2 and 379 /2, situated near Vallakkunnu junction, Oppo. Two Pole Structure No. IIKU/RS/207, R S Road, Vallakkunnu, Irinjalakuda, Thrissur 680683 Admeasuring Total Area: 2.93 Acres, Belonging to KLM Axiva Finvest Limited (Sale Deed No 1291/2022).

Exclusive Equitable Mortgage charge over the Commercial building bearing Survey Number: Re-Survey No. 26/2, situated in Edappaly Ezanakulam, North Village, Kanayannur Taluk, Ernakulam District, Total Area measuring Total Area:3.24 Ares, Belonging to KLM Axiva Finvest Limited (Sale Deed No. 1854/2019) and commercial building bearing survey Number: Re-Survey No 280, situated in Edappally North Village, Kanayannur Talulq ErnakulamDistrict Admeasuring Total Area: 1.75 Ares, Belonging to Shibu T V (Sale Deed No. 5327 /2014).

Exclusive Equitable Mortgage charge over the Commercial plot bearing Survey Number: Sy. No 1267/9-2,with a commercial building bearing Door No 50/564 of Kothamangalam Municipality, in Kothamangalam Village,Kothamangalam Taluk Ernakulam District, measuring a total of 7.78 Ares, Belonging to KLM Axiva Finvest Limited (Sale Deed No. 836/2022).

Exclusive Charge(Lien) Over the Fixed Deposit of ₹. 21.85 Crs held in the name of the company with SBI

Guarantors

1. Shibu Theckumpurath Varghese
2. Biji Shibu

(ii) Indian Overseas Bank

Term Loan Sanctioned of ₹. 40.00 Cr

Rate of Interest: 1 year MCLR coming to an effective rate of 11.00% and 12.05% respectively

Terms of Repayment:

36 monthly installments of ₹. 55,55,555/- commencing on 01.04.2024 and last falling due on 31.03.2027 (Term loan of ₹. 20 crore)
36 monthly installments of ₹. 55,55,555/- commencing on 06.11.2024 and last falling due on 05.11.2027 (Term loan of ₹. 20 crore)

Primary Security

Exclusive first charge by way of assignment/hypothecation of Standard Book Debts/ Standard receivables, current assets etc.

Collateral

30% of the exposure by way of fixed deposits.

Guarantors

1. Shibu Theckumpurath Varghese
2. Biji Shibu

(iii) Dhanlaxmi Bank

Total Term Loan Sanctioned of ₹. 11.00 Cr

Rate of Interest: 1 year MCLR coming to an effective rate of 11.60%

Notes forming part of Financial Statements for the period ended March 31 ,2025

Terms of Repayment:

36 monthly installments of ₹. 30,55,556/- commencing on 01.04.2024 and last falling due on 31.03.2027

Primary Security

First ranking pari passu charge with existing secured creditors including debenture trustees on all movable assets inclusing book debts and receivables, cash and bank balances, Loans & advances.

Collateral

Equitable Mortage charge over of 54.73 Ares (135.18 cents) of dry residential vacant land under Sy no 322/4 of 8.90 ares & Sy No 322/5 of 45.83 ares under TP No 18468, of Valakam Village, Valakam GP, Kunnakkal Desom, Muvattupuzha SRO, Mavattupuzha Taluk, Ernakulam District, Kerala standing in the name of M/s. KLM Axiva Finvest Limited.

Equitable Mortage charge created over 82.35 Ares (203.40 cents) of dry residential land and a 479.03 sq m residential building standing thereon bearing Door Nos 5-173 & 5-174 under Re Sy no. 470/11-3-3 of 21.22 Ares, Re Sy no. 470/11 of 2.26 Ares, Re Sy 470/11-3-2 of 22.54 Ares, Re Sy 470/11-1-2 of 19.95 Ares, Re Sy 470/11-3 of 3.24 Ares , Re Sy 470/2 of 8.44 Ares and Re Sy 470/15 of 4.70 Ares at Block 32, Ward No. V, TP No. 6822 of Mazhuvannur Village, Mazhuvannur GP, Veettoor Desom, Puthencruz SRO, Kunnathunadu Taluk, Ernakulam (Dist), kerala standing in the name of M/s. KLM Axiva Finvest Limited.

Equitable Mortage charge created over 9.82 ares of land (3.33 ares in Sy No 385/2-2-4, 3.67 ares in Sy No 385/2-2-5 and 2.82 ares in Sy No 385/2-2-6) of Kouvapady Village, Kunnathunad Taluk, Ernakulam District owned by Mr. Shibu T Varghese, Wholetime Director, M/s. KLM Axiva Finvest Limited.

Guarantors

1. Shibu Thekumpurath Varghese
2. Biji Shibu

(b) Term Loan (Secured by specific charge on vehicles)

(i) Kotak Mahindra Bank

Term Loan Sanctioned of ₹. 68.96 lakhs

Terms of Repayment:

59 monthly installments of ₹. 1,01,574/- commencing on 05.10.2023 and last falling due on 05.03.2026 (Term loan of ₹. 34.48 lakhs)

59 monthly installments of ₹. 1,01,574/- commencing on 05.09.2023 and last falling due on 05.02.2026 (Term loan of ₹. 34.48 lakhs)

Primary Security

The loans are secured by hypothecation of respective vehicles against which the loans have been availed

(c) Loans Repayable on Demand from Banks

(i) State Bank of India

Cash credit Sanctioned - Rs 25.00 Cr

Rate of Interest: 1.65% above the 6M MCLR coming to an effective rate of 10.20% revised w.e.f 01.02.2025 changed to 2.90% above 6M MCLR coming to an revised effective rate of 11.80%.

(Security same as provided for term loan)

(ii) Dhanlaxmi Bank

Cash credit Sanctioned - Rs 9.00 Cr

Rate of Interest: 1 year MCLR coming to an effective rate of 11.60%

(Security as mentioned above provided for Dhanlaxmi Bank term loan)

(iii) South Indian Bank

Overdraft Sanctioned - Rs 10.00 Cr

Rate of Interest: 1 year MCLR coming to an effective rate of 10.75%

Primary Security

Hypothecation of Book debts, Loan Receivables and other current assets on first pari passu basis with Debenture Trustees of the company and other banks on MBA Asset coverage ratio of not less than 1.50 times to be ensured at all times for SIBs Exposure.

Notes forming part of Financial Statements for the period ended March 31 ,2025

South Indian Bank (contd....)

Collateral

Equitable Mortage charge created over property measuring to 7.92 ares of land situated under Sy No 1160/6B of village Kothamangalam, Taluk Kothamangalam, District Ernakulam, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future.

Equitable Mortage charge created over property measuring to 9.27 Ares of land situated under Sy No 1160/6A, 1160/6B of village Kothamangalam, Taluk Kothamangalam, District Ernakulam, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and/or to be constructed thereon in future.

Equitable Mortage charge created over property measuring to 8.75 Ares of land situated under Sy No 1159/9 village Kothamangalam, Taluk Kothamangalam, District Ernakulam, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future.

Equitable Mortage charge created over property measuring to 63.94 ares (61.92 Ares + 2.02 Ares) situated under Sy No 571/3-20 (61.92 Ares) and 571/4-4 (2.02 Ares) of village Muringoor Thekkummuri, Taluk Chalakudy, District Thrissur, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future.

Equitable Mortage charge created over property measuring to 22.80 Ares of land situated under old Sy No 269/1C/2 & 269/1B/1 ; Re Sy No : 136/7 of village pattimattom, Taluk Kunnathunadu, District Ernakulam, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future.

Note 18 - Subordinated Liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
At Amortised Cost		
(a) Subordinated Debts	79,167.41	73,621.22
(b) Tier- 1 Capital - Perpectual Debt Instruments	3,538.53	3,538.53
Total A	**82,705.94**	**77,159.75**
(a) Subordinated Liabilities in India	82,705.94	77,159.75
(b) Subordinated Liabilities outside India	-	-
Total B	**82,705.94**	**77,159.75**

18.1 - Unsecured Subordinated Debt - Private Placement

Series wise classification of unsecured subordinated debt

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Unsecured Subordinated Debt 2024-25 Series	10,124.56	-
(b) Unsecured Subordinated Debt 2020 - 22 ,2022-23 and 2023-24 Series	67,637.73	60,761.83
(c) Unsecured Subordinated Debt 2019 - 20 Series	996.88	11,593.33
(d) Unsecured Subordinated Debt 2018 - 19 Series	202.42	1,052.98
(e) Unsecured Subordinated Debt 2017 - 18 Series	205.82	213.08
	79,167.41	**73,621.22**

Interest wise classification of unsecured subordinated debt

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Unsecured Subordinated Debt - >12.5%	1,074.26	1,015.26
(b) Unsecured Subordinated Debt - 12.5%	247.61	174.20
(c) Unsecured Subordinated Debt - 12.25%	19.50	388.63
(d) Unsecured Subordinated Debt - 12%	5,932.85	5,160.78
(e) Unsecured Subordinated Debt < 12%	71,893.19	66,882.35
	79,167.41	**73,621.22**

Notes forming part of Financial Statements for the period ended March 31 ,2025

Maturity wise classification of unsecured subordinated debt

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Unsecured Subordinated Debt - maturity above 5 years	4,288.71	4,265.07
(b) Unsecured Subordinated Debt - maturity upto 5 years	74,878.70	69,356.15
	79,167.41	73,621.22

Note 19 - Other Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Interest Accrued But Not Due		
- On Debt Securities	3,546.14	4,193.17
- On Subordinated Debts	2,692.79	2,440.24
- On Perpetual Debt Instruments	41.17	70.11
- On Borrowings (Other than Debt Securities)	76.37	-
(b) Others	-	-
Total	6,356.47	6,703.52

Note 20 - Current Tax Liabilities (Net)

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Income tax provision	-	772.58
Total	-	772.58

Note 21 - Other Non-Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Statutory Remittances Accrued But Not Due		
- For Employee Benefits	211.92	184.83
- For GST & Others	253.76	119.22
(b) Provision for Employee Benefits		
- For Gratuity	167.94	183.81
- For Compensated Absenses	86.02	-
(c) Financial Irregularities	38.53	-
(d) Security Deposits (Liability)	259.84	222.79
(e) Expense Payable	230.31	267.08
(f) Other Non-Financial Liabilities	690.10	832.03
Total	1,938.41	1,809.75

Notes forming part of Financial Statements for the period ended March 31 ,2025

Note 22 - Equity Share Capital

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Authorised:		
50,00,00,000 (March 31, 2024: 25,00,00,000) equity Shares of ₹ 10/- each	50,000	25,000
	50,000	25,000
Issued, Subscribed & Fully Paid Up:		
2,57,94,76,43 (March 31, 2024:2,05,40,08,57) equity Shares of ₹ 10/- each	25,795	20,540
	25,795	20,540

Note 22.1: Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	Particulars	As at 31st March 2025	As at 31st March 2024
a	Number of Shares		
	At the beginning of the period	2,054.01	1,867.28
	Add: Issue of shares (Bonus & Private Placement)	525.47	186.73
	Outstanding at the end of the period	2,579.48	2,054.01
b	Value of Shares		
	At the beginning of the period	20,540.09	18,672.81
	Add: Issue of shares (Bonus & Private Placement)	5,254.68	1,867.28
	Outstanding at the end of the period	25,794.76	20,540.09

Note 22.2: Terms/rights attached to equity shares

i The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

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

iii The company has allotted 2,05,40,019 fully paid-up bonus shares of Face Value Rs.10/- each pursuant to the Extra-Ordinary General Meeting held on June 21, 2024 of one equity shares for every ten equity shares held as approved by the shareholders.The bonus shares were issued by capitalisation of a sum not exceeding Rs. 20,54,00,190 from securities premium account and free reserves. The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity share holders and shall be entitled to participate in full, in any dividend and corporate action, recommended and declared after the new equity shares are allotted.

iv Pursuant to the approval of the shareholders at the Extra-Ordinary General Meeting held on March 07, 2025, the authorised share capital of the Company was increased from Rs. 250,00,00,000 (Rupees Two Fifty Crores only) to Rs. 500,00,00,000 (Rupees Five Hundred Crores only), divided into 50,00,00,000 (Fifty Crore) equity shares of ₹10 each, ranking pari passu with the existing equity shares of the Company.

v The company has allotted 1,12,96,551 fully paid-up bonus shares of Face Value Rs.10/- each pursuant to the Extra-Ordinary General Meeting held on March 07, 2025 of one equity shares for every twenty equity shares held as approved by the shareholders.The bonus shares were issued by capitalisation of a sum not exceeding Rs. 11,29,65,510 from securities premium account and free reserves. The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity share holders and shall be entitled to participate in full, in any dividend and corporate action, recommended and declared after the new equity shares are allotted.

vi The company has allotted 2,07,10,216 fully paid-up equity shares of Face Value Rs.10/- each at a premium of Rs.5/- pursuant to the Extra-Ordinary General Meeting held on March 07, 2025 on preferential basis through private placement. Equity shares issued and allotted shall rank pari-passu with the existing Equity shares in all respects.

Note 22.3: Details of shareholders holding more than 5% shares in the company as at the end of the year

	Particulars	As at 31st March 2025	As at 31st March 2024
a	**Number of Shares**		
	Shibu T Varghese	415.07	349.78
	Biji Shibu	283.35	239.55
	Aleyamma Varghese	133.38	115.48
	Outstanding at the end of the period	**831.80**	**704.82**
b	**Number of Shares (%)**		
	Shibu T Varghese	16.09%	17.03%
	Biji Shibu	10.98%	11.66%
	Aleyamma Varghese	5.17%	5.62%
	Outstanding at the end of the period	**32.25%**	**34.31%**

Note 22.4: Shares held by promoters and promoters group at the end of the year

	Particulars	As at 31st March 2025	As at 31st March 2024
a	**Number of Shares**		
	Shibu T Varghese	415.07	349.78
	Biji Shibu	283.35	239.55
	Aleyamma Varghese	133.38	115.48
	Elen Elu Shibu	112.75	97.61
	Erin Lizbeth Shibu	76.09	65.87
	Outstanding at the end of the period	**1,020.63**	**868.31**
b	**Number of Shares (%)**		
	Shibu T Varghese	16.09%	17.03%
	Biji Shibu	10.98%	11.66%
	Aleyamma Varghese	5.17%	5.62%
	Elen Elu Shibu	4.37%	4.75%
	Erin Lizbeth Shibu	2.95%	3.21%
	Outstanding at the end of the period	**39.57%**	**42.27%**

Notes forming part of Financial Statements for the period ended March 31 ,2025

Note 23 - Other Equity

(₹ In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024 (Restated)
(a) Securities Premium		
Opening balance	1,298.68	3,165.95
Add: Transfer to share premium	1,035.51	-
Less: Appropriations made persuant to share Issue	(1,298.68)	(1,867.28)
Closing balance	**1,035.51**	**1,298.68**
(b) Statutory Reserve		
Opening balance	1,538.70	1,078.13
Add: Additions/(Deductions) during the year	403.87	460.57
Closing balance	**1,942.57**	**1,538.70**
(c) General Reserves		
Opening balance	4.08	4.08
Add: Additions/(Deductions) during the year	-	-
Closing balance	**4.08**	**4.08**
(d) Revaluation Reserve		
Opening balance	691.24	693.15
Add: Additions/(Deductions) during the year	-	(1.91)
Closing balance	**691.24**	**691.24**
(e) Retained Earnings		
Opening balance (Refer note 23.1)	3,124.66	1,842.66
Add: Profit for the year as per Statement of Profit and Loss	2,019.36	2,302.87
Amount available for appropriation	**5,144.02**	**4,145.53**
Less: Dividend	(1,026.15)	(560.30)
Less: Transfer to statutory reserve	(403.87)	(460.57)
Less: Bonus issue of Shares	(1,884.98)	-
Less: DTA recognized in equity (Refer Note 11.1)	(552.82)	-
Closing balance	**1,276.20**	**3,124.66**
Loan Loss appropriations made during the year		
Opening balance	(3,364.10)	(3,364.10)
Add: Recoveries from Impaired Assets	89.45	-
Closing balance	**(3,274.65)**	**(3,364.10)**
Total Other Equity	**1,674.95**	**3,293.26**

Note 23.1:Restatement

The company restated its financial statements for the year ended 31st March 2024 in accordance with Ind AS 8, following RBI's directive to provide additional provisioning on certain restructured gold loans outstanding as on 31st March 2024, under the Resolution Framework 2.0. (Refer Note 3 - Significant Accounting Policies and Notes on Accounts)

Statement of changes in Equity for the year ended March 31, 2025

A. Equity Share Capital

Equity Shares of ₹ 10 each issued, subscribed and fully paid

Particulars	Nos.	Amount ₹ In Lakhs
As at March 31, 2024	2,054.01	20,540.09
Issued during the year	525.47	5,254.68
As at March 31, 2025	2,579.48	25,794.76

B. Other Equity

(₹ In Lakhs)

Particulars	Reserves and Surplus							Other comprehensive Income	Total
	Statutory Reserve	Securities Premium	Debenture Redemption Reserve	General Reserve	Revaluation Reserve	Retained Earnings	Loan Loss Appropriations		
As at March 31, 2024	1,538.70	1,298.68	-	4.08	691.24	3,124.66	(3,364.10)	-	6,657.36
Dividends	-	-	-	-	-	(1,026.15)	-	-	(1,026.15)
Transfer to/from Retained Earnings	403.87	-	-	-	-	(403.87)	-	-	-
Specific Purpose	-	-	-	-	-	-	-	-	-
Other Additions/Deductions during the year						(2,437.80)	89.45		(2,437.80)
Net impact of Securities premium during the year	-	(263.16)	-	-	-	-	-	-	(263.16)
Net impact of assets revalued during the year	-	-	-	-	-	-	-	-	-
Profit for the year (net of taxes)	-	-	-	-	-	2,019.36	-	-	2,019.36
As at March 31, 2025	1,942.57	1,035.51	-	4.08	691.24	1,276.20	(3,274.65)	-	1,674.95

As per our report of even date attached

For A. John Moris & Co.,
Chartered Accountants
Firm Registration No.: 007220S

CA. Jobin George
Partner
Membership No.: 236710
UDIN: 25236710BMIXWJ3814

Date: 22/05/2025
Place: Ernakulam

For and on behalf of the Board of Directors

Shibu Theckumpurath Varghese
Whole-time Director (DIN: 02079917)

Biji Shibu
Director (DIN: 06484566)

Manoj Raveendran Nair
Chief Executive Officer

Thanish Dalee
Chief Financial Officer

Naveena P Thampi
Company Secretary

A. JOHN MORIS & Co. Cochin 682 036 Chartered Accountants

Nature and purpose of Reserves

1 Securities premium

This Reserve represents the amount received in excess of face value of the equity shares. The reserve can be utilised only for the purposes outlined under provisions of the Companies Act, 2013.

2 Statutory reserve

Statutory Reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934. It requires every non banking finance institution which is a Company to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. The Company has appropriated 20% of the Profit After Tax to the fund for the year.

3 General reserve

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

4 Revaluation reserve

The revaluation reserves represents the gain/ loss attained by the company while revaluing its assets to fair market value.

5 Retained earnings

This reserve represents the cumulative profits of the Company, less any transfers to Statutory Reserve, General Reserve, Dividend distribution and Loan Loss Appropriations made during the year.

The accompanying notes are an integral part of the Financial Statements
In terms of our report attached of even date

For and on behalf of the board of directors

For A. John Moris & Co.,
Chartered Accountants
Firm Registration No.: 007220S

CA. Jobin George
Partner
Membership No.: 236710
UDIN: 25236710BMIXWJ3814

Shibu Theckumpurath Varghese
Whole-time Director
(DIN: 02079917)

Biji Shibu
Director
(DIN: 06484566)

Manoj Raveendran Nair
Chief Executive Officer

Thanish Dalee
Chief Financial Offi

Naveena P Thampi
Company Secretary

Date: 22/05/2025
Place: Ernakulam

A. JOHN MORIS & CO. Cochin 682 036 Chartered Accountants

Notes forming part of Financial Statements for the period ended March 31 ,2025

Note 24 - Interest Income

(₹ In Lakhs)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
On financial assets measured at amortised cost:		
Interest on Loans		
- Gold Loan	26,133.04	22,055.95
- MSME & Other Loans	4,477.18	5,321.87
- Microfinance Loans	1,966.84	2,904.20
Interest on deposit with banks	608.26	277.05
Interest on IT Refund	61.37	-
Other interest income	-	3.42
Total	33,246.68	30,562.49

Note 25 - Other Income

(₹ In Lakhs)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Commission Income	328.61	469.76
Processing Fee	116.59	161.18
Notice Charge	30.55	20.02
Miscellaneous Income	4.57	2.09
Closing Charges	195.20	167.52
Documentation Charges	36.89	209.25
Penal Charges	72.50	-
Income from other sources	34.14	-
Total	819.05	1,029.83

Note 26 - Finance Cost

(₹ In Lakhs)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
On financial liabilities measured at amortised cost:		
Interest on Borrowings (other than debt securities)	1,488.17	1,066.32
Interest on Subordinate Debt	8,636.77	6,590.20
Interest on Debenture	6,909.14	7,439.34
Interest on PDI	419.32	380.09
Others		
- Interest on delayed payment of income tax	-	0.82
Total	17,453.40	15,476.76

Note 27 - Impairment on Financial Instruments

(₹ In Lakhs)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
On financial assets measured at amortised cost:		
- Impairment on loan assets	165.39	40.60
- Bad debts written off	353.58	-
Total	518.97	40.60

Note 28 - Employee Benefits Expenses

(₹ In Lakhs)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Salaries & Wages	6,621.29	6,266.16
Contributions to provident and other funds	423.23	391.41
Gratuity	1.21	73.05
Total	7,045.72	6,730.63

Notes forming part of Financial Statements for the period ended March 31 ,2025

Note 29 - Depreciation, Amortisation and Impairment

(₹ In Lakhs)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Depreciation of tangible assets	825.10	878.50
Amortisation of intangible assets	49.62	14.23
Total	874.72	892.73

Note 30 - Other Expenses

(₹ In Lakhs)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Advertisement	484.26	268.91
Audit Expenses	0.23	0.40
Audit Remuneration	13.35	11.50
Bank Charges	94.44	67.53
Business Promotion	239.80	132.34
Celebration Expense	90.63	12.51
Collection Expenses	0.61	1.25
Computer & Software Expenses	85.37	14.39
Corporate social responsibility expenditure	47.90	37.57
Customer Meet expenses	3.33	12.56
Credit Rating Charges	10.74	4.14
Commission Expense	14.64	-
Debenture Trustee Remuneration	2.35	1.21
Discount Given	64.63	120.32
Electricity Charges	181.34	170.64
Fuel Expenses	14.06	15.44
Inaugural Expense	1.11	5.59
Incentive	698.33	770.56
Insurance Charges	59.99	172.28
Internet Charges	42.09	39.32
Legal Expense	30.28	52.86
Loss on Auction Gold	15.45	17.55
Loss on sale of Fixed Assets	32.44	11.55
Marketing Expenses	1.79	4.63
Meeting Expenses	71.87	22.22
Miscellaneous Expense	0.99	1.28
Newspaper & Periodicals	0.75	1.41
Office Expense	236.72	158.18
Postage	43.61	39.89
Printing & Stationery	106.16	105.58
Professional Fee	135.08	65.61
Public Issue	206.03	147.62
Provision for Irregularities	38.53	-
Rates & Taxes	29.15	33.30
Rent	2,150.15	2,140.49
Repairs and Maintenance	37.62	20.76
Repairs and Maintenance-Building	3.55	4.03
ROC Filing Charge	66.72	6.18
Security Service Charges	45.88	14.73
Sitting Fees	12.90	8.10
Staff Training Expense	140.18	91.47
Telephone charges	83.96	83.79
Travelling expenses	411.50	370.16
Input tax written off	124.86	157.97
Vehicle Maintenance	4.88	5.97
Water Charges	11.47	10.40
Total	6,192.13	5,434.18

Notes forming part of Financial Statements for the period ended March 31 ,2025

Note 30.1 - Remuneration to auditors

(₹ In Lakhs)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Statutory Audit and Limited Review	12.65	9.20
Taxation, Certification and Other Matters	0.70	2.30
Total	13.35	11.50

Note 31 - Income Tax

The components of income tax expense for the year ended

(₹ In Lakhs)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Current tax	-	772.58
Deferred Tax	(38.57)	(58.03)
Total tax expense reported in statement of profit and loss	(38.57)	714.55

In accordance with the provisions of Section 115BAA of the Income Tax Act, 1961, the Company has opted to pay income tax at the rate of 22% (plus surcharge @ 10% and cess @ 4%)

Note 31.1: Reconciliation of Current tax expense

(₹ In Lakhs)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Profit before tax for computation	1,981	3,017
Less: Expenses / provisions deductible in determining taxable profit (Net)	(4,406)	-
Add: Expenses / provisions not deductible in determining taxable profit (Net)	56	52
Adjusted profit/loss before tax for income tax	(2,370)	3,070
Tax using the Company's domestic tax rate (25.168%)	-	773
Current tax expense reported in statement of profit and loss	-	773
Effective income tax rate	-	25.60%

Note 32 - Earnings per share

Basic and Diluted Earnings Per Share computed in accordance with Ind AS 33 "Earnings per share"

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Face value of equity shares (in ₹) fully paid up	10	10
Net profit for calculation of basic earnings per share (₹ In Lakhs)	2,019	2,303
Weighted average number of equity shares for calculating basic and diluted earning per share (No. In Lakhs)	2,376	2,023
Basic and diluted earnings per share (in ₹)	0.85	1.14

Note 33 - Related party disclosures

Names of Related Parties

(A) Key Management Personnel	Designation
1) Shibu Thekkumpurathu Varghese	Whole-time Director
2) Biji Shibu	Director
3) Manoj Raveendran Nair	Chief Executive Officer
4) Thanish Dalee	Chief Financial Officer
5) Naveena P Thampi	Company Secretary
6) Kaippillil Mathew Kuriakose	Independent Director
7) Joseph Paul Menacherry	Independent Director
8) Abraham Thariyan	Independent Director
9) Sreenivasan Thettalil Parameswaran Pillai	Director

(B) Entities in which KMP / Relatives of KMP can exercise significant influence

1) KLM Tiara Gold & Diamonds Private Limited
2) Payyoli Granites Private Limited
3) Ente Naadu Nidhi Limited
4) Carbomix Polymers (India) Private Limited
5) EBAF Financial Holdings Private Limited
6) M P Joseph's JGNANA Kendra (OPC) Private Limited
7) Astoria Nidhi Limited

(C) Relatives of Key Management Personnel

1) Elen Elu Shibu	d/o Shibu Thekkumpurathu Varghese
2) Ern Lizbeth Shibu	d/o Shibu Thekkumpurathu Varghese
3) Aleyamma Varghese	Mother of Shibu Thekkumpurathu Varghese
4) Vidhya Mathew	w/o Thanish Dalve
5) Aswathy E	w/o Manoj Raveendran Nair
6) Laigin C Kurian	h /o Naveena P Thampi

Related Party transactions during the year

(₹ In Lakhs)

Particulars	Related Party		Relatives of Related Party	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Shares subscribed including share premium	250.00	-	-	-
Purchase/Redemption of listed NCD of the Company	-	-	1.00	-
Purchase/Redemption of sub-debts of the Company	-	-	1.00	-
Interest paid on listed NCD & sub-debts	-	1.10	0.35	0.48
Bonus Shares issued	913.98	51.00	432.63	22.51
Remuneration paid	336.85	233.33	-	-
Dividend paid	294.67	145.79	139.66	68.56
Sitting Fees	11.40	6.20	-	-

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

(₹ In Lakhs)

Particulars	Related Party		Relatives of Related Party	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Investment in Subsidiary Company	-	-	-	-
Equity shares subscribed	6,984.20	5,893.34	3,262.13	2,793.18
NCD - Listed	-	-	1.00	2.00
Subordinate debt	-	-	2.50	1.50

#Related parties have been identified on the basis of declaration received by the management and other records available.

Note 34 - Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled and considering contractual terms. For Loans and advances to customers, maturity analysis is based on expected repayment behaviour.

(₹ In Lakhs)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
Cash and Cash Equivalents	3,646.17	-	3,646.18	3,721.98	-	3,721.98
Bank Balance Other than above	3,909.49	-	3,909.49	3,086.45	-	3,086.45
Loans	1,42,028.34	25,356.69	1,67,385.03	1,23,868.22	43,732.04	1,67,600.27
- Adjustment on account of EIR/ ECL	-	-1,774.38	-1,774.38	-	-1,608.99	-1,608.99
Investments	-	-	-	-	-	-
Other Financial Assets	306.83	1,421.34	1,728.17	212.95	1,479.39	1,692.34
Non-Financial Assets	-	-	-	-	-	-
Current Tax Assets (Net)	662.36	-	662.36	1,049.12	-	1,049.12
Deffered Tax Assets (Net)	-	1,093.05	1,093.05	-	1,607.29	1,607.29
Property, Plant and Equipment	-	14,066.00	14,066.00	-	13,987.49	13,987.49
Other Intangible Assets	-	80.25	80.25	-	116.67	116.67
Other Non-Financial Assets	2,545.30	-	2,545.30	189.19	2,382.94	2,572.14
Total Assets	**1,53,098.49**	**40,242.95**	**1,93,341.45**	**1,32,127.92**	**61,696.84**	**1,93,824.77**
LIABILITIES						
Financial Liabilities						
Payables	57.47	-	57.47	100.66	-	100.66
Debt Securities	17,055.02	45,009.54	62,064.56	28,192.60	39,931.50	68,124.10
- Adjustment on account of EIR	-	-428.02	-428.02	-	-424.41	-424.41
Borrowings (Other than Debt Securities)	7,595.51	5,828.23	13,423.74	7,886.57	7,890.68	15,777.24
- Adjustment on account of EIR		-346.85	-246.85	-	-31.77	-31.77
Subordinated Liabilities	23,221.63	59,484.31	82,705.94	9,889.83	67,269.92	77,159.75
Other Financial liabilities	1,915.69	4,440.76	6,356.46	2,851.41	3,852.11	6,703.52
Non-Financial Liabilities	-	-	-	-	-	-
Current Tax Liabilities (Net)	-	-	-	772.58	-	772.58
Other Non-Financial Liabilities	1,938.40	-	1,938.40	1,809.75	-	1,809.75
Total Liabilities	**51,783.72**	**1,14,087.97**	**1,65,871.70**	**51,503.40**	**1,18,488.03**	**1,69,991.42**
Net	**1,01,314.77**	**-73,845.02**	**27,469.75**	**80,624.52**	**-56,791.19**	**23,833.35**

Note 34.1 - Additional Disclosures

(₹ In Lakhs)

Particulars		As at March 31, 2025		As at March 31, 2024 Restated	
Liabilities side :		Amount out-standing	Amount overdue	Amount out-standing	Amount overdue
1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:					
(a)	Debentures : Secured	61,636.55	-	67,699.69	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits)	-	-	-	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	10,460.67	-	11,703.05	-
(d)	Inter-corporate loans and borrowing	-	-	-	-
(e)	Commercial Paper	-	-	-	-
(f)	Public Deposits	-	-	-	-
(g)	Other Loans –	-	-	-	-
	Subordinated debt	29,167.41	-	73,621.22	-
	Perpetual Debt Instruments	3,538.53	-	3,538.53	-
	Cash credit / overdraft facilities from banks	2,716.22	-	4,042.43	-
2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):					
(a)	In the form of Unsecured debentures	-	-	-	-
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c)	Other public deposits	-	-	-	-
Assets side :		Amount out-standing			
3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		As at March 31, 2025		As at March 31, 2024 Restated	
(a)	Secured	1,52,421.88		1,48,335.39	
(b)	Unsecured	14,963.16		19,264.89	
4. Break up of Leased Assets and stock on hire and other assets counting towards asset financing 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 asset financing activities				
	(a) Loans where assets have been	-		-	
	(b) Loans other than (a) above	-		-	
5. 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 (please specify)	-		-	
2	Unquoted :				
(i)	Shares				
	(a) Equity	-		-	
	(b) Preference	-		-	
(ii)	Debentures and Bonds	-		-	
(iii)	Units of mutual funds	-		-	
(iv)	Government Securities	-		-	
(v)	Others (please specify)	-		-	

Notes on Financial Statements for the year ended march 31, 2025
contd.....

(₹ In Lakhs)

Long Term investments :		As at March 31, 2025	As at March 31, 2024 Restated
1	Quoted :		
(i)	Shares		
	(a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government Securities	-	-
(v)	Others (please specify)	-	-
2	Unquoted :		
(i)	Shares		
	(a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government Securities	-	-
(v)	Others (please specify)	-	-

6. Borrower group-wise classification of assets financed as in (3) and (4) above :

Category		Amount net of provisions as at March 31, 2025			Amount net of provisions as at March 31, 2024 Restated		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
2	Other than related parties	1,51,111.92	14,498.74	1,65,610.66	1,47,161.18	18,830.11	1,65,991.29

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category		As at March 31, 2025		As at March 31, 2024	
		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1	Related Parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	Other than related parties	-	-	-	-
	Total	-	-	-	-

8. Other information

Particulars		As at March 31, 2025	As at March 31, 2024
(i)	Gross Non-Performing Assets*		
	(a) Related parties	-	-
	(b) Other than related parties	3,323.81	2,753.14
(ii)	Net Non-Performing Assets*		
	(a) Related parties	-	-
	(b) Other than related parties	1,549.43	1,144.16
(iii)	Assets acquired in satisfaction of debt	-	-

* Stage 3 loan assets under Ind AS

Notes forming part of Financial Statements for the period ended March 31 ,2025

Note 34.2 - Disclosure required as per Reserve Bank of India Notification No. DOR (NBFC). CC . PD. No.109/ 22.10.106/2019-20 dated March 13,2020

A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 - Financial Instruments

(₹ In Lakhs)

Asset Classification as per RBI Norms (1)	Asset Classification as per IND AS 109 (2)	Gross Carrying Amount as per IND AS (3)	Loss Allowances (Provisions) as required under IND AS 109 (4)	*Loss Allowances (Provisions) on Derecognized Income not forming part of Gross Carrying Amount (5)	Total Loss Allowance (6)	Net carrying Amount (7)=(3)-(4)	Provisions required as per IRACP norms (8)	Difference between IND AS 109 provisions and IRACP norms (9)=(6)-(8)
Performing Assets								
	Zero overdue	1,57,852.20	-	815.50	815.50	1,57,852.20	631.41	184.09
Standard Assets	Stage 1	5,714.55	20.01	6.39	26.41	5,694.54	22.86	-16.46
	Stage 2	494.47	8.65	10.97	19.62	485.82	1.98	8.99
Subtotal		1,64,061.23	28.66	832.86	861.53	1,64,032.57	656.24	176.62
					-			
Non-Performing Assets					-			
Sub Standard	Stage 3	1,228.51	300.52	35.51	336.02	927.99	340.62	-4.60
					-			
Doubtful- up to 1 year	Stage 3	838.66	255.16	31.47	289.63	583.50	356.34	-66.71
1 to 3 years	Stage 3	457.87	449.17	80.49	529.66	8.71	410.89	118.77
More than 3 years	Stage 3	798.76	740.88	32.68	773.56	57.88	673.48	100.08
Subtotal for doubtful		2,095.30	1,445.21	147.64	1,592.85	650.09	1,440.71	152.14
					-			
Loss	Stage 3	-	-		-	-	-	-
Subtotal for NPA		3,323.81	1,745.73	183.15	1,928.87	1,578.08	1,781.33	147.54
					-			
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		-	-		-	-	-	-
					-			
	Zero overdue	1,57,852.20	-	815.50	815.50	1,57,852.20	631.41	184.09
	Stage 1	5,714.55	20.01	6.39	26.41	5,694.54	22.86	-16.46
Total	Stage 2	494.47	8.65	10.97	19.62	485.82	1.98	8.99
	Stage 3	5,323.81	1,745.73	183.15	1,928.87	1,578.08	1,781.33	147.54
	Total	1,67,385.04	1,774.39	1,016.01	2,790.40	1,65,610.65	2,437.57	324.16

*As a matter of prudence and considering the higher credit risk associated with micro finance loans, the company has not recognised the interest receivables for micro finance loans under its gross carrying amount. Also, the same has not been considered while computing Expected Credit Loss (ECL) under the provisioning requirements laid down in Ind AS 109 – Financial Instruments.

However, in accordance with IRACP norms, interest on overdue microfinance loans is considered for provisioning purpose. Since the same is not recognised as part of the gross carrying amount as per Ind AS, the corresponding additional provision has been disclosed separately in column-5 of Note 34.2 for comparitive purposes.

As a matter of prudence, the company has maintained provisioning under Expected Credit Loss method (ECL) as per Ind AS, which is higher than the provisioning required under IRACP norms (including standard asset provisioning) hence, the Company has retained a higher provision in the books of account.

Note 34.3 - Disclosure required as per Reserve Bank of India Notification No. DOR (NBFC). CC . PD. No.109/ 22.10.106 /2019-20 dated March 13,2020

A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 - Financial instruments prior to restatement.

(₹ In Lakhs)

Asset Classification as per RBI Norms (1)	Asset Classification as per IND AS 109 (2)	Gross Carrying Amount as per IND AS (3)	Loss Allowances (Provisions) as required under IND AS 109 (4)	Net carrying Amount (5)=(3)-(4)	Provisions required as per IRACP norms (6)	Difference between IND AS 109 provisions and IRACP norms (7)=(4)-(6)
Performing Assets						
	Zero overdue	1,68,933.37	-	1,68,933.37	675.73	-675.73
Standard Assets	Stage 1	185.97	0.65	185.32	0.74	-0.09
	Stage 2	223.34	3.91	219.43	0.89	3.02
Subtotal		**1,69,342.68**	**4.56**	**1,69,338.12**	**677.37**	**-672.81**
Non-Performing Assets						
Sub Standard	Stage 3	1,108.55	249.61	858.94	110.86	138.76
Doubtful- up to 1 year	Stage 3	391.46	195.73	195.73	78.29	117.44
1 to 3 years	Stage 3	376.21	282.16	94.05	112.86	169.29
More than 3 years	Stage 3	876.93	876.93	-	438.47	438.47
Subtotal for doubtful		**1,644.60**	**1,354.82**	**289.78**	**629.62**	**725.20**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**2,753.15**	**1,604.43**	**1,148.72**	**740.48**	**863.95**
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	**Zero overdue**	**1,68,933.37**	-	**1,68,933.37**	**675.73**	**-675.73**
	Stage 1	**185.97**	**0.65**	**185.32**	**0.74**	**-0.09**
	Stage 2	**223.34**	**3.91**	**219.43**	**0.89**	**3.02**
	Stage 3	**2,753.15**	**1,604.43**	**1,148.72**	**740.48**	**863.95**
	Total	**1,72,095.83**	**1,608.99**	**1,70,486.84**	**1,417.85**	**191.14**

Note 34.4 Public Disclosure on Liquidity Risk

(i)Funding Concentration based on significant counterparty (both deposits and borrowings): As at March 31, 2025

Sl. No.	Particulars	Nos	Amount (Rs. Lakhs)	% of Total deposits	% of Total Liabilities
1	Number of Significant Counterparties	3	12,405.87	NA	7.48%

(ii)Top 20 large deposits (amount in Rs. crore and % of total deposits): Not Applicable

(iii)Top 10 borrowings (amount in Rs. crore and % of total borrowings):

1	Amount in Rs. Lakhs	16,275.19
2	% of total borrowings	9.93%

(iv) Funding Concentration based on significant instrument/product:

Sl. No.	Particulars	Amount (Rs. Lakhs)	% of Total Liabilities
1	Secured NCD	61,636.55	37.16%
2	Borrowings from Banks & FI's	13,176.90	7.94%
3	Subordinated Liabilities	82,705.94	49.86%
	Total	1,57,519.39	94.96%

(v) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities, and total assets: Not Applicable

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities, and total asset: Not Applicable

(c) Other short-term liabilities, if any as a % of total public funds, total liabilities, and total assets:

Sl. No.	Particulars	Weightage
1	Other short-term liabilities as % of Total Public funds	33.48%
2	Other short-term liabilities as % of Total Liabilities	31.80%
3	Other short-term liabilities as % of Total Assets	27.28%

(vi) Institutional set-up for liquidity risk management:

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk. The Board approves the governance structure, policies, strategy, and the risk tolerance limit for the management of liquidity risk. The Board of Directors approves the constitution of Risk Management Committee (RMC) for the effective supervision and management of various aspects including liquidity risks faced by the company. The meetings of RMC are held at periodically. The Board of Directors also approves constitution of Asset Liability Committee (ALCO), consisting of the Company's top management which functions as the strategic decisionmaking body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and tolerance limits approved by the Board. The role of the ALCO also includes periodic revision of interest rates, diversification of source of funding and its mix, maintenance of enough liquidity and investment of surplus funds. ALCO meetings are held periodically.

Note:

1) Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

2) Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

3) Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

4) Public funds are as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

Note 38 - Risk Management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial lending institution, the Company is exposed to risks that are particular to its lending and the environment within which it operates. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company's Risk Management Committee of the Board of Directors constituted is responsible for the overall risk management approach, approving risk management strategies and principles.

The Risk Management Committee shall be responsible for the following:

1. Reviewing the operations of the organization followed by identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

2. Identifying the risks an organization is subject to, deciding how to manage it, implementing the management technique, measuring the ongoing effectiveness of management and taking appropriate correction action and provide a framework that enables future activities to take place in a consistent & controlled manner.

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

1. Credit risk

Credit risk is the possibility of loss due to the failure of any counterparty abiding by the terms and conditions of any financial contract obligations resulting in financial loss to the Company. The Company's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances.

The Company addresses credit risk through following processes:

1. Through a rigorous loan approval and collateral appraisal process, as well as a strong NPA monitoring and collection strategy.
2. Minimize losses due to defaults or untimely payments by borrowers.
3. Credit risk on Gold loans is considerably reduced as collateral is in the form of Gold ornaments which can be easily liquidated and adequate margin of 25% or more is retained while disbursing the loan.

Classification of financial assets under various stages

The Company classifies its financial assets in three stages having the following characteristics:

Stage 1: unimpaired and without significant increase in credit risk since initial recognition on which a 12 month allowance for ECL is recognised;

Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised;

Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

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 (DPD) on its contractual payments. All financial assets are deemed to have suffered a significant increase in credit risk when they are 30 DPD and are accordingly transferred from stage 1 to stage 2.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD).

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, whether scheduled by contract or otherwise.

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 and Stage 2, the Company assesses whether any abnormal reasons occured for a possible default.
To calculate the ECL for 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, expertise of the management team to determine PD.

Loss Given Default (LGD)
LGD is the estimated loss that the Company might bear if the borrower defaults.The Company determines its recovery by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset. In estimating LGD, the company reviews macro economic developments taking place in the economy.

II. Liquidity risk
Liquidity risk is the non-availability of cash to pay a liability that falls due. A company is deemed to be financially sound if it is in a position to carry on its business smoothly and meet all the obligations – both long term as well as short term – without strain. Liquidity Risk arises largely due to maturity mismatch associated with assets and liabilities of the Company. Liquidity risk stems from the inability of the Company to fund increase in assets, manage unplanned changes in funding sources and meet financial commitments when required.

Company has implemented liquidity management policy for reducing the risk relating to liquidity issues. Currently the policies relating to liquidity are as follows:
1. The Company is maintaining high capital adequacy ratio over and above limits prescribed by regulators.
2. The Company ensures to keep liquidity to cover unexpected repayment obligations.
3. Promoting fund infusion by way of Non-Convertible debentures and subordinated debts so that due date for interest and maturity can be pre known.
4. Funding from long terms sources and lending as short term loans
5. Reducing the percentage of unsecured lending so that repayment up to a level is not affected.

Asset Liability Management (ALM)
The table below shows the maturity pattern of significant financial assets and financial liabilities. In the case of loans, contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the below maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

III. Market risk

Market risk refers to potential losses arising from the movement in market values of interest rates in the Company's line of business. The objective of market risk management is to avoid excessive exposure of our earnings to loss.

Interest rate risk

Interest rate risk is the risk where changes in the market interest rates might adversely affect the Company's financial condition. The interest rate risks are viewed from earning perspective and economic value perspective, respectively. Over the last several years, the Government of India has substantially deregulated the financial sector. As a result, interest rates are now primarily determined by the market, which has increased the interest rate risk exposure.

The results of the Company's operations are substantially dependent upon the level of the net interest margins. Interest rates are sensitive to many factors beyond the Company's control, including the RBI's monetary policies, domestic and international economic and political conditions and other factors. Rise in inflation, and consequent changes in the bank rates, repo rates and reserve repo rates by the RBI has led to an increase in interest rates on loans provided by banks and financial institutions.

In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans and the company adopts funding strategies to ensure diversified resource raising options to minimize cost and maximize stability of funds. The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

IV. Operational risk

Operational risk is broadly defined as the risk of direct or indirect loss due to the failure of systems, people or processes, or due to certain other external events. The Company has instituted a series of checks and balances, including an operating manual, and both internal and external audit reviews. Any loss on account of failure by employees to comply with defined appraisal mechanism is recovered out of their variable incentive. The Company also has detailed guidelines on movement and security measures of cash or gold. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks.Company also have a strong internal audit department which checks the level of operational compliances of branches.

V. Price risk

In recent years the company have become a gold loan NBFC. The variations in market price of gold can affect the business of the company. Gold price is affected by large number of macro economic scenarios and not predictable. Any sharp decrease in price can adversely affect the business of the company.

Maturity pattern of assets and liabilities as on March 31, 2025:

(₹ In Lakhs)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/ 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Not sensitive to ALM*	Total
Deposits	-	-	-	-	-	-	3,909.49	-	-	-	-	3,909.49
Advances	13,618.69	137.16	678.80	1,922.85	1,657.47	20,636.71	1,05,596.68	23,489.67	1,855.10	11.92	-1,774.38	1,65,610.65
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings												
a) Debt Securities	678.08			-	-	6,122.48	10,254.46	35,188.43	8,316.31	1,504.82	-428.02	61,636.54
b)Borrowings(other than debt securities)	57.59	55.56	293.46	408.61	406.61	1,219.83	5,155.86	5,828.24	-	-	-286.86	13,170.89
c)Subordinated liabilities	651.98	68.12	173.81	1,250.62	1,215.85	5,850.88	14,030.37	34,463.26	20,306.68	4,513.87	-	82,705.94
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-

** represents adjustments on account of EIR/ECL*

Maturity pattern of assets and liabilities as on March 31, 2024:

(₹ In Lakhs)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/ 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Not sensitive to ALM*	Total
Deposits	-	-	-	-	-	-	3,086.45	-	-	-	-	3,086.45
Advances	4,977.86	308.42	647.54	3,337.16	4,331.89	17,878.79	92,386.53	26,249.09	6,886.23	10,596.29	-1,608.99	1,65,990.84
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings												-
a) Debt Securities	-	1,358.17	1,613.54	-	-	7,596.76	17,624.13	23,913.92	14,021.28	1,996.30	-424.41	67,699.69
b)Borrowings(other than debt securities)	37.58	-	262.91	320.50	320.52	961.65	3,963.42	6,375.35	1,313.33	-	-31.77	15,745.49
c)Subordinated liabilities	543.99	146.29	216.47	717.10	900.50	3,029.69	6,335.79	44,297.17	17,658.37	5,314.18	-	77,159.75
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-

** represents adjustments on account of EIR/ECL*

Notes forming part of Financial Statements for the period ended March 31 ,2025

Note 36 - Capital

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assesment of risks- which include credit, liquidity and interest rate.The Company monitors its capital to risk-weighted assets ratio (CRAR) on a regular basis through its Assets Liability Management Committee (ALCO).

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2025	As at March 31, 2024 Restated
1	CRAR (%)	23.90%	20.41%
2	CRAR - Tier I Capital (%)	15.79%	13.47%
3	CRAR - Tier II Capital (%)	8.11%	6.94%
4	Amount of subordinated debt raised as Tier - II capital	14,571.85	12,478.33
5	Amount raised by issue of perpetual debt instruments	3,538.53	3,538.53

Regulatory capital consists of Tier I capital, which comprises share capital, share premium, Perpectual Debt Instructment, statutory reserve and retained earnings including current year profit. The other component of regulatory capital is other Tier 2 Capital Instruments.

Note 37 - Investments

(₹ In Lakhs)

Sl. No.	Particulars	As at March 31, 2025	As at March 31, 2024
1	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	-	-
	(b) Outside India	-	-
	(ii) Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	-	-
	(b) Outside India	-	-
2	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	-	-
	(ii) Add : Provisions made during the year	-	-
	(iii) Less : Write off / write back of excess provisions during the year	-	-
	(iv) Closing balance	-	-

Note 38 - Ratings assigned by Credit rating Agencies

Sl. No.	Particulars	As at March 31, 2025	As at March 31, 2024
1	Bank Loans - Cash Credit/overdraft	ACUITE BBB / Stable	CARE BBB-/Stable; IND BBB-/Stable; BWR BBB-/ Stable
2	Non Convertible Debentures - Public issue	IND BBB-/Stable ACUITE BBB / Stable CARE BBB-/ Stable	CARE BBB-/Stable; IND BBB-/Stable;

Note 39 - Provisions and Contingencies

(₹ In Lakhs)

Sl. No.	Break up of Provisions and Contingencies shown under the head Expenses in the Statement of Profit and Loss	As at March 31, 2025	As at March 31, 2024
1	Provisions for depreciation on Investment	-	-
2	Provision towards NPA (Expected Credit Loss)	1,745.73	1,604.43
3	Provision made towards Income Tax	-	772.58
4	Other Provision and Contingencies (with details)*	292.49	-
5	Provision for Standard Assets	28.66	4.56

*Other Provision and Contingencies being provided for Gratuity, Compensated Absences and for Financial Irregularities (Refer Note - 21)

Note 40 - Concentration of Advances

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2025	As at March 31, 2024 Restated
1	Total Advances to twenty largest borrowers	15,779.14	17,100.25
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	9.43%	10.30%

Note 41 - Concentration of Exposures

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2025	As at March 31, 2024 Restated
1	Total Exposures to twenty largest borrowers/customers	15,779.14	17,100.25
2	Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/Customers.	9.43%	10.30%

Note 42 - Concentration of NPAs

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2025	As at March 31, 2024 Restated
1	Total Exposures to top four NPA accounts	241.36	161.98

Note 43 - Sector wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		As at March 31, 2025	As at March 31, 2024 Restated
1	Agriculture & allied activities	-	-
2	MSME	2.47%	2.07%
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans (vehicle loan)	-	-
7	Other loans		
	a) Gold Loans	1.04%	0.54%
	b) Microfinance Loans	8.27%	6.43%

Note 44 - Movement of NPAs

(₹ in Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2025	As at March 31, 2024
(i)	Net NPAs* to Net Advances (%)	0.93%	0.67%
(ii)	Movement of NPAs* (Gross)		
	(a) Opening balance	2,753.14	2,692.14
	(b) Net additions during the year	570.66	61.01
	(c) Closing balance	3,323.81	2,753.14
(iii)	Movement of Net NPAs*		
	(a) Opening balance	1,144.16	1,123.75
	(b) Net additions during the year	405.27	20.41
	(c) Closing balance	1,549.43	1,144.16
(iv)	Movement of provisions for NPAs* (excluding Provisions on Standard Assets)		
	(a) Opening balance	1,604.43	1,501.58
	(b) Provisions made during the year	141.30	102.85
	(c) Write-off/ write-back of excess provisions	-	-
	(d) Closing balance	1,745.73	1,604.43

* Stage 3 loan assets under Ind AS.

Note 45 - Customer complaints

Sl. No.	Particulars	As at March 31, 2025	As at March 31, 2024 Restated
1	No. of complaints pending as at the beginning of the year	Nil	Nil
2	No. of complaints received during the year	84	45
3	No. of complaints redressed during the year	84	45
4	No. of complaints pending as at the end of the year	Nil	Nil

Note 46 - Top Five grounds of complaints received

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complain ts received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Number of complaints pending beyond 30 days
		31, March 2025			
Staff Misconduct	-	9	80%	-	-
Auction	-	11	175%	-	-
Interest Issue	-	7	250%	-	-
Technical Issue	-	20	1900%	-	-
Investment Interest	-	-	-	-	-
Others	-	37	12.12%	-	-
Total		84			
		31, March 2024			
Staff Misconduct	-	5	400%	-	-
Auction	-	4	300%	-	-
Interest Issue	-	2	-	-	-
Technical Issue	-	1	100%	-	-
Investment Intrest	-	-	-	-	-
Others	-	33	-		
Total		45			

Note 47 - Reporting of Fraud; Persuant to Reserve Bank of India (Fraud Risk Management in NBFCs) Directions, 2024, dated 15/07/2024

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2025	As at March 31, 2024
1	Amount related to fraud reported	32.26	164.59

Note 48 - Percentage of Loans granted against collateral of gold jewellery to total assets

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2025	As at March 31, 2024 Restated
1	Gold Loans granted against collateral of gold jewellery	1,10,159.14	1,02,255.19
2	Total Assets of the Company	1,93,341.45	1,93,824.78
3	Percentage of Gold Loans to Total Assets	56.98%	52.76%

Note 49 - Details on drawn drown from reserves

The disclosure pertaining to drawn down from Reserves has been disclosed shown in Other Equity (Refer Note - 23)

Note 50 - Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no impact in the profit and loss on account of prior period items on the current year profit and loss. Also Refer Significant Accounting Policies - Note 3

Note 51 - Overseas Assets

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2025	As at March 31, 2024
1	NA	-	-

Note 52 - Off-balance Sheet SPVs sponsored

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2025	As at March 31, 2024
1	NA	-	-

Note 53 - Direct Assingments reduced from Gold Loan Portfolio
Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021

(₹ In Lakhs except for %)

Particulars	As at March 31, 2025	As at March 31, 2024 Restated
Gold loan under AUM	1,13,058.80	1,03,853.24
Less: Assigned Portfolio	(2,899.66)	(1,598.06)
Gold loan (Net)	1,10,159.14	1,02,255.18

a. The Company has not transferred any non performing assets
b. The Company has not acquired any Stressed loans or Special Mention Accounts

Note 54 - Details of the Auctions conducted with respect to Gold Loan

Year Ended	Number of Loan Accounts	Amount due as on the date of auction ₹ In Lakhs	Value Fetched ₹ In Lakhs
31-03-2025	9,940	7,501.53	7,486.09
31-03-2024	8,922	6,914.10	6,896.55

Note 55 - Derivative Transactions
The company does not engage in any derivative transactions, hence the quantitative and qualitative disclosures regarding the same is NA

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date attached

For and on behalf of the board of directors

For A. John Moris & Co.,
Chartered Accountants
Firm Registration No.: 007220S

CA. Jobin George
Partner
Membership No.: 236710
UDIN: 25236710BMIXWJ3814
Date: 22/05/2025
Place: Ernakulam

Shibu Theckumpurath Varghese
Whole-time Director
(DIN: 02079917)

Biji Shibu
Director
(DIN: 06484566)

Manoj Raveendran Nair
Chief Executive Officer

Ihanish Dalee
Chief Financial Officer

Naveena P Thampi
Company Secretary

INDEPENDENT AUDITORS' REPORT

To The Members of **KLM AXIVA FINVEST LIMITED,**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone annual Financial Statements of **KLM Axiva Finvest Limited** ("the Company") for the quarter and year ended March 31, 2026 ('the statement') which comprise of the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, Statement of the Cash Flows for the year ended 31st March, 2026 and Notes to the Financial Statements including a summary of material Accounting Policies and other explanatory information ('the Financial Statements') being submitted by the Company pursuant to the requirement of regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') and the Companies Act, 2013 ('the Act")

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial statements:

a. give the information required by the Companies Act, 2013 and regulation 52 of the Listing Regulations, in the manner so required and

b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended to the extent applicable, RBI guidelines and other accounting principles generally accepted in India, of standalone net profit and standalone other comprehensive income and other financial information of the Company for the year ended March 31, 2026.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the

Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Emphasis of Matter

We draw attention to Note 8 and accounting policy to the Financial Statements relating to loan accounts under the Microfinance Loan (Micro Loan) and MSME Loan (DPN 16). The balances in aforementioned loan accounts are in the nature of receivables for which only General Ledger were made available for our verification. Management has reduced 100% of the "Micro Loan" portfolio through adjustment against the impairment reserve and written off "DPN 16" loans amounting to ₹13.96 crores during the year. We noted a few instances where certain loans were renewed / transferred to Loan against security" without any actual cash flow.

We further draw attention to Note 19 to the Financial Statements relating to Other Financial Liabilities and accounting policy which includes balances aggregating to ₹0.55 crores appearing under suspense accounts, unidentified receipts, and unrecognized payments. These balances arose pursuant to the migration from the legacy system to the current Core Financial Services System (CFSS). As informed by the Management, these balances are presently under review and reconciliation.

Our opinion is not modified in respect of the aforementioned matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statement of the current period. These matters were addressed in the context of our audit of the Financial Statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Audit Procedure adopted
Provision for Expected Credit Losses (ECL) on Loans The Company recognizes Expected Credit Losses (ECL) on loan assets under IND AS 109 "Financial Instruments" held at amortized cost. The company recognizes loss provisions for expected credit losses on its financial assets that are measured at amortized costs or at fair value through other comprehensive income account. The ECL provision is based on the credit losses expected to arise over the life of the assets, unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12	We examined methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company. Assessed the accounting policy for impairment of financial assets and its compliance with Ind-AS 109. Obtained an understanding of the Company's Expected Credit Loss (ECL) calculation and the

months expected credit loss. The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is reasonable approximation of EIR. ECL Model uses evaluation of credit loss based on probability of default and is re-evaluated over time and can be subjective. A comparison of provisions (ECL vs IRAC norms) is evaluated and presented in the Financial Statements. In case if provisions as per IRAC norms are higher, then the higher is provided as a measure of prudence. The Company has an Expected Credit Loss (ECL) policy in place. However, the policy does not operate through a formalized methodology-based framework	underlying assumptions. Checked the key controls over the assessment and identification of significant increase in credit risk and staging of assets. Assessed the disclosure made in relation to Ind- AS 109 for ECL provision. Also ensured that the higher of the provision as per ECL policy and as per IRAC norms is provided as a matter of prudence.

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

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

Our opinion on the Financial Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statement, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Financial Statement or our knowledge obtained in 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. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate to those charged with governance and take appropriate actions as applicable under the relevant laws and regulations.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors are responsible for the preparation of these Standalone Financial Statements that give true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS prescribed under Section 133 of the Act read with relevant rules issued thereunder, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors 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 users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of Financial Statements on whether the Company has adequate internal financial controls with reference to Financial Statements in place and operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 Statement 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 and on the basis of such checks of the books and records

of the Company as considered appropriate, we give in the **"Annexure 2"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

3. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified during the reporting period 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 3"**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations against the company which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has not paid dividend during the year which was in compliance with Section 123 of the Companies Act,2013.

v. (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 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 person 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) As per the information and explanation given to us by the Management , no funds have been received by the company from any person or entity including foreign entities("Funding Parties"), with the understanding whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other person 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; and

(c) On the basis of above representations, nothing has come to our notice that has caused to believe that the above representations contained any material mis-statement.

(h) In our opinion the remuneration paid during the year by the company to its wholetime directors are in accordance with the provisions of section 197 and rules framed there under read with schedule V of the Act.

(i) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March 2026 which has a feature of recording audit trail (edit log) facility. However, we were unable to obtain sufficient audit evidence to confirm whether the said audit trail feature was enabled and operated throughout the year for all relevant transactions recorded in the software. Further, we were unable to verify whether the audit trail feature was enabled at the database level to log any direct data changes. Accordingly, we are unable to comment on whether the audit trail feature was tampered with during the period.

For **A. John Moris & Co,**
Chartered Accountants
Firm registration No: 007220S

CA Jobin George, FCA
Partner
Membership No: 236710
UDIN: 26236710SCHOST9485

Place: Kochi
Date: 29-05-2026

A. JOHN MORIS & Co. Cochin 682 036 Chartered Accountants

Annexure 1 to the Auditor's Report of even date

(Referred to in paragraph 1 under Report on Other Legal and other Regulatory Requirements section of our report of even date)

To the Board of Directors
KLM Axiva Finvest Limited
CIN: U65910TG1997PLC026983

We have audited the Balance Sheet of KLM Axiva Finvest Limited for the year ended on March 31, 2026, 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 45-1A f the RBI Act, 1934.

ii. The Company is entitled to continue to hold the Certificate of Registration in terms of the Financial Asset/Income pattern as on March 31, 2026.

iii. The company is meeting the requirements of net owned funds as laid down in Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023.

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 - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023.

vii. The capital adequacy ratio as disclosed in the return submitted to RBI in terms of Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023, 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, 2026.

A John Moris & Co
Chartered Accountants

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

For **A. John Moris & Co,**
Chartered Accountants
Firm registration No: 007220S

CA Jobin George, FCA
Partner
Membership No: 236710
UDIN: :26236710SCHOST9485

Place: Kochi
Date: 29-05-2026

"Annexure 2" to the Independent Auditor's Report of even date.

(Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date)

As required by the Companies (Auditors Report) Order issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, as per the information and explanations provided to us by the company, we give a statement on the matters specified in paragraph 3 and 4 of the Order, to the extend applicable:

1)

a) In respect to the Company's property, plant and equipment and intangible assets

   A. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   B. The Company has maintained proper records showing full particulars of Intangible assets.

b) The Property, Plant and Equipment have been physically verified by the Management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, the records examined by us and based on the examination of the registered sale deed provided to us by the Company, the title deeds of immovable properties are held in the name of the company;

d) The Company has not revalued its property, plant and equipment (including Right of Use assets) or intangible assets or both during the year.

e) According to the information and explanations given to us, there are no proceedings 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 thereunder.

2)

a) In our opinion and according to the information and explanations given to us, the nature of the Company's business is such that it is not required to hold any inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.

b) Based upon the audit procedures performed and the information and explanations given by the Management, the company has been sanctioned working capital limits in excess of five crore rupees from banking institution on the basis of security of

A. JOHN MORIS & Co. Kochin 682 036 Chartered Accountants

current assets. The quarterly returns filed by the company with bank are in agreement with the books of the company.

3)

a) The company being an NBFC whose principle business is to give loans and hence the requirement to report on clause 3(iii)(a) of the order is not applicable to the Company.

b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the 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. Being a Non-Banking Financial Company there are cases where repayment of principal or payment of interest is not as stipulated and in respect of these cases, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting.

d) According to the information and explanations given to us and based on the audit procedures performed by us, in respect of loans and advances granted by the Company and amount overdue for more than ninety days, reasonable steps have been taken by the Company for recovery of the principal and interest.

e) The company being an NBFC whose principle business is to give loans is exempt from clause 3(iii) (e) of the order.

f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying the terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security given, where applicable.

5) According to the information and explanations given to us, the Company has not accepted any public deposit from the public within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed there under to the extent notified. Thus, reporting under clause 3(v) of the order is not applicable to the Company.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the

activities carried on by the company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.

7)

a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2026 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, goods and service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) According to information and explanations given to us and on the basis of our examination of the books of account, there are no transactions surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (43 of 1961) which are not recorded in the books of account.

9)

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 thereon to any lender.

b) According to the information and explanation given to us, the company has not declared as willful defaulter by any bank or financial institution or other lender.

c) Based upon the audit procedures performed and the information and explanations given by the Management, the loans are applied by the company for the purpose for which the same was obtained.

d) According to the information and explanations given to us, we report that no funds raised on short-term basis have been utilized for long-term purpose of the company.

e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures hence clause 3 (ix) (e) does not apply to company.

f) The company does not have subsidiaries, joint ventures, or associate companies. Accordingly, the provisions of clause 3 (ix) (f) of the Order are not applicable to the Company and hence not commented upon.

10)

a) Based upon the audit procedures performed and the information and explanations given by the Management, the Company has raised money by way of public issue of debt instruments and the money raised has been applied for the purpose for which they have been raised.

b) Based upon the audit procedures performed and the information and explanations given by the Management, the Company has complied with the requirements of section 42 and 62 of the Companies Act, 2013 and the amount raised by preferential allotment or private placement of shares during the year under review have been used for the purposes for which the funds were raised. During the year, the Company has not made any preferential allotment or private placement of fully, partially or optionally convertible debentures.

11)

a) To the best of our knowledge and explanations given by the Management, instances of fraud on the company, aggregating to Rs.60.68 lakhs resulting from various fraud cases on the company has been reported during the year to RBI. No fraud by the company has been noticed or reported during the year nor have we been informed of any such instances by the Management.

b) No report under subsection (12) of section 143 of the Companies Act has been filed in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year by the Statutory Auditors.

c) According to the information and explanation given to us, the company has not received any whistle - blower complaints during the year.

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 of the Companies Act 2013 and there were no transactions falling under the purview of section 188 during the year. The transactions with related parties have been disclosed in the Financial Statement as required by the applicable accounting standards.

14)

a) The company has an adequate internal audit system commensurate with the size and nature of its business.

b) To ensure the robustness of internal audit system and internal control system in the company we have reviewed the reports made by internal Auditors of the company for the period of auditing and found that the internal control systems implemented by Management are effective and internal audit procedures are adequate for the company.

15) Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16)

a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the registration.

b) The company has not conducted any Non-Banking Financial or Housing Finance activities without 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, the Company is not a Core Investment Company (CIC) Company. Therefore, the provisions of clause 3 (xvi)(c) of the Order are not applicable to the Company.

d) In our opinion, there is no core investment company with in the group and accordingly reporting under clause 3(xvi)(d) of the order is not applicable.

17) Based upon the audit procedures performed and the information and explanations given by the Management, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.

18) During the year there was no resignation of Statutory Auditor.

19) On the basis of 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 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.

20)

a) There are no unspent amount 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 section 135(6) of the Companies Act. Accordingly, reporting under clause 3(xx)(b) of the order is not applicable for the year.

For **A. John Moris & Co,**
Chartered Accountants
Firm registration No: 007220S

CA Jobin George, FCA
Partner
Membership No: 236710
UDIN: 26236710SCHOST9485

Place: Kochi
Date: 29-05-2026

A JOHN MORIS & Co Cochin 682 036 Chartered Accountants

"Annexure 3" to the Independent Auditor's Report of even date.

(Referred to in paragraph 3(f) under Report on Other Legal and other Regulatory Requirements section of our report of even date)

Report on the Internal Financial Controls 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 KLM Axiva Finvest Limited ("the Company") as of 31st March, 2026 in conjunction with our audit of the Financial Statement 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 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.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing

the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transctions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and directors of the company; and (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 the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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 31st March, 2026, 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

A John Moris & Co
Chartered Accountants

Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **A. John Moris & Co,**
Chartered Accountants
Firm registration No: 007220S

CA Jobin George, FCA
Partner
Membership No: 236710
UDIN: 26236710SCHOST9485

Place: Kochi
Date: 29-05-2026

KLM AXIVA FINVEST LIMITED

Registered Office: Flat No. 28, Door No. 8-13, 1st Floor, Ashoka Complex, Mythrinagar Colony, Gayathri Nagar X Road, Vanasthalinagar PO., Hyderabad, Rangareddi - 500079

CIN: U65910TG1997PLC026983

Balance Sheet as at 31st March 2026

(₹ In Lakhs)

Particulars	Note No.	As at 31st March 2026	As at 31st March 2025
I ASSETS			
1 Financial Assets			
(a) Cash and Cash Equivalents	6	1,949.24	3,616.23
(b) Bank Balance Other than (a) above	7	73.01	162.43
(c) Loans & Advances	8	1,39,902.58	1,60,814.37
(d) Other Financial Assets	9	1,494.58	1,754.71
2 Non-Financial Assets			
(a) Current Tax Assets (Net)	10	230.34	662.36
(b) Deferred Tax Assets (Net)	11	723.57	1,093.05
(c) Property	12	9,280.15	9,372.92
(d) Plant and Equipment	12	3,948.47	4,693.07
(f) Other Intangible Assets	13	89.41	80.25
(g) Other Non-Financial Assets	14	9,029.25	7,050.75
Total Assets		1,86,740.61	1,89,300.15
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
(a) Payables	15	24.26	57.48
(b) Debt Securities	16	64,759.85	61,609.69
(c) Borrowings (Other than Debt Securities)	17	5,526.55	9,456.69
(d) Subordinated Liabilities	18	86,176.04	82,705.94
(e) Other Financial liabilities	19	7,018.26	6,352.09
2 Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)	20	-	-
(b) Other Non-Financial Liabilities	21	1,616.44	1,648.54
3 EQUITY			
(a) Equity Share Capital	22	26,856.14	25,794.76
(b) Other Equity	23	(5,238.93)	1,674.95
Total Liabilities and Equity		1,86,740.61	1,89,300.15

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached

For A. John Moris & Co.,
Chartered Accountants
Firm Registration No.: 007220S

CA. Jobin George
Partner
Membership No.: 236710
UDIN:26236710SCHOST9485

A. JOHN MORIS & Co. Cochin 682 036 Chartered Accountants

For and on behalf of the board of directors

Shibu Thecklampurath Varghese
Whole-time Director
(DIN: 02079917)

Bijo Shibu
Director
(DIN: 06484566)

Thomas Daley
Chief Financial Officer

Naveena P Thampi
Company Secretary

Date: 29/05/2026
Place: Ernakulam

KLM AXIVA FINVEST LIMITED

Registered Office: Plot No. 39, Door No. 8-13, 1st Floor, Ashoka Complex, Mythrinagar Colony, Gayathri Nagar X Road, Vanasthalinagar PO., Hyderabad, Rangareddi - 500079
CIN: U65910TG1997PLC026983

Statement of Profit and Loss for the year ended 31st March 2026

(₹ In Lakhs)

Particulars	Note No.	For the period ended 31st March 2026	For the year ended 31st March 2025
I **Revenue from operations**			
(a) Interest Income	24	33,052.19	33,319.18
II **Other income**	25	1,066.58	746.55
III **Total income (I+II)**		34,118.77	34,065.74
Expenses			
(a) Finance Costs	26	18,113.91	17,453.40
(b) Impairment on Financial Instruments	27	474.50	518.97
(c) Employee Benefits Expenses	28	7,005.75	7,045.72
(d) Depreciation, Amortization And Impairment	29	961.34	874.72
(e) Other Expenses	30	6,650.18	6,192.13
IV **Total Expenses**		33,205.68	32,084.95
V **Profit before tax (III - IV)**		913.09	1,980.78
VI **Tax expense:**	31		
(i) Current tax		-	-
(ii) Deferred tax		27.01	(38.57)
(iii) Tax for earlier years		-	-
VII **Profit for the year (V - VI)**		886.08	2,019.36
VIII **Other Comprehensive Income**			
Remeasurement of Defined Benefit Plan		(63.98)	-
IX **Total Comprehensive Income (VII+VIII)**		822.10	2,019.36
X **Earnings per Equity Share:**	32		
(i) Face value per equity share ₹ 10/- each			
(ii) Basic and Diluted (₹)		0.33	0.85

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date attached

For A. John Moris & Co.,
Chartered Accountants
Firm Registration No.: 007220S

A. JOHN MORIS & Co. Cochin 682 036 Chartered Accountants

CA. Jobin George
Partner
Membership No.: 236710
UDIN: 26236710SCHOST9485
Date: 29/05/2026
Place: Ernakulam

For and on behalf of the board of directors

Shibu Theckumpurath Varghese
Whole-time Director
(DIN: 02079917)

Biji Shibu
Director
(DIN: 06484566)

Thanish Dalee
Chief Financial Officer

Naveena P Thampi
Company Secretary

KLM AXIVA FINVEST LIMITED

Registered Office: Plot No. 39, Door No. 8-13, 1st Floor, Ashoka Complex, Mythripuram Colony, Gayathri Nagar X Road, Vaishalinagar PO., Hyderabad, Rangareddi - 500079

CIN: U65910TG1997PLC026983

Cash Flow Statement for the year ended at 31st MARCH 2026

(Rs. In Lakhs)

	PARTICULARS	For the year ended 31st March 2026	For the year ended 31st March 2025
A.	CASH FLOW FROM OPERATING ACTIVITIES :		
	Net profit Before Taxation	913.09	1,980.79
	Adjustments for:	-	-
	Depreciation and Amortisation	961.34	874.72
	Finance costs	18,113.91	17,453.40
	Interest on income tax	-	-
	Impairment on financial instruments	474.50	518.97
	Gratuity	39.88	-
	Operating Profit before Working Capital Changes	20,502.72	20,827.89
	(Increase)/Decrease in Loans & Advances -Financial Assets	437.29	(138.34)
	(Increase)/Decrease in Other Financial Assets	260.13	(65.78)
	(Increase)/Decrease in Other Non Financial Assets	(1,978.50)	26.84
	Increase/(Decrease) in Other Financial Liabilities	666.17	(347.05)
	Increase/(Decrease) in Other Non financial Liabilities	(135.96)	128.66
	Cash from operations	19,751.85	20,432.21
	Net income tax paid/Refundable	412.02	(385.82)
	Net Cash From Operating Activities	20,163.86	20,046.39
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	Capital Expenditure	(133.13)	(916.80)
	Purchase of investments	-	-
	Bank balances not considered as cash and cash equivalents	89.42	(823.04)
	Net Cash From Investing Activities	(43.71)	(1,739.85)
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from issuance of equity shares	1,395.07	3,106.51
	Additions/Deductions in Specific Reserve	(7,742.31)	89.45
	Additions/Deductions in Other Reserve	(182.90)	-
	Increase / (Decrease) in Payables	(33.22)	(43.19)
	Increase / (Decrease) in Debt securities	3,150.16	(6,063.14)
	Increase / (Decrease) in Subordinated liabilities	3,470.10	5,546.19
	Increase / (Decrease) in Borrowings (other than Debt securities)	(3,930.14)	(2,568.58)
	Dividend Paid	-	(1,026.15)
	Finance cost	(18,113.91)	(17,453.40)
	Net Cash From Financing Activities	(21,787.15)	(18,412.29)
	NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,667.00)	(105.75)
	OPENING CASH AND CASH EQUIVALENTS	3,616.23	3,721.98
	CLOSING CASH AND CASH EQUIVALENTS	1,949.24	3,616.23

As per our report of even date attached

For A. John Moris & Co.,
Chartered Accountants
Firm Registration No.: 007220S

CA. Jobin George
Partner
Membership No.: 236710
UDIN: 26236710SCHOST9485

Date: 29/05/2026
Place: Ernakulam

For and on behalf of the board of directors

Shibu Thecktumpurath Varghese
Whole-time Director
(DIN: 02079917)

Biji Shibu
Director
(DIN: 06484566)

Thanish Dalee
Chief Financial Officer

Naveena P Thampi
Company Secretary

1. CORPORATE INFORMATION

KLM Axiva Finvest Limited ("the Company") is a public limited company classified as a Middle Layer Non-Banking Financial Company (NBFC-ML) under the Scale-Based Regulatory Framework (SBR) for NBFCs. The Company is not accepting public deposits and is registered with the Reserve Bank of India (RBI) under Section 45-IA of the Reserve Bank of India Act, 1934. The Company is primarily engaged in financing and related activities. The Company has received the certificate of registration from RBI (Registration No. 09.00006) on 13th December, 1997 enabling the Company to carry on business as a Non-Banking Financial Company.

The Company offers broad suite of lending and other financial products such as gold loan, mortgage loan, loan against securities, micro finance loans etc.

The registered office of the Company is at Plot No. 39, Door No. 8-13, 1st Floor, Ashoka Complex, Mythripuram Colony, Gayathri Nagar X Road, Vaishalinagar PO. Hyderabad, Rangareddi, Telangana, 500079 and corporate office located at KLM Grand Estate, Bypass Road, Edappally, Ernakulam, Kerala - 682024.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 and the generally accepted accounting principles. The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

In the preparation of these financial statements, the management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities (including contingent liabilities), income, and expenses. These estimates and associated assumptions are based on management's best knowledge of current events, business conditions, historical experience, and other relevant factors as of the reporting date.

Actual results may differ from these estimates, and such differences could result in material adjustments to the carrying amounts of assets or liabilities in future reporting periods. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 – Significant Accounting Judgements, Estimates, and Assumptions.

a) Statement of compliance

The above financial statements have been prepared in accordance with the Indian Accounting Standards prescribed read with relevant rules issued there under and other accounting principles generally accepted in India mainly considering the Master Directions issued by the Reserve Bank of India ('RBI') as applicable. The regulatory disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the RBI ('RBI Master Directions') and other relevant circulars/ directions are included as a part of the Notes to Accounts.

b) 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). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI.

The financial statements are presented in Indian Rupees (INR) which is determined to be functional currency of the Company and all values are rounded to the nearest lakhs, except when otherwise stated.

3. RBI inspection and imapct on Financial Statements

An onsite supervisory inspection was conducted by the RBI during February 2026 to March 2026 for the financial year 2024-25. The RBI issued an inspection report vide letter dated April 23, 2026, directing our Company to respond within 45 days. Our Company placed the inspection report before the Board of Directors on April 27, 2026.

The inspection report included several observations, inter alia, relating to preparation and presentation of financial statements:

(i) Income recognition and adequacy of provisioning in loan accounts in Non-Performing Assets cases asper IRAC guidelines of RBI.
(ii) Objection on adoption of one year maturity period for gold loans instead of review period/scheme end date applicable for each scheme while classifying accounts as Non-Performing Assets.
(iii) Customer based asset classification of Non-Performing Assets.
(iv) Difference related to accounts migrated from old books/excel to new core banking software
(v) Unreconciled amounts in suspense/control accounts like auction control accounts, investment transfer control accounts
(vi) Difference between trial balances / ledger balances with MIS reports prepared from the databases

Our Company has taken steps to address the RBI's observations namely,

i) Adopted system based income recognition and customers wise NPA Accounts
ii) Adoption of scheme end date for gold loans instead of one year maturity applicable for each scheme while classifying accounts as NPA
iii) The company has written off accounts or created impairment reserve of Rs. 642.40 lakhs Rs.1383. 21 lakhs, and Rs. 5750.82 lakhs for gold loan, MSME loan and Micro loan respectively

The Company has instructed the internal auditors to conduct a special receivable audit and is also considering an external audit. Additional provision/write off will be considered on the basis of their report.

iv) Special task force to clear all the pending reconciliations within RBI stipulated time of 31st December 2026

v) Implementation of monthly department review, Board level review of the progress of RBI related observations.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1. Financial Instruments

Financial assets and financial liabilities are recognized in the Company's Balance Sheet when the company becomes a party to the contractual provisions of the instrument. The transaction costs if any that are directly attributable to the acquisition or issue of financial assets and financial liabilities are amortized over the period of the Instrument using the Effective Interest Rate.

I. Financial Assets

a) Initial recognition

All financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets are adjusted as appropriate on its initial recognition.

b) Subsequent measurement

The Company classifies its financial assets into the following measurement categories depending on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets:

i. **Financial assets measured at amortised 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.

ii. **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 financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. **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.

At present the company classifies all its Loans and Advances at Amortised cost as the business model is to hold them to collect contractual cash flows and the contractual terms of the loans give rise on specified dates to cash flows that are solely repayments of principal and interest.

c) Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present under Amortized Cost.

d) Assignment Transactions

The Company transfers loan assets through Direct Assignments (DA) arrangements in accordance with the Reserve Bank of India guidelines and Ind AS 109, Loan assets transferred under DA are assessed to determine whether they meet the criteria for derecognition. The financial asset is

derecognised when the Company transfers the contractual rights to receive the cash flows and substantially all the risks and rewards of ownership of the financial asset.

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards, the transfer of such financial assets qualifies for derecognition in its entirety, hence the interest income from such assets is offset against the interest expense on direct assignments and corresponding gain or loss recognized in statement of profit or loss

The company has assigned certain gold loans to other parties. The assigned portfolio is reduced from the total gold loan asset under management.

II. Financial Liabilities

a) Initial recognition

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.

b) Subsequent measurement

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

4.2. Derecognition of financial assets and liabilities

I. Financial Assets

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive 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.

II. Financial Liability

A financial liability is derecognised 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. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

4.3. Impairment of financial assets

I. Overview of the Expected Credit Loss (ECL) Model

The Company recognises impairment allowance for expected credit loss on financial assets held at amortised cost. The Company recognises loss allowances (provisions) for expected credit losses on its financial assets that are measured at amortised costs

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. The 12-month ECL is the

portion of the lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

The Company applies a three-stage approach to measuring expected credit losses (ECLs).

Stage 1: 12-months ECL

For financial assets where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECL - not credit impaired

For financial assets where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining life time of the financial asset) is recognised.

Stage 3: Lifetime ECL - credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

The Company has identified a zero bucket for financial assets that are not overdue.

II. Estimation of Expected Credit Loss

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

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.

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, whether scheduled by contract or otherwise, expected draw downs on committed facilities.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a 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 realisation of any collateral.

4.4. Offsetting of financial instruments

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

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4.5. Cash and cash equivalents

Cash and cash equivalents include cash on hand and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and 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.

4.6. Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bring the item to the condition necessary for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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 is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income or expense in the statement of profit and loss in the year the asset is derecognised. 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.

4.7. Intangible assets

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 accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Gains or losses from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit or Loss when the asset is derecognised.

4.8. Input Tax Credit (Goods and Service Tax)

Input Tax Credit is accounted for in the books in the period when the underlying service or supply received is accounted to the extent permitted as per the applicable regulatory laws. The ineligible input credit is charged off to the respective expense or capitalised as part of asset cost as applicable.

4.9. Provisions and Contingent liabilities

Provisions are recognised only 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 pretax 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.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed. Contingent liability is disclosed in case of present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligations and the present obligation arising from past events, when no reliable estimate is possible.

4.10.Depreciation and Amortization

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current period are as follows:

Asset	Useful life
Building	30-60Years
Computers and servers	3-6 Years
Office equipment	5-20 Years
Furniture and fixtures & Electrical equipment's	10-20 Years
Vehicles	8-10 Years

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Intangible Assets are amortised on a straight-line basis over the estimated useful economic life. Computer Software which is not an integral part of the related hardware is classified as an intangible asset and amortised over a period of six years, being its estimated useful life.

4.11.Impairment of non-financial assets

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been

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recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on written down value basis over its remaining useful life.

4.12.Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(I) **Interest Income**

The Company recognises 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 amortised cost of the financial asset from initial recognition. Such interests, where instalments are overdue in respect of non-performing assets are recognised on realization basis.

The EIR in case of a financial asset is computed

a) As 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.
b) By considering all the contractual terms of the financial instrument in estimating the cash flows
c) Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

Other Income: In respect of the other heads of income, the Company accounts the same on accrual basis.

(II) **Recognition of revenue from 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 customer, excluding amounts collected on behalf of third parties. The Company recognises 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.

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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

Processing fee which is not form part of effective interest rate has been recognised as and when it is accrued.

(III) Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established. This is established when it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

4.13.Finance cost

Finance costs represent Interest expense recognised 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 amortised cost of a 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.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

4.14.Employee Benefits

Defined Contribution Plan

The Company's contribution towards Provident Fund and State Insurance are considered as defined contribution plans, eligible employees and the Company make monthly contributions to the Government administered provident fund scheme and employee state insurance scheme equal to a specified percentage of the eligible employee's salary. The same is charged as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans

Short Term Employee Benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense)

Post Employment Benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method and the same recorded in the balance sheet.

4.15.Taxes on Income

Income tax comprises current and deferred income tax.

Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., either in other comprehensive income or in equity. Current tax items are-recognised 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.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax asset is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Company offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.16.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 attributable taxes) by the weighted average number of equities shares outstanding during the year.

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

4.17.Cash flow statement

Statement of Cash Flows is prepared using the indirect method segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is arrived after adjusting the net profit for the effects of changes during the period in operating receivables and payables transactions of a noncash nature; non-cash items such as depreciation, provisions, deferred taxes and unrealized foreign currency gains and losses, all other items for which the cash effects are investing or financing cash flows.

4.18.Segment Reporting

An operating segment is a component of the Company that engages in the business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by Company's Chief operating decision maker.

The Company's primary business segments are reflected based on the principal business carried out, i.e. financing. The risk and returns of the business of the Company is not associated with geographical segmentation, hence the Company has concluded that the business of lending finance is the only reportable segment.

4.19.Leases

The Company evaluates each contract or arrangement, whether it qualifies as a lease as defined under Ind AS 116, at the inception of the contract or arrangement. A contract is classified as a lease contract, only if it 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 considers whether

a) The contract involves the use of identified asset;
b) The company has substantially gained all of the economic benefits from the use of the asset through the period of lease and
c) The company has right to direct the use of the asset.

The Company as a lessee

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months, leases with low value and where the contract includes a mutual termination clause allowing either party to terminate the lease at any time without substantive penalty, making the lease non-enforceable beyond the notice period.

Ind AS 116 requires lessees to determine the lease term after consideration of non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The determination of the lease term and the enforceability of the lease contract is based on the substantive rights and obligations of both parties and considers any legal, economic, or practical restrictions on terminating the lease.

The company assesses whether it is reasonably certain to continue the contract. The Company determines the lease term after consideration of any option to extend or terminate the lease, where the Company is reasonably certain to exercise that option, lease term shall be revised accordingly.

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Based on the analysis of the agreements, the entity as elected not to adopt lease accounting for the branches.

Where the Company elected to recognises the payments made under Ind AS 116, the Company at the time of initial recognition:

- Measures lease liability at present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

- Measures 'Right-of-use assets' at present value of all lease payments discounted using the Company's incremental cost of borrowing and any initial direct costs. Subsequently, 'Right-of-use assets' is measured using cost model i.e., at cost less any accumulated depreciation (depreciated on straight line basis over the lease period) and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases' associated with these leases as an expense in Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit. The related cash flows are classified as operating activities.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. 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:

5.1. Business Model Assessment

Classification and measurement of financial assets depends on the results of the 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 judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

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5.2. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

When the fair values of financial assets and financial liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Fair value note in accounting policy.

However, the Company measures its financial assets and financial liabilities primarily at amortised cost, in accordance with the business model and contractual cash flow characteristics. As such, fair value measurement is not required for accounting purposes, except for disclosures as applicable.

5.3. Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, 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.

5.4. Effective Interest Rate (EIR) method

The Company's EIR methodology recognises 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 recognises 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 judgement 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.

5.5. Other estimates

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

5.6. Regrouping and Reclassification

Previous years' figures have been regrouped and/or reclassified wherever necessary to conform to the current year's presentation and disclosure requirements for better comparability.

Notes forming part of Financial Statements for the period ended March 31 ,2026

Note 6 - Cash and Cash Equivalents

(₹ In Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Cash on hand	614.66	658.84
(b) Balance with banks		
- In current accounts	1,334.58	2,957.40
- In fixed deposits (with maturity of less than 3 months)	-	-
Total	1,949.24	3,616.23

Note 7 - Bank Balance Other Than Above

(₹ In Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Balance deposits with maturity more than 3 months	30.19	137.00
(b) On Earmarked Accounts		
- Unpaid Dividend Account	-	-
- Unclaimed Debenture Account	25.43	25.43
- Unpaid Insurance Account	8.39	-
Total	73.01	162.43

Note 8 - Loans & Advances

(₹ In Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
(A) Loans at Amortised Cost		
(a) Gold Loan	1,25,559.68	1,10,159.14
(b) MSME Loan	34,636.10	39,146.88
(c) Microfinance Loan	5,427.07	13,282.73
Total (A) - Gross	1,63,622.85	1,62,588.76
Less: Impairment loss allowance	1,728.79	1,774.38
Less: Additional Impairment loss allowance-RBI IRACP	1,991.48	-
Total (A) - Net	1,59,902.58	1,60,814.37
(B) Secured/Unsecured		
(i) Secured by tangible assets	1,54,538.05	1,49,306.02
(ii) Covered by Bank/Government guarantees	-	-
(iii) Unsecured	9,084.79	13,282.73
Total (B) - Gross	1,63,622.85	1,62,588.76
Less: Impairment loss allowance	1,728.79	1,774.38
Less: Additional Impairment loss allowance-RBI IRACP	1,991.48	-
Total (B) - Net	1,59,902.58	1,60,814.37
(C) I. Loans in India		
(i) Public Sector	-	-
(ii) Others	1,63,622.85	1,62,588.76
II. Loans Outside India		
(i) Public Sector	-	-
(ii) Others	-	-
Total (C) - Gross	1,63,622.85	1,62,588.76
Less: Impairment loss allowance	1,728.79	1,774.38
Less: Additional Impairment loss allowance-RBI IRACP	1,991.48	-
Total (C) - Net	1,59,902.58	1,60,814.37

Note:

1) Loan assets are accounted under Amortized cost method as per Ind AS 109, there are no loans measured at FVTPL or FVTOCI or Designated at FVTPL

2) Loans within the aforementioned three segments are further sub-classified by product name in the books of accounts. Under the Microfinance Loan product, the Company held outstanding balances specifically designated as 'Micro Loans.' Pursuant to directives from the Reserve Bank of India, the Company has, during the year ended March 31, 2026, made an adjustment of Rs. 5,750 lakhs through the Impairment Reserve against the outstanding Micro Loan balances.

With respect to the MSME portfolio's 'DPD 16' category, an amount of Rs. 1,365 lakhs out of the total Rs. 3,654 lakhs was written off against the Statement of Profit and Loss. Management is currently evaluating the recoverability of the remaining balance in the DPD 16 portfolio, and appropriate accounting treatment will be applied upon the completion of this assessment.

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Summary of ECL provisions

Particulars	As at 31st March 2026			(₹ in Lakhs)
	Stage 1	Stage 2	Stage 3	Total
Gold Loan	15.84	57.21	154.50	227.55
MSME Loans	13.13	16.98	450.78	480.89
Microfinance Loan	0.84	0.79	1,018.74	1,020.36
Total Closing ECL provision	29.81	74.98	1,624.00	1,728.79

Summary of ECL provisions

Particulars	As at 31st March 2025			(₹ in Lakhs)
	Stage 1	Stage 2	Stage 3	Total
Gold Loan	0.61	5.21	205.68	211.50
MSME & Other Receivables	19.13	1.21	1,078.10	1,098.44
Microfinance Loan	0.29	2.23	461.95	464.47
Total Closing ECL provision	20.03	8.65	1,745.73	1,774.38

Note 9 - Other Financial Assets

Particulars	As at 31st March 2026	(₹ in Lakhs) As at 31st March 2025
(a) Interest accrued on fixed deposits	91.40	270.69
(b) Security Deposits (Assets)	1,343.52	1,421.34
(c) Other Receivable	59.68	62.67
Total	1,494.59	1,754.71

Note 10 - Current Tax Assets (Net)

Particulars	As at 31st March 2026	(₹ in Lakhs) As at 31st March 2025
(a) Advance tax and tax deducted at source	250.34	662.36
Total	250.34	662.36

Note 11 - Deferred Tax

Particulars	As at 31st March 2026	(₹ in Lakhs) As at 31st March 2025
(a) Deferred Tax Assets		
Property, plant and equipments and intangible assets	171.80	157.37
Impairment of financial instruments	435.14	446.58
Business Loss recognised in other equity	236.15	578.62
Loan Loss recognised in other equity	-	-
Provision for compensated absences and gratuity	62.12	63.92
(b) Deferred Tax Liabilities		
Amortisation of expenses & income under effective interest rate method	(181.73)	(153.43)
Deferred Tax Assets (Net) recognised	723.57	1,093.05

Note 11.1 - Movement of Deferred Tax

Particulars	Opening balance (as on April 01, 2025)	Recognised in Profit and Loss account	Recognised in Other Equity	(₹ in Lakhs) Closing balance (as on March 31, 2026)
(a) Property, plant and equipments and intangible assets	157.37	14.53	-	171.90
(b) Impairment of financial instruments	446.58	(11.44)	-	435.14
(c) Business Loss recognised in other equity	578.62	-	(342.47)	236.15
(d) Loan Loss recognised in other equity	-	-	-	-
(e) Provision for compensated absences and gratuity	63.92	(1.80)	-	62.12
(f) Amortisation of expenses & income under effective interest rate method	(153.43)	(28.30)	-	(181.73)
Deferred Tax Assets (Net) recognised	1,093.05	(27.01)	(342.47)	723.57

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Notes forming part of Financial Statements for the period ended March 31 ,2026

Note 12 - Property,Plant and Equipments

(₹ in Lak

Particulars	Property			Plant and Equipments					
	Land	Building	Capital Work in progress	Computers and data processing units	Electrical Installations and Equipment	Furniture and furnishings	Office Equipments	Motor Vehicles	Total
Gross carrying amount									
As at 01st April 2024	6,610.03	651.06	1,608.30	1,010.09	444.56	5,411.46	1,713.09	164.73	37,613.3
Additions during the year	702.03	1,886.57	78.09	79.27	18.06	98.70	66.17	-	2,928.8
Disposals during the year	266.38	-	1,686.39	-	-	94.87	-	7.60	2,025.2
As at 31st March 2025	7,045.68	2,537.60	-	1,089.36	462.64	5,445.29	1,779.26	157.13	18,516.9
As at 01st April 2025	7,045.68	2,537.60	-	1,089.36	462.64	5,445.29	1,779.26	157.13	18,516.9
Additions during the year	103.01	19.93	-	80.03	11.13	40.74	111.13	-	365.9
Disposals during the year	80.08	22.29	-	15.01	6.19	82.85	79.13	19.50	305.0
As at 31st March 2026	7,068.62	2,535.24	-	1,154.38	467.58	5,403.18	1,811.26	137.63	18,577.8
Depreciation									
Accumulated depreciation as at 01st April 2024	-	114.88	-	682.60	164.08	1,826.24	768.70	69.36	3,625.8
Charge for the year	-	95.48	-	143.91	74.44	353.92	134.64	22.72	825.1
Up to 31st March 2025	-	210.36	-	826.51	238.52	2,180.16	903.34	92.08	4,450.9
Accumulated depreciation as at 01st April 2025	-	210.36	-	826.51	238.52	2,180.16	903.34	92.08	4,450.9
Charge for the year	-	113.34	-	121.00	59.72	456.92	130.47	16.84	898.2
Up to31st March 2026	-	323.70	-	947.51	298.24	2,637.09	1,033.81	108.92	5,349.2
Net carrying amount									
As at 31st March 2025	7,045.68	2,327.24	-	262.85	224.12	3,265.13	875.93	65.05	14,066.0
As at 31st March 2026	7,068.62	2,211.54	-	206.87	169.34	2,766.09	777.46	28.71	13,228.6

1. Land Acquired on Satisfaction of Debt

Management had acquired possession of the freehold land in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions.

Notes forming part of Financial Statements for the period ended March 31 ,2026

Note 13 - Other Intangible Assets

(₹ In Lakhs)

Particulars	Software
Gross carrying amount	
As at 01st April 2024	231.77
Additions during the year	13.20
Disposals during the year	-
As at 31st March 2025	**244.97**
As at 01st April 2025	244.97
Additions during the year	24.91
Disposals during the year	0.08
As at 31st March 2026	**269.80**
Amortization	
Accumulated amortization as at 01st April 2024	115.10
Charge for the year	49.62
Up to 31st March 2025	**164.72**
Accumulated amortization as at 01st April 2025	164.72
Charge for the year	15.67
Up to31st March 2026	**180.39**
Net carrying amount	
As at 31st March 2025	80.25
As at 31st March 2026	89.41

1. The Company has not revalued any of its intangible assets.
2. None of the intangible assets are internally generated.

Notes forming part of Financial Statements for the period ended March 31, 2026

Note 14 - Other Non-Financial Assets

(₹ in Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Balances with Government Authorities		
- Input Tax Credit (Inclusive of Accrued ITC)	729.27	286.68
- Income Tax Refund Receivable (AY 2021-22)	191.96	191.96
- Income Tax Refund Receivable (AY 2023-24)	490.86	490.86
- Income Tax Refund Receivable (AY 2025-26)	657.44	-
- Income Tax Refund Receivable (Others)	34.55	34.55
(b) Stock of Stationary	0.77	0.77
(c) Prepaid Expenses	487.00	874.72
(d) Other Advances	6,437.40	5,171.22
(e) Other Non-Financial Assets	-	-
Total	9,029.23	7,890.75

Note 15 - Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Trade Payables		
(i) Total outstanding dues of MSMEs	5.65	-
(ii) Total outstanding dues of creditors other than MSMEs	-	-
(b) From Other Parties	18.61	57.48
Total	24.26	57.48

Note 15.1: The disclosure as required under Micro, Small and Medium Enterprises Development Act 2006

(₹ in Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Principal Amount due and remaining unpaid as at the year end	5.65	-
(b) Interest due thereon and remaining unpaid as at the year end.	-	-
(c) Interest paid by the Company in terms of Section 16 of Micro, Small & Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(e) Interest accrued and remaining unpaid as at the year end.	-	-
(f) Further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
	5.65	-

Ageing Schedule of Trade Payables

(₹ in Lakhs)

Particulars	MSMEs	Others	Disputed - MSME	Disputed - Others	Total
Outstanding for following periods from the due date of payment:					
(i) Less than 1 year	5.65	18.61	-	-	24.26
(ii) 1 - 2 year	-	-	-	-	-
(iii) 2 - 3 year	-	-	-	-	-
(iv) More than 3 year	-	-	-	-	-
Total	5.65	18.61	-	-	24.26

Dues to Micro, Small and Medium Enterprises have been disclosed to the extent such parties are identified on the basis of information obtained by the company.

Note 16 - Debt Securities

Particulars		As at 31st March 2026	As at 31st March 2025
At Amortised Cost:			
(a) Secured Non-Convertible Debentures - Privately Placed		49.00	727.08
(b) Secured Non-Convertible Debentures - Public Issue		65,956.20	61,337.49
	Sub-Total	65,905.20	62,064.57
Less: Redemption Fixed Deposit		(613.00)	(26.86)
Less: EIR impact of transaction cost (Public Issue)		(592.35)	(428.02)
Total A		64,759.85	63,609.69
(a) Debt Securities in India		64,759.85	63,609.69
(b) Debt Securities outside India		-	-
Total B		64,759.85	63,609.69

16.1 - Secured Non Convertible Debentures - Private Placement

Series wise classification of secured non convertible debentures

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Non Convertible Debentures 2023 - 24 Series	49.00	727.08
	49.00	727.08

Interest wise classification of secured non convertible debentures

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Non Convertible Debentures - < 12%	49.00	727.08
	49.00	727.08

Maturity wise classification of secured non convertible debentures

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Non Convertible Debentures - 60 months maturity	-	-
(b) Non Convertible Debentures - 36 months maturity	49.00	49.00
(c) Non Convertible Debentures - 18 months maturity	-	678.08
	49.00	727.08

16.2 - Secured Non Convertible Debentures - Public Issue

Series wise classification of secured non convertible debentures

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Non Convertible Debentures 2025 - 26 Series (Public Issue XIII)	10,000.00	-
(b) Non Convertible Debentures 2025 - 26 Series (Public Issue XII)	12,386.61	-
(c) Non Convertible Debentures 2023 - 24 Series (Public Issue XI)	6,240.67	9,633.07
(d) Non Convertible Debentures 2023 - 24 Series (Public Issue X)	6,789.84	12,303.01
(e) Non Convertible Debentures 2023 - 24 Series (Public Issue IX)	3,942.22	5,278.58
(f) Non Convertible Debentures 2022 - 23 Series (Public Issue VIII)	4,048.79	5,223.85
(g) Non Convertible Debentures 2022 - 23 Series (Public Issue VII)	6,781.12	9,386.66
(h) Non Convertible Debentures 2021 - 22 Series (Public Issue VI)	6,011.47	6,011.47
(i) Non Convertible Debentures 2021 - 22 Series (Public Issue IV)	4,437.87	4,437.87
(j) Non Convertible Debentures 2020 - 21 Series (Public Issue III)	4,003.96	4,003.96
(k) Non Convertible Debentures 2019 - 20 Series (Public Issue II)	1,353.65	3,938.33
(m) Non Convertible Debentures 2018 - 19 Series (Public Issue I)	-	823.70
	-	-
Sub-Total	65,936.20	61,337.49
Less: EIR impact of transaction cost (Public Issue)	-592.35	-428.02
	65,323.85	60,909.47

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Notes forming part of Financial Statements for the period ended March 31 ,2026

Interest wise classification of secured non convertible debentures

(₹ In Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Non Convertible Debentures - > 12%	-	-
(b) Non Convertible Debentures - 12%	-	345.20
(c) Non Convertible Debentures - > 11.5% to 11.86%	1,353.65	4,416.83
(d) Non Convertible Debentures - >11.25% to 11.5%	363.08	363.08
(e) Non Convertible Debentures - 11% to 11.25%	15,811.43	13,958.03
(f) Non Convertible Debentures - <11%	48,388.04	42,254.35
Sub-Total	65,916.20	61,337.49
Less: EIR impact of transaction cost (Public Issue)	-592.35	-428.02
	65,323.85	60,909.47

Maturity wise classification of secured non convertible debentures

(₹ In Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Non Convertible Debentures - 82 months maturity	1,996.30	1,996.30
(b) Non Convertible Debentures - 80 months maturity	2,298.47	1,709.46
(c) Non Convertible Debentures - 78 months maturity	2,795.34	2,136.47
(d) Non Convertible Debentures - 75 months maturity	1,353.65	2,177.35
(e) Non Convertible Debentures - 72 months maturity	-	-
(f) Non Convertible Debentures - 60 months maturity	29,559.06	28,505.64
(g) Non Convertible Debentures - 36 months maturity	8,115.93	8,688.90
(h) Non Convertible Debentures - 24 months maturity	10,047.61	6,514.84
(i) Non Convertible Debentures - 18 months maturity	1,555.77	1,246.55
(j) Non Convertible Debentures - 16 months maturity	4,090.20	4,199.10
(k) Non Convertible Debentures - 13 months maturity	4,109.87	4,162.88
Sub-Total	65,916.20	61,337.49
Less: EIR impact of transaction cost (Public Issue)	-592.35	-428.02
	65,323.85	60,909.47

Note 17 - Borrowings (Other than Debt Securities)

(₹ In Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
At Amortised Cost:		
(i) *Term Loans - From Banks*		
(a) Term loan (Secured by pari passu floating charge on loan receivables)	4,950.00	10,669.02
(b) Term Loan (Secured by specific charge on vehicles)	16.68	38.51
(ii) *Loans Repayable on Demand*		
(a) Cash credit / overdraft facilities from banks (Secured)	2,283.78	2,716.22
Sub-Total	7,250.46	13,423.75
Less: FD Collateral	(1,594.25)	(3,720.20)
Less: EIR impact of transaction cost on Borrowings	(129.66)	(246.86)
Total A	5,526.55	9,456.69
(a) Borrowings (Other than Debt Securities) in India	5,526.55	9,456.69
(b) Borrowings (Other than Debt Securities) outside India	-	-
Total B	5,526.55	9,456.69

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Notes forming part of Financial Statements for the period ended March 31 ,2026

Details of Security and Terms of Repayment

(a) Term loan (Secured by pari passu floating charge on loan receivables) from Banks

(i) Indian Overseas Bank

Term Loan Sanctioned of ₹. 40.00 Cr

Rate of Interest: 1-year MCLR coming to an effective rate of 11.15% and 11.95% respectively
Terms of Repayment:
36 monthly instalments of ₹. 55,55,555/- commencing on 01.04.2024 and last falling due on 31.03.2027 (Term loan of ₹. 20 crore)
36 monthly instalments of ₹. 55,55,555/- commencing on 06.11.2024 and last falling due on 05.11.2027 (Term loan of ₹. 20 crore)

Primary Security

Exclusive first charge by way of assignment/hypothecation of Standard Book Debts/ Standard receivables, current assets. Etc.

Collateral

30% of the exposure by way of fixed deposits.

Guarantors

1. Shibu Theckumpurath Varghese

2. Biji Shibu

(ii) Dhanlaxmi Bank

Total Term Loan Sanctioned of ₹. 11.00 Cr
Rate of Interest: 1-year MCLR coming to an effective rate of 11.60%

Terms of Repayment:

36 monthly installments of ₹. 30,55,556/- commencing on 01.04.2024 and last falling due on 31.03.2027

Primary Security

First ranking pari passu charge with existing secured creditors including debenture trustees on all movable assets inclusing book debts and receivables, cash and bank balances, Loans & advances.

Collateral

Equitable Mortage charge over of 54.73 Ares (135.18 cents) of dry residential vacant land under Sy no 322/4 of 8.90 ares & Sy No 322/5 of 45.83 ares under TP No 18468, of Valakam Village, Valakam GP, Kunnakkal Desom, Muvattupuzha SRO, Muvattupuzha Taluk, Ernakulam District, Kerala standing in the name of M/s. KLM Axiva Finvest Limited.

Equitable Mortage charge created over 82.35 Ares (203.40 cents) of dry residential land and a 479.03 sq m residential building standing thereon bearing Door Nos 5-173 & 5-174 under Re Sy no. 470/11-3-3 of 21.22 Ares, Re Sy no. 470/11 of 2.26 Ares, Re Sy 470/11-3-2 of 22.54 Ares, Re Sy 470/11-1-2 of 19.95 Ares, Re Sy 470/11-3 of 3.24 Ares , Re Sy 470/2 of 8.44 Ares and Re Sy 470/15 of 4.70 Ares at

Block 32, Ward No. V, TP No. 6822 of Mazhuvannur Village, Mazhuvannur GP, Veettoor Desom, Puthencruz SRO, Kunnathunadu Taluk, Ernakulam (Dist), kerala standing in the name of M/s. KLM Axiva Finvest Limited.

Equitable Mortage charge created over 9.82 ares of land (3.33 ares in Sy No 385/2-2-4, 3.67 ares in Sy No 385/2-2-5 and 2.82 ares in Sy No 385/2-2-6) of Koovapady Village, Kunnathunad Taluk, Ernakulam District owned by Mr. Shibu T Varghese, Wholetime Director, M/s. KLM Axiva Finvest Limited.

Guarantors

1. Shibu Theckumpurath Varghese

2. Biji Shibu

(iii) Jana Small Finance Bank

Total Term Loan Sanctioned of ₹. 50.00 Cr

Rate of Interest: Effective Rate of 12% p.a. on Fixed rate basis

Terms of Repayment:

18 monthly installments of ₹. 1,38,88,890/- commencing on 03.04.2026 and last falling due on 03.09.2027

18 monthly installments of ₹. 1,38,88,890/- commencing on 03.05.2026 and last falling due on 03.10.2027

Primary Security

Exclusive First ranking (floating) charge by way of hypothecation over the receivables under each Loan extended by the Borrower and any other asset, property or right that the Borrower acquires using the proceeds of the Facility and such other assets/receivables of the Borrower as may be acceptable to the Lender on or prior to each Security Creation Date;

A demand promissory note

Guarantors

1. Shibu Theckumpurath Varghese

2. Biji Shibu

(b) **Term Loan (Secured by specific charge on vehicles)**

(i) **Kotak Mahindra Bank**

Term Loan Sanctioned of ₹. 68.96 lakhs

Terms of Repayment:

39 monthly installments of ₹. 1,01,574/- commencing on 05.10.2023 and last falling due on 05.03.2026 (Term loan of ₹. 34.48 lakhs)

39 monthly installments of ₹. 1,01,574/- commencing on 05.09.2023 and last falling due on 05.02.2026 (Term loan of ₹. 34.48 lakhs)

Primary Security

A. JOHN MORIS & Co. Cochin 682036 Chartered Accountants

The loans are secured by hypothecation of respective vehicles against which the loans have been availed

(c) Loans Repayable on Demand from Banks

(i) State Bank of India

Cash credit Sanctioned - Rs 25.00 Cr
Rate of Interest: 1 year MCLR coming to an effective rate of 11.40%

Primary Security

Hypothecation of Book Debts , Loan Receivables and other Current Assets on First Pari Passu basis with Debenture Trustees of the Company and other Banks in MBA.

Collateral

Exclusive Equitable Mortage charge over the commerical plot bearing survey number:Sy.no 549,570/3-2,570 /3-3, Situated at door no 5/699, muringoor Thekkummuri, Chalakkudy. 680308, Admeasuring total Area:4.09 Acres,Belonging to KLM Axiva Finvest Limited(Sale Deed No.561/2019).

Exclusive Equitable Mortgage charge over the Commercial Plot bearing Survey Number: Sy. No 379 /1,-2 and 379 /2, situated near Vallakkunnu junction, Oppo. Two Pole Structure No. IIKU/RS/207, R S Road, Vallakkunnu, Irinjalakuda, Thrissur 680683 Admeasuring Total Area: 2.93 Acres, Belonging to KLM Axiva F'invest Limited (Sale Deed No 1291/2022).

Exclusive Equitable Mortgage charge over the Commercial building bearing Survey Number: Re-Survey No. 26/2, situated in Edappaly Eranakulam, North Village, Kanayannur Taluk, Ernakulam District, Total Area measuring Total Area:3.24 Ares, Belonging to KLM Axiva Finvest Limited (Sale Deed No. 1854/2019) and commercial building bearing survey Number: Re-Survey No.280, situated in Edappally North Village, Kanayannur Talulq ErnakulamDistrict Admeasuring Total Area: 1.75 Ares, Belonging to Shibu T V (Sale Deed No. 5327 /2014).

Exclusive Equitable Mortgage charge over the Commercial plot bearing Survey Number: Sy. No 1267/9-2,with a commercial building bearing Door No 30/564 of Kothamangalam Municipality, in Kothamingalam Village,Kothamangalam Taluk Ernakulam District, measuring a total of 7.78 Ares, Belonging to KLM Axiva Finvest Limited (Sale Deed No. 836/2022).

(ii) Dhanlaxmi Bank

Cash credit Sanctioned - Rs 9.00 Cr
Rate of Interest: 1-year MCLR coming to an effective rate of 11.60%
(Security as mentioned above provided for Dhanlaxmi Bank term loan)

(iii) South Indian Bank

Overdraft Sanctioned - Rs 10.00 Cr
Rate of Interest: 1 year MCLR coming to an effective rate of 10.85%

Primary Security

Hypothecation of Book debts, Loan Receivables and other current assets on first pari passu basis with Debenture Trustees of the company and other banks on MBA Asset coverage ratio of not less than 1.50 times to be ensured at all times for SIBs Exposure.

Collateral

Equitable Mortage charge created over property measuring to 7.92 ares of land situated under Sy No 1160/6B of village Kothamangalam, Taluk Kothamangalam, District Ernakulam, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future.

Equitable Mortage charge created over property measuring to 9.27 Ares of land situated under Sy No 1160/6A, 1160/6B of village Kothamangalam, Taluk Kothamangalam, District Ernakulam, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and/or to be constructed thereon in future.

Equitable Mortage charge created over property measuring to 8.75 Ares of land situated under Sy No 1159/9 village Kothamangalam, Taluk Kothamangalam, District Ernakulam, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future.

Equitable Mortage charge created over property measuring to 63.94 ares (61.92 Ares + 2.02 Ares) situated under Sy No 571/3-20 (61.92 Ares) and 571/4-4 (2.02 Ares) of village Muringoor Thekkummuri, Taluk Chalakudy, District Thrissur, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future.

Equitable Mortage charge created over property measuring to 22.80 Ares of land situated under old Sy No 269/1C/2 & 269/1B/1 ; Re Sy No : 136/7 of village pattimattom, Taluk Kunnathunadu, District Ernakulam, in the name of M/s KLM Axiva Finvest Limited together with all buildings, existing and / or to be constructed thereon in future.

Notes forming part of Financial Statements for the period ended March 31 ,2026

Note 18 - Subordinated Liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
At Amortised Cost		
(a) Subordinated Debts		
(b) Tier- I Capital - Perpetual Debt Instruments	82,637.51	79,167.41
Total A	3,538.53	3,538.53
	86,176.04	82,705.94
(a) Subordinated Liabilities in India	-	-
(b) Subordinated Liabilities outside India	86,176.04	82,705.94
Total B	-	-
	86,176.04	82,705.94

18.1 - Unsecured Subordinated Debt - Private Placement

Series wise classification of unsecured subordinated debt

(₹ In Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Unsecured Subordinated Debt 2025-26 Series	25,482.91	-
(b) Unsecured Subordinated Debt 2024-25 Series	10,616.81	10,124.56
(c) Unsecured Subordinated Debt 2020 - 22 ,2022-23 and 2023-24 Series	46,353.48	67,637.75
(d) Unsecured Subordinated Debt 2019 - 20 Series	177.86	996.89
(e) Unsecured Subordinated Debt 2018 - 19 Series	33.25	202.42
(f) Unsecured Subordinated Debt 2017 - 18 Series	53.20	205.82
	82,637.51	79,167.41

Interest wise classification of unsecured subordinated debt

(₹ In Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Unsecured Subordinated Debt - 11.5%	1,124.26	1,074.26
(b) Unsecured Subordinated Debt - 12.5%	97.70	247.61
(c) Unsecured Subordinated Debt - 12.25%	18.50	19.50
(d) Unsecured Subordinated Debt - 12%	6,658.55	5,932.85
(e) Unsecured Subordinated Debt - 13%	74,738.50	71,893.19
	82,637.51	79,167.41

Maturity wise classification of unsecured subordinated debt

(₹ In Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Unsecured Subordinated Debt - maturity above 5 years	4,539.21	4,288.71
(b) Unsecured Subordinated Debt - maturity upto 5 years	78,098.30	74,878.70
	82,637.51	79,167.41

Note 19 - Other Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Interest Accrued But Not Due		
- On Debt Securities	5,832.72	5,546.14
- On Subordinated Debts	2,968.08	2,692.79
- On Perpetual Debt Instruments	41.26	41.17
- On Borrowings (Other than Debt Securities)	39.64	76.37
(b) Other Financial Liabilities	62.00	-
Migration Difference and Suspense	54.60	(6.38)
Total	7,018.26	6,352.09

Note 20 - Current Tax Liabilities (Net)

(₹ In Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Income tax provision	-	-
Total	-	-

Note 21 - Other Non-Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Statutory Remittances Accrued But Not Due		
- For Employee Benefits	253.90	211.92
- For GST & Others	47.13	255.76
(b) Provisions for Employee Benefits	-	-
- For Gratuity	346.80	167.94
- For Compensated Absences	86.02	86.02
(c) Financial Irregularities	38.53	38.53
(d) Security Deposits (Liability)	265.98	259.64
(e) Expense Payable	124.26	230.31
Auction Surplus Payable	48.69	-
(f) Other Non-Financial Liabilities	407.13	498.24
Total	1,616.44	1,648.34

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Notes forming part of Financial Statements for the period ended March 31 ,2026

Note 22 - Equity Share Capital

(₹ In Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
Authorised:		
50,00,00,000 (March 31, 2024: 25,00,00,000) equity Shares of ₹ 10/- each	50,000.00	50,000.00
	50,000.00	50,000.00
Issued, Subscribed & Fully Paid Up:		
2,68,58,14,39 (March 31, 2025: 2,57,94,76,43) equity Shares of ₹ 10/- each	26,858.14	25,794.76
	26,858.14	25,794.76

Note 22.1: Reconciliation of shares outstanding at the beginning and at the end of the reporting period

		As at 31st March 2026	As at 31st March 2025
a	Number of Shares		
	At the beginning of the period	2,579.48	2,054.01
	Add: Issue of shares (Bonus & Private Placement) (In Nos)	106.34	525.47
	Outstanding at the end of the period (In Nos)	2,685.81	2,579.48
b	Value of Shares		
	At the beginning of the period	25,794.76	20,540.09
	Add: Issue of shares (Bonus & Private Placement)	1,063.38	5,254.68
	Outstanding at the end of the period	26,858.14	25,794.76

Note 22.2: Terms/rights attached to equity shares

i The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

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

iii The company has allotted 2,05,40,019 fully paid-up bonus shares of Face Value Rs.10/- each pursuant to the Extra-Ordinary General Meeting held on June 21, 2024 of one equity shares for every ten equity shares held as approved by the shareholders. The bonus shares were issued by capitalisation of a sum not exceeding Rs. 20,54,00,190 from securities premium account and free reserves. The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity share holders and shall be entitled to participate in full, in any dividend and corporate action, recommended and declared after the new equity shares are allotted.

iv Pursuant to the approval of the shareholders at the Extra-Ordinary General Meeting held on March 07, 2025, the authorised share capital of the Company was increased from Rs. 250,00,00,000 (Rupees Two Fifty Crores only) to Rs. 500,00,00,000 (Rupees Five Hundred Crores only), divided into 50,00,00,000 (Fifty Crore) equity shares of ₹10 each, ranking pari passu with the existing equity shares of the Company.

v The company has allotted 1,12,96,551 fully paid-up bonus shares of Face Value Rs.10/- each pursuant to the Extra-Ordinary General Meeting held on March 07, 2025 of one equity shares for every twenty equity shares held as approved by the shareholders.The bonus shares were issued by capitalisation of a sum not exceeding Rs. 11,29,65,510 from securities premium account and free reserves. The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity shary holders and shall be entitled to participate in full, in any dividend and corporate action, recommended and declared after the new equity shares are allotted.

vi The company has allotted 2,07,10,216 fully paid-up equity shares of Face Value Rs.10/- each at a premium of Rs.5/-pursuant to the Extra-Ordinary General Meeting held on March 07, 2025 on preferential basis through private placement. Equity shares issued and allotted shall rank pari-passu with the existing Equity shares in all respects.

Note 22.3: Details of shareholders holding more than 5% shares in the company as at the end of the year

	Particulars	As at 31st March 2026	As at 31st March 2025
a	Number of Shares		
	Shibu T Varghese	415.62	415.07
	Biji Shibu	283.35	283.35
	Aleyamma Varghese	133.38	133.38
	Outstanding at the end of the period	832.36	831.80
b	Number of Shares (%)		
	Shibu T Varghese	15.47%	16.09%
	Biji Shibu	10.55%	10.98%
	Aleyamma Varghese	4.97%	5.17%
	Outstanding at the end of the period	30.99%	32.25%

Note 22.4: Shares held by promoters and promoters group at the end of the year

	Particulars	As at 31st March 2026	As at 31st March 2025
a	Number of Shares		
	Shibu T Varghese	415.62	415.07
	Biji Shibu	283.35	283.35
	Aleyamma Varghese	133.38	133.38
	Elen Elu Shibu	112.75	112.75
	Erin Lizbeth Shibu	76.09	76.09
	Outstanding at the end of the period	1,021.19	1,020.64
b	Number of Shares (%)		
	Shibu T Varghese	15.47%	16.09%
	Biji Shibu	10.55%	10.98%
	Aleyamma Varghese	4.97%	5.17%
	Elen Elu Shibu	4.20%	4.37%
	Erin Lizbeth Shibu	2.83%	2.95%
	Outstanding at the end of the period	38.02%	39.57%

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Notes forming part of Financial Statements for the period ended March 31 ,2026

Note 23 - Other Equity

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Securities Premium		
Opening balance	1,035.51	1,298.68
Add: Transfer to share premium	531.69	1,035.51
Less: Appropriations made persuant to share issue	-	(1,298.68)
Closing balance Of securities premium	1,567.20	1,035.51
(b) Statutory Reserve		
Opening balance of statutory reserve	1,942.57	1,538.70
Add: Additions/ (Deductions) during the year	164.42	403.87
Closing balance of statutory reserve	2,106.99	1,942.57
(c) General Reserves		
Opening balance	4.08	4.08
Add: Additions/ (Deductions) during the year	-	-
Closing balance of General reserve	4.08	4.08
(d) Revaluation Reserve		
Opening balance	691.24	691.24
Add: Additions/ (Deductions) during the year	-	-
Closing balance of revaluation reserve	691.24	691.24
(e) Retained Earnings		
Opening balance of retained earnings	1,276.20	3,124.66
Add: Profit for the year as per Statement of Profit and Loss	-	-
Amount available for appropriation	822.10	2,019.36
Less: Dividend	2,098.30	5,144.02
Less: Transfer to statutory reserve	-	(1,026.15)
Less: Bonus issue of Shares	(164.42)	(403.87)
Loan Loss appropriations made during the year	-	(1,884.98)
Less: Adjustments related to prior period	-	-
Less: DTA recognized in equity	(182.89)	-
Closing balance of retained earnings	(342.47)	(552.82)
	1,408.51	1,276.20
(f) Impairement Reserve		
Opening balance of Impairement Reserve	(3,274.65)	(3,364.10)
Loan Loss appropriations made during the year	(7,742.31)	-
Add: Recoveries from Impaired Assets	-	89.45
Closing balance of loan loss appropriation	(11,016.96)	(3,274.65)
Total Other Equity	(5,238.93)	1,674.95

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Statement of changes in Equity for the year ended March 31, 2026

A. Equity Share Capital

Equity Shares of ₹ 10 each issued, subscribed and fully paid

Particulars	Nos.	Amount ₹ In Lakhs
As at March 31, 2025	2,579.48	25,794.76
Issued during the year	106.34	1,063.38
As at March 31, 2026	2685.81	26,858.14

B. Other Equity

(₹ In Lakhs)

Particulars	Reserves and Surplus							Other comprehensive Income	Total
	Statutory Reserve	Securities Premium	Debenture Redemption Reserve	General Reserve	Revaluation Reserve	Retained Earnings	Impairement Reserve		
As at March 31, 2025	1,942.57	1,035.51	-	4.08	691.24	1,276.20	(3,274.65)	-	1,674.95
Dividends									
Transfer to/from Retained Earnings	164.42								
Specific Purpose						(164.42)			
Other Additions/Deductions during the year:									
Other Comprehensive Income (OCI) for the year						(525.37)	(7,742.31)		
Net impact of Securities premium during the year		531.69						(63.98)	
Net impact of assets revalued during the year									
Profit for the year (net of taxes)						822.10			
As at March 31, 2026	2106.99	1567.20		4.08	691.24	1408.51	-11016.96	-63.98	-5302.92

As per our report of even date attached

For A. John Moris & Co.,
Chartered Accountants
Firm Registration No.: 007220S

CA. Jobin George
Partner
Membership No.: 236710
UDIN:26236710SCHOST9485

Date: 29-05-2026
Place: Ernakulam

A. JOHN MORIS & Co. Cochin 682 036 Chartered Accountants

For and on behalf of the Board of Directors

Shibu Theckumpurath Varghese
Whole-time Director (DIN: 02079917)

Biji Shibu
Director (DIN: 06484566)

Naveena P Thampi
Company Secretary

Thanish Datee
Chief Financial Officer

Notes forming part of Financial Statements for the period ended March 31 ,2026

Nature and purpose of Reserves

1 Securities premium

This Reserve represents the amount received in excess of face value of the equity shares. The reserve can be utilised only for the purposes outlined under provisions of the Companies Act, 2013.

2 Statutory reserve

Statutory Reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934. It requires every non banking finance institution which is a Company to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. The Company has appropriated 20% of the Profit After Tax to the fund for the year.

3 General reserve

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

4 Revaluation reserve

The revaluation reserves represents the gain/ loss attained by the company while revaluing its assets to fair market value.

5 Retained earnings

This reserve represents the cumulative profits of the Company, less any transfers to Statutory Reserve, General Reserve

6 Impairement Reserve

Impairment reserve is created by NBFC to present the realistic and accurate value of the company's loan book (assets) on the balance sheet by deducting estimated bad loans.When the impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP norms, the company shall appropriate the difference to the Impairment Reserve.

The accompanying notes are an integral part of the Financial Statements
In terms of our report attached of even date

For and on behalf of the board of directors

For A. John Moris & Co.,
Chartered Accountants
Firm Registration No.: 007220S

CA. Jobin George
Partner
Membership No.: 236710
UDIN: UDIN:26236710SCHOST9485

A. JOHN MORIS & Co. Cochin 682 036 Chartered Accountants

Shibu Theckumpurath Varghese
Whole-time Director
(DIN: 02079917)

Biji Shibu
Director
(DIN: 06484566)

Naveena P Thampi
Company Secretary

Thanish Dalee
Chief Financial Officer

DATE: 29-05-2026
Place: Ernakulam

Notes forming part of Financial Statements for the period ended March 31 ,2026

Note 24 - Interest Income

(₹ In Lakhs)

Particulars	Period Ended 31st March 2026	Year Ended 31st March 2025
On financial assets measured at amortised cost:		
Interest on Loans		
- Gold Loan		
- MSME & Other Loans	28,226.27	26,133.04
- Microfinance Loans	3,859.16	4,549.68
Interest on deposit with banks	801.77	1,966.86
Interest on IT Refund	184.49	608.26
	-	41.37
Total	33,092.19	33,304.18

Note 25 - Other Income

(₹ In Lakhs)

Particulars	Period Ended 31st March 2026	Year Ended 31st March 2025
Branding and Facilitation Charges	555.58	328.41
Pitching Fee	380.73	116.59
Sales Charge	21.38	50.55
Miscellaneous Income	7.13	4.57
Closing Charges	147.16	195.20
Documentation Charges	3.07	26.86
Income from other sources	51.34	24.16
Total	1,066.79	746.55

Note 26 - Finance Cost

(₹ In Lakhs)

Particulars	Period Ended 31st March 2026	Year Ended 31st March 2025
On financial liabilities measured at amortised cost:		
Interest on Borrowings (other than debt securities)	1,057.90	1,488.17
Interest on Subordinate Debt	9,663.45	8,636.77
Interest on Debenture	7,172.76	6,909.14
Interest on PDs	419.81	419.32
Others		
- Interest on deferred payment of income tax		-
Total	18,113.91	17,453.40

Note 27 - Impairment on Financial Instruments

(₹ In Lakhs)

Particulars	Period Ended 31st March 2026	Year Ended 31st March 2025
On loans or assets measured at amortised cost:		
- Impairment on loan assets	45.99	160.39
- Bad debts written off	520.09	353.58
Total	474.50	514.07

Note 28 - Employee Benefits Expenses

(₹ In Lakhs)

Particulars	Period Ended 31st March 2026	Year Ended 31st March 2025
Salaries & Wages	6,560.75	6,427.29
Contributions to provident and other funds	382.30	423.23
Gratuity	62.68	1.21
Total	7,005.75	7,065.72

Note 29 - Depreciation, Amortisation and Impairment

(₹ In Lakhs)

Particulars	Period Ended 31st March 2026	Year Ended 31st March 2025
Depreciation of tangible assets	945.67	825.10
Amortisation of intangible assets	15.67	49.62
Total	961.34	874.72

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Notes forming part of Financial Statements for the period ended March 31, 2026

Note 30 - Other Expenses

(₹ In Lakhs)

Particulars	Period Ended 31st March 2026	Year Ended 31st March 2025
Advertisement	399.53	484.26
Audit Expenses	1.21	0.23
Audit Remuneration	15.30	13.35
Bank Charges	38.01	34.92
Bank Loan Charges	116.80	59.52
Business Promotion	308.49	239.80
Celebration Expense	51.33	80.63
Collection Expenses	-	0.61
Computer & Software Expenses	84.86	85.37
Corporate social responsibility expenditure	50.19	47.90
Customer Meet expenses	95.97	3.33
Credit Rating Charges	12.48	10.74
Commission Expense	20.94	14.64
Debenture Trustee Remuneration	1.90	2.35
Discount Given	43.28	64.63
Electricity Charges	166.89	181.34
Fuel Expenses	11.07	14.66
Inaugural Expense	0.68	1.71
Insurance	623.95	698.33
Insurance Charges	284.87	59.99
Insurance charges refund	119.68	-
Interest Charges	36.41	42.09
Legal Expense	29.07	50.28
Loss on Auction Gold	20.93	15.45
Loss on sale of Fixed Assets	60.28	32.44
Loss on sale of land	0.85	-
Marketing Expenses	0.35	1.79
Meeting Expenses	90.79	71.87
Miscellaneous Expense	14.86	0.99
Newspapers & Periodicals	0.77	0.75
Office Expense	146.73	236.72
Postage	37.50	43.61
Printing & Stationery	92.41	106.16
Professional Fee	119.02	155.08
Public Issue	197.73	206.93
Provision for Irregularities	-	38.53
Rates & Taxes	29.88	29.15
Rent	2,071.78	2,150.15
Repairs and Maintenance	43.98	37.42
Repairs and Maintenance-Building	3.65	3.55
ROC Filing Charge	0.87	66.72
Security Service Charges	37.17	45.88
Sitting Fees	14.04	12.90
Staff Training Expense	171.78	140.18
Telephone charges	77.21	83.96
Travelling expenses	350.05	411.50
Input tax written off	227.05	124.86
Vehicle Maintenance	4.33	4.88
Water Charges	10.14	11.87
Total	6,650.16	6,192.13

Note 30.1 - Remuneration to auditors

(₹ In Lakhs)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Statutory Audit and Limited Review	14.00	12.65
Taxation, Certification and Other Matters	1.50	0.70
Total	15.50	13.35

Notes forming part of Financial Statements for the period ended March 31 ,2026

Note 31 - Income Tax

The components of income tax expense for the year ended

(₹ In Lakhs)

Particulars	Period Ended 31st March 2026	Year Ended 31st March 2025
Current tax	-	-
Deferred Tax	-	(38.57)
Total tax expense reported in statement of profit and loss	-	(38.57)

In accordance with the provisions of Section 115BAA of the Income Tax Act, 1961, the Company has opted to pay income tax at the rate of 22% (plus surcharge @ 10% and cess @ 4%)

Note 31.1: Reconciliation of Current tax expense

(₹ In Lakhs)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Profit before tax for computation	913.09	1,981.00
Less: Expenses /provisions deductible in determining taxable profit (Net)	-	(4,406.00)
Add: Expenses /provisions not deductible in determining taxable profit (Net)	308.43	56.00
Adjusted profit/loss before tax for income tax	1,221.52	(2,370.00)
Less: Set-off of brought-forward losses (Restricted to available profits)	(1,221.52)	-
Tax using the Company's domestic tax rate (25.168%)		
Current tax expense reported in statement of profit and loss		
Effective income tax rate		

Note 32 - Earnings per share

Basic and Diluted Earnings Per Share computed in accordance with Ind AS 33 "Earnings per share"

(₹ In Lakhs)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Face value of equity shares (in ₹) fully paid up	10.00	10.00
Net profit for calculation of basic earnings per share(₹ in lakhs)	986.00	2,019.36
Weighted average number of equity shares for calculating basic and diluted earnings per share	3,661	2,376
Basic and diluted earnings per share (in ₹)	0.33	0.85

Note 33 - Related party disclosures

Names of Related Parties

(A) Key Management Personnel

	Designation
1) Shibu Thekkumpuradhu Varghese	Whole-time Director
2) Ilya Shibu	Director
3) Manoj Ramendran Nair	Chief Executive Officer(Resigned on 31-05-2026)
4) Thanesh Dalal	Chief Financial Officer
5) Narendra P Thampi	Company Secretary
6) Vadakumpadan Thomas Joy	Independent Director (w.e.f. 13-02-2026)
7) K M Kanakose	Independent Director
8)Eric Lubeth Shibu	Additional Director (w.e.f. 14-11-2025)
9) Seeneevasan Thetiali Parameswaran Pillai	Director
10) Joseph Paul Menacherry	Independent Director (Resigned on 01-03-2026)
11) Abraham Thanvan	Independent Director (Resigned on 16-12-2025)

(B) Entities in which KMP / Relatives of KMP can exercise significant influence

1) KLM Tiana Gold & Diamonds Private Limited
2) Payyoli Granites Private Limited
3) Eric Nanda Nidhi Limited
4) Carbonus Polymers (India) Private Limited
5) ESAF Financial Holdings Private Limited
6) M P Joseph's JGNANA Kendra (OPC) Private Limited
7) Antima Nidhi Limited
8) Kosamattam Traders Llp

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Notes forming part of Financial Statements for the period ended March 31, 2026

(C) Relatives of Key Management Personnel

1) Ben Elu Mathu
2) Aleyamma Varghese
3) Vithya Mathew
4) Lalgin C Kurian

d/o Shibu Thekkumpurathu Varghese
Mother of Shibu Thekkumpurathu Varghese
w/o Thanish Dales
h/o Navanna P Thampi

Related Party transactions during the year:

(₹ In Lakhs)

Particulars	Related Party		Relatives of Related Party	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Shares subscribed including share premium	8.15	250.00	-	-
Purchase/Redemption of listed NCD of the Company		-	1.70	1.00
Purchase/Redemption of sub-debts of the Company	5.00	-	-	1.00
Interest paid on listed NCD & sub-debts	0.41	-	0.58	0.35
Bonus Shares issued		913.98	-	432.65
Remuneration paid	432.64	356.85	-	-
Dividend paid	-	294.67	-	139.66
Sitting Fees	12.30	11.40	-	-

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

(₹ In Lakhs)

Particulars	Related Party		Relatives of Related Party	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Investment in Subsidiary Company	-	-	-	-
Equity shares subscribed	7,762.77	6,584.20	2,478.28	3,262.13
Perpetual Debt instrument	10.00	-	10.00	-
NCD - Listed	-	-	1.20	1.00
Subordinate debt	5.00	-	5.00	2.50

#Related parties have been identified on the basis of declaration received by the management and other records available.

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Notes forming part of Financial Statements for the period ended March 31 ,2026

Note 34 - Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled and considering contractual terms. For Loans and advances to customers, maturity analysis is based on expected repayment behaviour.

(₹ In Lakhs)

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
Cash and Cash Equivalents	1,949.24	-	1,949.24	3,616.23	-	3,616.23
Bank Balance Other than above	73.01	-	73.01	162.43	-	162.43
Loans	1,32,639.37	30,983.50	1,63,622.87	1,37,232.06	25,356.69	1,62,588.75
- Adjustment on account of EIR/ECL	-	-3,720.27	-3,720.27	-	-1,774.38	-1,774.38
Investments	-	-	-	-	-	-
Other Financial Assets	151.07	1,343.52	1,494.59	333.37	1,421.34	1,754.71
Non-Financial Assets						
Current Tax Assets (Net)	250.34	-	250.34	662.36	-	662.36
Deffered Tax Assets (Net)	-	723.57	723.57	-	1,093.05	1,093.05
Property, Plant and Equipment		13,228.63	13,228.63	-	14,066.00	14,066.00
Other Intangible Assets		89.41	89.41	-	80.25	80.25
Other Non-Financial Assets	9,029.25	-	9,029.25	7,050.75	-	7,050.75
Total Assets	**1,44,092.28**	**42,648.36**	**1,86,740.64**	**1,49,057.20**	**40,242.95**	**1,89,300.15**
LIABILITIES						
Financial Liabilities						
Payables	24.26		24.26	57.48	-	57.48
Debt Securities	26,355.57	39,609.63	65,965.20	17,055.02	45,009.54	62,064.56
- Adjustment on account of EIR	-	-592.35	-592.35	-	-428.02	-428.02
- Fixed Deposit Collateral	-	-613.00	-613.00	-	-26.86	-26.86
Borrowings (Other than Debt Securities)	5,481.90	1,768.56	7,250.46	7,595.51	5,828.23	13,423.74
- Adjustment on account of EIR	-	-129.66	-129.66	-	-246.85	-246.85
- Fixed Deposit Collateral	-	-1,594.25	-1,594.25	-	-3,720.20	-3,720.20
Subordinated Liabilities	26,445.93	59,730.11	86,176.04	23,221.63	59,484.31	82,705.94
Other Financial liabilities	2,363.46	4,654.80	7,018.26	1,915.69	4,436.40	6,352.09
Non-Financial Liabilities						
Current Tax Liabilities (Net)	-	-	-	-	-	-
Other Non-Financial Liabilities	1,616.44		1,616.44	1,648.54	-	1,648.54
Total Liabilities	**62,287.56**	**1,02,833.84**	**1,65,121.40**	**51,493.87**	**1,10,336.55**	**1,61,830.42**
Net	**81,804.72**	**-60,185.48**	**21,619.24**	**97,563.33**	**-70,093.60**	**27,469.73**

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Note 38.1 - Additional Disclosures

Particulars		As at March 31, 2026		As at March 31, 2025	
Liabilities side :		Amount out-standing	Amount overdue	Amount out-standing	Amount overdue
1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:					
(a)	Debentures : Secured	64,759.85	-	61,636.58	-
	: Unsecured (other than falling within the meaning of public deposits)	-	-	-	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	-	-	-	-
(d)	Inter-corporate loans and borrowing	5,242.77	-	10,460.67	-
(e)	Commercial Paper	-	-	-	-
(f)	Public Deposits	-	-	-	-
(g)	Other Loans –	-	-	-	-
	Subordinated debt	-	-	-	-
	Perpetual Debt Instruments	82,637.51	-	79,167.41	-
	Cash credit / overdraft facilities from banks	3,538.33	-	3,538.03	-
		2,283.78	-	* 2,716.22	-
2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):					
(a)	In the form of Unsecured debentures	-	-	-	-
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c)	Other public deposits	-	-	-	-
Assets side :		**Amount out-standing**			
3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		As at March 31, 2026		As at March 31, 2025	
(a)	Secured	1,34,538.05		1,52,421.88	
(b)	Unsecured	9,084.79		14,963.16	
4. Break up of Leased Assets and stock on hire and other assets counting towards asset financing 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 asset financing activities				
	(a) Loans where assets have been	-		-	
	(b) Loans other than (a) above	-		-	
5. 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 (please specify)	-		-	
2	Unquoted :				
(i)	Shares				
	(a) Equity	-		-	
	(b) Preference	-		-	
(ii)	Debentures and Bonds	-		-	
(iii)	Units of mutual funds	-		-	
(iv)	Government Securities	-		-	
(v)	Others (please specify)	-		-	

Long Term investments :		As at March 31, 2026	As at March 31, 2025
1	Quoted :		
(i)	Shares		
	(a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government Securities	-	-
(v)	Others (please specify)	-	-
2	Unquoted :		
(i)	Shares		
	(a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government Securities	-	-
(v)	Others (please specify)	-	-

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6. Borrower group-wise classification of assets financed as in (3) and (4) above :

Category		Amount net of provisions as at March 31, 2026			Amount net of provisions as at March 31, 2025		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
2	Other than related parties	1,53,290.15	8,603.91	1,61,894.06	1,51,111.02	14,498.74	1,65,610.66

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category		As at March 31, 2026		As at March 31, 2025	
		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1	Related Parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	Other than related parties	-	-	-	-
	Total	-	-	-	-

8. Other information

Particulars		As at March 31, 2026	As at March 31, 2025
(i)	Gross Non-Performing Assets*		
	(a) Related parties	-	-
	(b) Other than related parties	5,194.07	3,333.81
(ii)	Net Non-Performing Assets*		
	(a) Related parties	-	-
	(b) Other than related parties	3,570.08	1,549.43
(iii)	Assets acquired in satisfaction of debt	-	-

* Stage 3 loan assets under Ind AS

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Notes forming part of Financial Statements for the period ended March 31 ,2026

Note 34.2: Disclosure required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 on Comparison between provisions required under RBI prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and Impairment allowances made under Ind AS 109

(₹ In Lakhs)

Asset Classification as per RBI Norms (1)	Asset Classification as per IND AS 109 (2)	Principal Amount (3A)	Interest amount (3B)	Gross Carrying Amount as per IND AS (3)	Loss Allowances (Provisions) as required under IND AS 109 (4)	Net carrying Amount (5)=(3)-(4)	Provisions required as per IRACP norms (6)	Difference between IND AS 109 provisions and IRACP norms (7)=(4)-(6)
Performing Assets								
Standard Assets	Zero overdue	1,34,131.29	7,080.42	1,41,211.71	-	1,41,211.71	536.53	-536.53
	Stage 1	8,518.55	1,718.49	10,237.04	29.82	10,207.22	34.07	-4.25
	Stage 2	4,284.32	855.37	5,139.69	74.98	5,064.71	17.14	57.84
Subtotal		1,46,934.16	9,654.28	1,56,588.44	104.80	1,56,483.64	587.74	-482.94
Non-Performing Assets								
Sub Standard	Stage 3	1,734.24	541.12	2,275.36	563.01	1,712.35	759.98	-196.97
Doubtful- up to 1 year	Stage 3	1,720.72	518.11	2,238.83	519.05	1,719.78	1,378.82	-859.77
1 to 3 years	Stage 3	1,120.69	540.51	1,661.20	326.80	1,334.40	814.80	-488.00
More than 3 years	Stage 3	618.43	240.60	859.03	215.13	643.90	178.92	36.21
Subtotal for doubtful		3,459.83	1,299.23	4,759.06	1,060.98	3,698.08	2,372.54	-1,311.56
Loss	Stage 3	-						
Subtotal for NPA		5,194.07	1,840.35	7,034	1,623.99	5,410.43	3,132.52	-1,311.56
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)	Stage 1	-			-	-	-	-
	Stage 2	-			-	-	-	-
	Stage 3	-			-			
Subtotal		-			-	-	-	-
Total	Zero overdue	1,34,131.29	7,080.42	1,41,211.71	-	1,41,211.71	536.53	-536.53
	Stage 1	8,518.55	1,718.49	10,237.04	29.82	10,207.22	34.07	-4.25
	Stage 2	4,284.32	855.37	5,139.69	74.98	5,064.71	17.14	57.84
	Stage 3	5,194.07	1,840.35	7,034.42	1,623.99	5,410.43	3,132.52	-1,508.53
	Total	1,52,128.22	11,494.63	1,63,622.86	1,728.79	1,61,894.07	3,720.26	-1,991.47

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Note;

The NPA classification status of borrowers and the Expected Credit Loss (ECL) provisioning computations are system-generated. However, owing to certain technical limitations/issues in the system, Management performed adjustments in the ECL computation process wherever considered necessary. the following specific adjustments

Particulars / Adjustments	Amount
Initial provision calculated by the system	3,637.38
Add: Provision for 0 dpd accounts that was missed by the system	562.74
Less: Removal of already written-off accounts & correction of Microfinance provison calcualtion from *(Principal Outstanding + Principal Due)* to(principal Due+Interest Due)	-92.13
Less: Interest of Microfinance and Consumer Durable loans already not Recognised	-387.73
Final provision shown in the Financial Statements	**3,720.27**

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Notes forming part of Financial Statements for the period ended March 31 ,2026

Note 34.3 Public Disclosure on Liquidity Risk

(i)Funding Concentration based on significant counterparty (both deposits and borrowings): As at March 31, 2026

Sl. No.	Particulars	Nos	Amount (Rs. Lakhs)	% of Total deposits	% of Total Liabilities
1	Number of Significant Counterparties	4	7,107.95	NA	4.30%

(ii)Top 20 large deposits (amount in Rs. crore and % of total deposits): Not Applicable

(iii)Top 10 borrowings (amount in Rs. crore and % of total borrowings):

1	Amount in Rs. Lakhs	9352.46
2	% of total borrowings	5.72%

(iv) Funding Concentration based on significant instrument/product:

Sl. No.	Particulars	Amount (Rs. Lakhs)	% of Total Liabilities
1	Secured NCD	64,759.85	39.22%
2	Borrowings from Banks & FI's	5,526.55	3.35%
3	Subordinated Liabilities	86,176.04	52.19%
	Total	1,56,462.45	94.76%

(v) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities, and total assets: Not Applicable

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities, and total asset: Not Applicable

(c) Other short-term liabilities, if any as a % of total public funds, total liabilities, and total assets:

Sl. No.	Particulars	Weightage
1	Other short-term liabilities as % of Total Public funds	39.81%
2	Other short-term liabilities as % of Total Liabilities	37.72%
3	Other short-term liabilities as % of Total Assets	33.36%

(vi) Institutional set-up for liquidity risk management:

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk. The Board approves the governance structure, policies, strategy, and the risk tolerance limit for the management of liquidity risk. The Board of Directors approves the constitution of Risk Management Committee (RMC) for the effective supervision and management of various aspects including liquidity risks faced by the company. The meetings of RMC are held at periodically. The Board of Directors also approves constitution of Asset Liability Committee (ALCO), consisting of the Company's top management which functions as the strategic decisionmaking body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and tolerance limits approved by the Board. The role of the ALCO also includes periodic revision of interest rates, diversification of source of funding and its mix, maintenance of enough liquidity and investment of surplus funds. ALCO meetings are held periodically.

Note:

1) Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

2) Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

3) Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

4) Public funds are as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

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Notes forming part of Financial Statements for the period ended March 31 ,2026

Note 35 - Risk Management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial lending institution, the Company is exposed to risks that are particular to its lending and the environment within which it operates. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company's Risk Management Committee of the Board of Directors constituted is responsible for the overall risk management approach, approving risk management strategies and principles.

The Risk Management Committee shall be responsible for the following:

1. Reviewing the operations of the organization followed by identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

2. Identifying the risks an organization is subject to, deciding how to manage it, implementing the management technique, measuring the ongoing effectiveness of management and taking appropriate correction action and provide a framework that enables future activities to take place in a consistent & controlled manner.

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

I. Credit risk

Credit risk is the possibility of loss due to the failure of any counterparty abiding by the terms and conditions of any financial contract obligations resulting in financial loss to the Company. The Company's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances.

The Company addresses credit risk through following processes:

1. Through a rigorous loan approval and collateral appraisal process, as well as a strong NPA monitoring and collection strategy.
2. Minimise losses due to defaults or untimely payments by borrowers
3. Credit risk on Gold loan is considerably reduced as collateral is in the form of Gold ornaments which can be easily liquidated and adequate margin of 25% or more is retained while disbursing the loan.

Classification of financial assets under various stages

The Company classifies its financial assets in three stages having the following characteristics:

Stage 1: unimpaired and without significant increase in credit risk since initial recognition on which a 12 month allowance for ECL is recognised;

Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised;

Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

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 (DPD) on its contractual payments. All financial assets are deemed to have suffered a significant increase in credit risk when they are 30 DPD and are accordingly transferred from stage 1 to stage 2.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD).

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, whether scheduled by contract or otherwise.

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 and Stage 2, the Company assesses whether any abnormal reasons occured for a possible default.

To calculate the ECL for 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, expertise of the management team to determine PD.

Loss Given Default (LGD)

LGD is the estimated loss that the Company might bear if the borrower defaults.The Company determines its recovery by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset. In estimating LGD, the company reviews macro-economic developments taking place in the economy.

II. Liquidity risk

Liquidity risk is the non-availability of cash to pay a liability that falls due. A company is deemed to be financially sound if it is in a position to carry on its business smoothly and meet all the obligations – both long term as well as short term – without strain. Liquidity Risk arises largely due to maturity mismatch associated with assets and liabilities of the Company. Liquidity risk stems from the inability of the Company to fund increase in assets, manage unplanned changes in funding sources and meet financial commitments when required.

Company has implemented liquidity management policy for reducing the risk relating to liquidity issues. Currently the policies relating to liquidity are as follows:

1. The Company is maintaining high capital adequacy ratio over and above limits prescribed by regulators.
2. The Company ensures to keep liquidity to cover unexpected repayment obligation.
3. Promoting fund infusion by way of Non-Convertible debentures and subordinated debts so that due date for interest and maturity can be pre known.
4. Funding from long terms sources and lending as short term loans.
5. Reducing the percentage of unsecured lending so that repayment up to a level is not affected.

Asset Liability Management (ALM)

The table below shows the maturity pattern of significant financial assets and financial liabilities. In the case of loans, contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the below maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

Maturity pattern of assets and liabilities as on March 31, 2026

(₹ In Lakhs)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30 / 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Not sensitive to ALM*	Total
Deposits	-	-	-	-	-	-	73.01	-	-	-	-	73.01
Advances	8,098.49	133.19	280.62	431.76	555.54	7,920.40	1,15,219.37	11,730.89	6,707.24	12,545.37	-3,720.27	1,59,902.60
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings												
a) Debt Securities	-	-	-	-	305.60	8,542.33	17,307.64	28,057.00	9,759.09	1,793.44	-1,205.35	64,759.85
b)Borrowings(other than debt securities)	196.48	55.56	30.56	282.59	282.59	718.13	3,915.99	1,768.56	-	-	-1,723.91	5,326.55
c)Subordinated liabilities	1,360.57	532.48	897.52	1,372.07	2,330.82	6,991.76	12,960.71	18,892.47	36,285.29	4,552.35	-	86,176.04
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-

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Notes forming part of Financial Statements for the period ended March 31 ,2026

Maturity pattern of assets and liabilities as on March 31, 2025:

(₹ In Lakhs)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30 / 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Not sensitive to ALM*	Total
Deposits	-	-	-	-	-	-	162.43	-	-	-	-	162.43
Advances	11,618.69	137.16	478.80	1,922.85	1,637.47	20,636.70	1,00,800.40	23,489.67	1,855.10	11.92	-1,774.38	1,60,814.37
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings												-
a) Debt Securities	678.08			-	-	6,122.48	10,254.46	35,188.41	8,316.31	1,504.82	-454.88	61,609.68
b)Borrowings(other than debt securities)	57.59	55.56	293.46	406.61	406.61	1,219.83	5,155.86	5,828.24	-	-	-3,967.06	9,456.69
c)Subordinated liabilities	651.98	48.12	175.81	1,250.62	1,215.85	5,850.88	14,050.37	34,463.76	20,506.68	4,513.87	-	82,705.94
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-

** represents adjustments on account of EIR/ECL*

III. Market risk

Market risk refers to potential losses arising from the movement in market values of interest rates in the Company's line of business. The objective of market risk management is to avoid excessive exposure of our earnings to loss.

Interest rate risk

Interest rate risk is the risk where changes in the market interest rates might adversely affect the Company's financial condition. The interest rate risks are viewed from earning perspective and economic value perspective, respectively. Over the last several years, the Government of India has substantially deregulated the financial sector. As a result, interest rates are now primarily determined by the market, which has increased the interest rate risk exposure.

The results of the Company's operations are substantially dependent upon the level of the net interest margins. Interest rates are sensitive to many factors beyond the Company's control, including the RBI's monetary policies, domestic and international economic and political conditions and other factors. Rise in inflation, and consequent changes in the bank rates, repo rates and reserve repo rates by the RBI has led to an increase in interest rates on loans provided by banks and financial institutions.

In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans and the company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

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IV. Operational risk

Operational risk is broadly defined as the risk of direct or indirect loss due to the failure of systems, people or processes, or due to certain other external events. The Company has instituted a series of checks and balances, including an operating manual, and both internal and external audit reviews. Any loss on account of failure by employees to comply with defined appraisal mechanism is recovered out of their variable incentive. The Company also has detailed guidelines on movement and security measures of cash or gold. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks.Company also have a strong internal audit department which checks the level of operational compliances of branches.

V. Price risk

In recent years the company have become a gold loan NBFC. The variations in market price of gold can affect the business of the company. Gold price is affected by large number of macro economic scenarios and not predictable. Any sharp decrease in price can adversely affect the business of the company.

Notes forming part of Financial Statements for the period ended March 31 ,2026

Note 36 - Capital

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and interest rate.The Company monitors its capital to risk-weighted assets ratio (CRAR) on a regular basis through its Assets Liability Management Committee (ALCO).

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2026	As at March 31, 2025
1	CRAR (%)	19.69%	23.90%
2	CRAR - Tier I Capital (%)	12.98%	15.79%
3	CRAR - Tier II Capital (%)	6.72%	8.11%
4	Amount of subordinated debt raised as Tier - II capital	11,826.76	14,571.85
5	Amount raised by issue of perpetual debt instruments	3,538.53	3,538.53

Regulatory capital consists of Tier I capital, which comprises share capital, share premium, Perpetual Debt Instrucment, statutory reserve and retained earnings including current year profit. The other component of regulatory capital is other Tier 2 Capital Instruments.

Note 37 - Investments

(₹ In Lakhs)

Sl. No.	Particulars	As at March 31, 2026	As at March 31, 2025
1	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	-	-
	(b) Outside India	-	-
	(ii) Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	-	-
	(b) Outside India	-	-
2	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	-	-
	(ii) Add : Provisions made during the year	-	-
	(iii) Less : Write off / write back of excess provisions during the year	-	-
	(iv) Closing balance	-	-

Note 38 - Ratings assigned by Credit rating Agencies

Sl. No.	Particulars	As at March 31, 2026	As at March 31, 2025
1	Bank Loans - Cash Credit/overdraft	ACUITE BBB / Stable	ACUITE BBB / Stable
2	Non Convertible Debentures - Public issue	IND BBB-/Stable ACUITE BBB / Stable CARE BBB-/ Stable	IND BBB-/Stable ACUITE BBB / Stable CARE BBB-/ Stable

Note 39 - Provisions and Contingencies

(₹ In Lakhs)

Sl. No.	Break up of Provisions and Contingencies shown under the head Expenses in the Statement of Profit and Loss	As at March 31, 2026	As at March 31, 2025
1	Provisions for depreciation on Investment	-	-
2	Provision towards NPA (Expected Credit Loss)	1,624.00	1,745.73
3	Provision made towards Income Tax		-
4	Other Provision and Contingencies (with details)*	371.55	292.49
5	Provision for Standard Assets	104.79	28.66

*Other Provision and Contingencies being provided for Gratuity, Compensated Absences (Refer Note - 21)

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Note 40 - Concentration of Advances

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2026	As at March 31, 2025
1	Total Advances to twenty largest borrowers	13,552.08	15,779.14
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	8.28%	9.43%

Note 41 - Concentration of Exposures

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2026	As at March 31, 2025
1	Total Exposures to twenty largest borrowers/customers	13,552.08	15,779.14
2	Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/Customers.	8.28%	9.43%

Note 42 - Concentration of NPAs

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2026	As at March 31, 2025
1	Total Exposures to top four NPA accounts	340.78	241.36

Note 43 - Sector wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		As at March 31, 2026	As at March 31, 2025
1	Agriculture & allied activities	-	-
2	MSME	3.62%	2.47%
3	Corporate borrowers		-
4	Services		-
5	Unsecured personal loans		-
6	Auto loans (vehicle loan)		-
7	Other loans		
	a) Gold Loans	0.83%	1.04%
	b) Microfinance Loans	26.04%	8.27%

Note 44 - Movement of NPAs

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2026	As at March 31, 2025
(i)	Net NPAs* to Net Advances (%)	2.18%	0.93%
(ii)	Movement of NPAs* (Gross)		
	(a) Opening balance	3,323.81	2,753.14
	(b) Net additions during the year	1,870.26	570.66
	(c) Closing balance	5,194.07	3,323.81
(iii)	Movement of Net NPAs*		
	(a) Opening balance	1,549.43	1,144.16
	(b) Net additions during the year	2,020.65	405.27
	(c) Closing balance	3,570.08	1,549.43
(iv)	Movement of provisions for NPAs* (excluding Provisions on Standard Assets)		
	(a) Opening balance	1,745.73	1,608.43
	(b) Provisions made during the year		141.30
	(c) Write-off/ write-back of excess provisions	121.73	-
	(d) Closing balance	1,624.00	1,745.73

* Stage 3 loan assets under Ind AS

Note 45 - Customer complaints

Sl. No.	Particulars	As at March 31, 2026	As at March 31, 2025
1	No. of complaints pending as at the beginning of the year	Nil	Nil
2	No. of complaints received during the year	27	84
3	No. of complaints redressed during the year	25	84
4	No. of complaints pending as at the end of the year	2	Nil

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Note 46 - Top Five grounds of complaints received

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Number of complaints pending beyond 30 days
		31, March 2026			
Staff Misconduct	-	5	-44%	-	-
Auction	-	1	-91%	-	-
Interest Issue	-	1	-86%	-	-
Technical Issue	-	1	-95%	-	-
Investment Interest	-	1	100%	-	-
Others	-	18	-51%	2	-
Total					
		31, March 2025			
Staff Misconduct	-	9	80%	-	-
Auction	-	11	175%	-	-
Interest Issue	-	7	250	-	-
Technical Issue	-	20	1900%	-	-
Investment Intrest	-	-	-	-	-
Others	-	37	0.12		
Total		84			

Note 47 - Reporting of Fraud; Persuant to Reserve Bank of India (Fraud Risk Management in NBFCs) Directions, 2024, dated 15/07/2024

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2026	As at March 31, 2025
1	Amount related to fraud reported	60.68	418.67*

*During the financial year 2024-25, the Company reported fraud cases aggregating to Rs. 52.26 lakhs. RBI during their inspection, in addition to those cases, there were 23 fraud cases involving an aggregate amount of Rs. 366.41 lakhs which fall under the category of frauds. Previous year's figures are modified to that extent

Note 48 - Percentage of Loans granted against collateral of gold jewellery to total assets

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2026	As at March 31, 2025
1	Gold Loans granted against collateral of gold jewellery	1,23,559.68	1,10,159.14
2	Total Assets of the Company	1,86,734.97	1,93,341.43
3	Percentage of Gold Loans to Total Assets	66.17%	56.98%

Note 49- Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

Previous year's figures have been regrouped, reclassified, and rearranged wherever necessary to conform to the current year's presentation, classification, and disclosure requirements for better comparability

Note 50 - Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no impact in the profit and loss on account of prior period items on the current year profit and loss. Also Refer Significant Accounting Policies - Note 3

Note 51 - Overseas Assets

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2026	As at March 31, 2025
1	NA	-	-

Note 52 - Off-balance Sheet SPVs sponsored

(₹ In Lakhs except for %)

Sl. No.	Particulars	As at March 31, 2026	As at March 31, 2025
1	NA	-	-

A. JOHN MORIS & Co. Cochin 682036 Chartered Accountants

Notes forming part of Financial Statements for the period ended March 31 ,2026

Note 53 - Direct Assingments reduced from Gold Loan Portfolio
Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021

(₹ In Lakhs except for %)

Particulars	As at March 31, 2026	As at March 31, 2025
Gold loan under AUM	1,23,559.68	1,13,058.80
Less: Assigned Portfolio	(16.36)	(2,899.66)
Gold loan (Net)	1,23,543.32	1,10,159.14

a. The Company has not transferred any non performing assets
b. The Company has not acquired any Stressed loans or Special Mention Accounts

Note 54 - Details of the Auctions conducted with respect to Gold Loan

Year Ended	Number of Loan Accounts	Amount due as on the date of auction ₹ In Lakhs	Value Fetched ₹ In Lakhs
31-03-2026	1,221	1,034.33	1,016.45
31-03-2025	9,940	7,501.53	7,486.09

Note 55 - Derivative Transactions

The company does not engage in any derivative transactions, hence the quantitative and qualitative disclosures regarding the same is NA

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date attached

For and on behalf of the board of directors

For A. John Moris & Co.,
Chartered Accountants
Firm Registration No.: 007220S

Shibu Theckumpurath Varghese
Whole-time Director
(DIN: 02079917)

Biji Shibu
Director
(DIN: 06484566)

A. JOHN MORIS & Co. Cochin 682 036 Chartered Accountants

CA. Jobin George
Partner
Membership No.: 236710
UDIN: 26236710SCHOST9485

Naveena P Thampi
Company Secretary

Thanish Dalee
Chief Financial Officer

Date: 29-05-2026
Place: Ernakulam