CHEMMANUR CREDITS AND INVESTMENTS LIMITED

Chemmanur Credits and Investments Limited ("**our Company**" or "**the Company**" or "**the Issuer**") was incorporated as 'Chemmanur Credits and Investments Limited', a public limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated December 16, 2008, issued by Registrar of Companies, Kerala and Lakshadweep ("**RoC**"). Our Company holds a certificate of registration dated June 10, 2010 bearing registration number N-16-00185 issued by the Reserve Bank of India ("**RBI**") to carry on the activities of a Non-Banking Financial Company ("**NBFC**") without accepting public deposits under Section 45 IA of the Reserve Bank of India Act, 1934. For further details about our Company including details regarding changes in Registered Office, see "*History and Certain Other Corporate Matters*" on page 100.

Corporate Identification Number: U65923KL2008PLC023560; **PAN**: AADCC5470E **E-mail**: mail@chemmanurcredits.com; **Website**: www.chemmanurcredits.com
Registered Office: Mangalodhayam Building, Round South, Thrissur - 680001, Kerala, India; **Telephone:** +91 0487-6621200/2424010
Compliance Officer and Company Secretary: Anju Thomas; **E-mail**: cs@chemmanurcredits.com; **Telephone:** +91 487-6621200/2424010 (Extn. 211)
Chief Financial Officer: Pramod M; **Email**: pramod@chemmanurcredits.com; **Tel**: +91 487-6621200/2424010 (Extn. 222)

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

OUR PROMOTER

Our Promoter is Chemmanur Devassykutty Boby, **Email**: boby@chemmanurinternational.com, **Tel**: 0487-6621200. For further details see, "*Our Promoter*" on page 109.

GENERAL RISKS

Investment in debt securities involves a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this Issue. For taking an investment decision, the Investors must rely on their own examination of the Issuer and the Issue, including the risks involved in it. Specific attention of the Investors is invited to the chapter titled "*Risk Factors*" on page 16 and "*Material Developments*" on page 113, before making an investment in this Issue. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities or investor's decision to purchase such securities. This Draft Prospectus has not been and will not be approved by any regulatory authority in India, including the RBI, the Securities and Exchange Board of India ("**SEBI**"), the RoC or any stock exchange in India.

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated 'CRISIL BBB-/Stable' (pronounced as CRISIL triple B minus rating with Stable outlook); by CRISIL Ratings Limited ("**CRISIL Ratings**") *vide* its letter dated August 25, 2022. The rating of the NCDs by CRISIL Ratings indicate that instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations and carry moderate credit risk. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. These ratings are subjected to a periodic review during which it may be affirmed, changed, suspended, withdrawn, or placed on rating watch, based on one or more specific events. The Credit Rating Agencies' website will have the latest information on all its outstanding ratings. For the rating letter and rating rationale / press release of these ratings, see "*Annexure II*" of this Draft Prospectus.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION RATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount and eligible Investors of the NCDs, please see "*Issue Structure*" on page 167.

LISTING

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

PUBLIC COMMENTS

This Draft Prospectus dated November 30, 2022 has been filed with the BSE, pursuant to the provisions of the SEBI NCS Regulations and is kept open for public comments for a period of seven Working Days i.e., until 5:00 pm on [•] from the date of filing of this Draft Prospectus with the BSE. All comments on this Draft Prospectus are to be forwarded to the attention of the Compliance Officer of our Company and/or to the Lead Manager to the Issue. Comments by post and mail shall be accepted. All comments received on this Draft Prospectus will be suitably addressed prior to filing of the Prospectus with the RoC.

LEAD MANAGER	DEBENTURE TRUSTEE*	REGISTRAR TO THE ISSUE
VIVRO FINANCIAL SERVICES PRIVATE LIMITED 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 **Website**: www.vivro.net **Contact Person**: Viral Shah/ Kruti Saraiya	**MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED** ***(Formerly known as MITCON Trusteeship Services Limited)*** 1402/1403, B-Wing, Dalamal Towers, 14th Floor, Free Press Journal Marg, 211, Nariman Point, Mumbai – 400 021, Maharashtra, India **Telephone**: +91 22 2282 8200 **Email**: contact@mitrconcredentia.in **Website**: www.mitconcredentia.in **Contact Person**: Vaishali Urkude	**KFin Technologies Limited** Selenium Tower-B, Plot 31 & 32 Gachibowli Financial District, Nanakramguda Serilingampally, Hyderabad - 500 032 Telangana, India **Telephone:** +91 40 6716 2222 **Email:** ccil.ncdipo@kfintech.com **Website:** www.kfintech.com **Contact Person:** M Murali Krishna

CREDIT RATING AGENCY	STATUTORY AUDITORS
CRISIL Ratings Limited CRISIL House, Central Avenue, Hiranandani Business Park Powai, Mumbai 400 076, Maharashtra, India **Tel:** + 91 22 3342 3000 **Email:** crisilratingdesk@crisil.com **Website:** www.crisil.com **Contact Person:** Krishnan Sitaraman	**V K S Narayan & Co** **Chartered Accountants** 32/88 Thiruvambady Shoranur Road Thrissur 680022, Kerala, India **Telephone**: +91 487 2334268 / 2323268 **Email**: vksncatcr@gmail.com / vksncatcr@yahoo.co.in **Contact Person**: V Sajith

ISSUE PROGRAMME	
ISSUE OPENS ON [•]	**ISSUE CLOSES ON [•]****

** MITCON Credentia Trusteeship Services Limited (Formerly known as MITCON Trusteeship Services Limited), by its letter dated November 24, 2022, has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Prospectus and in all the subsequent periodical communications sent to the holders of the Debenture issued pursuant to this Issue. For further details, please refer to "General Information – Debenture Trustee" on page 36.*

***The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a period of maximum 30 days from the date of the Prospectus) as may be decided by the Board of Directors of our Company ("**Board**") or the Debenture Committee, subject to relevant approvals. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in an English national daily newspaper and a regional newspaper in the state of Kerala, with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. on one Working Day post the Issue Closing Date. For further details please see "General Information" on page 34.*

A copy of the Prospectus and written consents of our Directors, our Chief Executive Officer, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Auditor, the Lead Manager, the Registrar to the Issue, Public Issue Account Bank, Refund Bank, Sponsor Bank, Credit Rating Agency, the legal advisor, the Bankers to our Company, the Debenture Trustee, FSIAPL and the Syndicate Member to act in their respective capacities shall be filed with the RoC, in terms of Section 26 and Section 31 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 229.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Draft Prospectus to "**Issuer**", "**our Company**", "**the Company**" are to Chemmanur Credits and Investments Limited, a company incorporated under the Companies Act, 1956, registered as non-deposit taking non-systemically important non-banking financial company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934. The Registered Office of the Company is situated at Mangalodhayam Building, Round South, Thrissur – 680 001, Kerala, India.

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

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

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

Company Related Terms

Term	Description
AoA/ Articles/ Articles of Association	Articles of Association of our Company, as amended from time to time
Audit Committee	Audit committee of the Board of Directors of our Company, constituted in accordance with applicable laws
Audited Financial Statements	The audited standalone financial statements of our Company for the three months period ended on June 30, 2022, for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 comprising of the statement of assets and liabilities, the statement of financial results and the statement of cash flow for the respective periods, including notes thereto.
Auditor/ Statutory Auditor	The current statutory auditor of our Company, M/s. V K S Narayan & Co, Chartered Accountants for financial year 2022
Board/ Board of Directors	Board of directors of our Company or any duly constituted committee thereof
Corporate Social Responsibility Committee	Corporate social responsibility committee of the Board of Directors of our Company, constituted in accordance with applicable laws
Committee	A committee constituted by the Board, from time to time.
Debenture Committee	The committee of the Board of Directors of the Company constituted for the purposes of, *inter alia*, issuance of debentures of the Company. For further details, see "*Our Management*" on page 102.
Equity Shares	Equity shares of face value of ₹10 each of our Company
KMP/ Key Managerial Personnel	The key managerial personnel of our Company as defined under SEBI ICDR Regulations. For details, see "*Our Management*" on page 102.
Group Companies	Chemmanur Gold Palace International Limited, Boby Chemmanur (No.1) Chits Private Limited, Boby Bazar Private Limited, Chemmanur International Holiday and Resorts Private Limited and Phygicart e-Commerce Private Limited.
JLG	Joint Liability Group
Loan Assets	Assets under financing activities
Memorandum/ MoA/ Memorandum of Association	Memorandum of association of our Company, as amended from time to time
NBFC	Non-banking financial company as defined under Section 45-IA of the RBI Act, 1934
Nomination and Remuneration Committee	Nomination and remuneration committee of the Board of Directors of our Company, constituted in accordance with applicable laws
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*

Term	Description
	account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.”
Promoter	Chemmanur Devassykutty Boby
Promoter Group	Includes the individuals and entities covered by the definition under Regulation 2(1) (ff) of the SEBI NCS Regulations.
Reformatted Indian GAAP Financial Statements / Reformatted Financial Statements	The reformatted statement of assets and liabilities as of and three months period ended June 30, 2022 and years ended March 31, 2022, March 31, 2021 and March 31, 2020, and the schedules forming part thereof; reformatted statement of profits and losses for three months period ended June 30, 2022 and each of the years March 31, 2022, March 31, 2021 and March 31, 2020 and the schedules forming part thereof, and the reformatted statement of cash flows for three months period ended June 30, 2022 and each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020, the reformatted statement of changes in equity, the statement of significant accounting policies, and other explanatory statements. The Audited Financial Statements of the Company as at and for the three months period ended June 30, 2022 and years ended March 31, 2022, March 31, 2021 and March 31, 2020 prepared in accordance with Indian GAAP form the basis for such Reformatted Indian GAAP Financial Statements.
Reformatted Indian GAAP Financial Report	The report dated November 28, 2022 on the Reformatted Indian GAAP Financial Statements, prepared by the Statutory Auditors of our Company.
Registered Office	The registered office of our Company is situated at Mangalodhayam Building, Round South, Thrissur - 680001, Kerala, India.
Risk Management Committee	The committee of the Board of Directors of the Company constituted for the purposes of *inter alia*, to assist the Board in the execution of its risk management accountabilities. For further details, see “*Our Management*” on page 102.
RoC	Registrar of Companies, Kerala and Lakshadweep
Shareholders	The shareholders of our Company

Issue Related Terms

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

Term	Description
ASBA Account	A bank account maintained with an SCSB by an Applicant, as specified in the Application Form submitted by the Applicant for blocking the Application Amount mentioned in the relevant ASBA Form and includes a bank account maintained by a UPI Investor linked to a UPI ID, which is blocked upon acceptance of a UPI Mandate Request made by the UPI Investor using the UPI Mechanism
Base Issue	₹5,000 lakh
Basis of Allotment	The basis on which NCDs will be allotted to successful applicants under the Issue and which is described in "*Issue Procedure – Basis of Allotment*" on page 211.
Broker Centres	Broker centres notified by the Stock Exchange, where Applicants can submit the Application Forms (including ASBA Forms under UPI in case of UPI Investors) to a Trading Member. The details of such broker centres, along with the names and contact details of the Trading Members are available on the website of the Stock Exchange and updated from time to time
Business Days	All days excluding Saturdays, Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881
CIBIL	TransUnion CIBIL Limited
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collection Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for registered brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Collecting Depository Participants/ CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI Operational Circular
Collecting Registrar and Share Transfer Agents/CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of the SEBI Operational Circular
Coupon Rate / Interest Rate	The aggregate rate of interest payable in connection with the NCDs in accordance with this Draft Prospectus. For further details, see "*Issue Structure*" on page 167.
Credit Rating Agency	For the present Issue, the credit rating agency being, CRISIL Ratings Limited ("**CRISIL Ratings**")
Debenture Trust Deed	The trust deed to be executed by our Company and the Debenture Trustee for creating the security over the NCDs issued under the Issue.
Debenture Trustee Agreement	Debenture Trustee Agreement dated September 26, 2022 entered into between our Company and the Debenture Trustee
Debentures/NCDs	Secured redeemable, non-convertible debentures issued pursuant to the Issue
Deemed Date of Allotment	The date of issue of the Allotment Advice, or such date on which the Board or Debenture Committee approves the Allotment of NCDs. All benefits relating to the NCDs including interest on the NCDs shall be available to the Investors from the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant such as his address, bank account details, category, PAN, UPI ID, etc. for printing on refund/interest orders or used for refunding through electronic mode as applicable
Depositories Act	The Depositories Act, 1996
Depository(ies)	National Securities Depository Limited and/or Central Depository Services (India) Limited
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time
Designated CDP Locations	Such centres of the Collecting Depository Participants where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the website of the Stock Exchange and updated from time to time
Designated Date	The date on which the Registrar to the Issue issues instruction to SCSBs for unblocking of funds from the ASBA Accounts to the Public Issue Account in terms of this Draft Prospectus, the Public Issue Account and Sponsor Bank Agreement and following which

Term	Description
	the Board, shall Allot the NCDs to the successful Applicants
Designated Intermediaries	The Members of the Syndicate, SCSBs, Registered Stock Brokers, Trading Members, RTAs and CDPs who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Designated Stock Exchange/ DSE	BSE Limited
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms (including Application Forms by UPI Investors under the UPI Mechanism). The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the website of the Stock Exchange and updated from time to time
DP/Depository Participant	A depository participant as defined under the Depositories Act
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility
Draft Prospectus	This Draft Prospectus dated November 30, 2022, filed with the Designated Stock Exchange and with SEBI for receiving public comments, in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations
DT Circular	Circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 issued by SEBI on November 3, 2020, as amended from time to time
Existing Secured Creditors	Canara Bank, Dhanlaxmi Bank, State Bank of India and the debenture holders of the privately placed secured non-convertible debentures.
Fugitive Economic Offender	Fugitive economic offender means an individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Interest Payment Date/ Coupon Payment Date	As specified in "*Issue Structure*" on page 167.
Institutional Portion	Portion of Applications received from Category I of persons eligible to apply for the Issue which includes resident public financial institutions as defined under Section 2(72) of the Companies Act 2013, statutory corporations including state industrial development corporations, scheduled commercial banks, co-operative banks and regional rural banks, and multilateral and bilateral development financial institutions, which are authorised to invest in the NCDs, provident funds of minimum corpus of ₹2,500 lakh, pension funds of minimum corpus of ₹2,500 lakh, superannuation funds and gratuity fund, which are authorised to invest in the NCDs, resident venture capital funds and/or alternative investment funds registered with SEBI, insurance companies registered with the IRDAI, national investment fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India), insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India, mutual funds registered with SEBI and non-banking financial companies
Issue	Public issue of NCDs by our Company amounting upto ₹5,000 lakh, with an option to retain over-subscription up to ₹5,000 lakh, aggregating up to ₹10,000 lakh, on the terms and in the manner set forth herein.
Issue Agreement	The Issue Agreement dated November 29, 2022 entered between the Company and the Lead Manager to the Issue.
Issue Closing Date	[•]
Issue Opening Date	[•]
Issue Size	Public issue of NCDs by our Company amounting up to ₹5,000 lakh, with an option to retain over-subscription up to ₹5,000 lakh, aggregating up to ₹10,000 lakh.
Lead Manager	Vivro Financial Services Private Limited
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchange in connection with the listing of debt securities of our Company
Market Lot	1 (one) NCD
Mobile App(s)	The mobile applications listed on the website of Stock Exchanges as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism
Maturity Amount	In respect of NCDs Allotted to NCD Holders, the repayment of the face value of the NCD along with interest that may have accrued as on the redemption date
"Maturity Date" or "Redemption Date"	As specified in "*Issue Structure*" on page 167.
NCD Holder/Debenture	Any debenture holder who holds the NCDs issued pursuant to this Issue and whose name

Term	Description
Holder	appears on the beneficial owners list provided by the Depositories
Non-Institutional Portion	Category II of persons eligible to apply for the Issue which includes companies falling within the meaning of Section 2(20) of the Companies Act 2013; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs, educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorised to invest in the NCDs, trust including public/private charitable/religious trusts which are authorised to invest in the NCDs, association of persons, scientific and/or industrial research organisations, which are authorised to invest in the NCDs, partnership firms in the name of the partners, limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009), resident Indian individuals and Hindu undivided families through the Karta aggregating to a value exceeding ₹5 lakh
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue
Offer Document	This Draft Prospectus, the Prospectus, the Abridged Prospectus, the Application Form and supplemental information, if any, read with any notices, corrigenda and addenda thereto
Prospectus	The Prospectus dated [•] to be filed with the RoC in accordance with the SEBI NCS Regulations, containing inter alia the Coupon Rate for the NCDs and certain other information.
Public Issue Account	Account(s) opened with the Public Issue Account Bank to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI Mechanism) on the Designated Date
Public Issue Account Bank	Banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with whom the Public Issue Account will be opened i.e. [•]
Public Issue Account and Sponsor Bank Agreement	The agreement dated [•] entered into amongst our Company, the Registrar to the Issue, the Lead Manager, the Public Issue Account Bank, the Sponsor Bank for collection of the Application Amounts from ASBA Accounts under the UPI Mechanism and the Refund Bank for collection of the Application Amounts from ASBA Accounts and where applicable remitting refunds, if any, to such Applicants, on the terms and conditions thereof.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 7 Working Days prior to the date on which interest is due and payable and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made and as specified in this Draft Prospectus.
Refund Bank	As specified in the Prospectus
Registrar to the Issue/ Registrar	Kfin Technologies Limited
Registrar Agreement	Agreement dated September 26, 2022 entered into between the Issuer and the Registrar under the terms of which the Registrar has agreed to act as the Registrar to the Issue
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulation, 1992 and the stock exchange having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from Applicants
Register of NCD Holders	The statutory register in connection with any NCDs which are held in physical form on account of rematerialisation, containing name and prescribed details of the relevant NCD Holders, which will be prepared and maintained by our Company/Registrar in terms of the

Term	Description
	applicable provisions of the Companies Act
Retail Investor Portion	Portion of Applications received from Category III of persons eligible to apply for the Issue which includes resident Indian individuals and Hindu undivided families through the Karta aggregating to a value not exceeding and including ₹5 lakh
RTAs/ Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue at the Designated RTA Locations
SCSBs or Self Certified Syndicate Banks	The banks registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, including blocking of an ASBA Account and a list of which is available on https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time. Additionally, the banks registered with SEBI, enabled for UPI Mechanism, list of which is available on https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time. A list of the branches of the SCSBs where ASBA Applications submitted to the Lead Manager, Members of the Syndicate or the Trading Member(s) of the Stock Exchange, will be forwarded by such Lead Manager, Members of the Syndicate or the Trading Members of the Stock Exchange is available at https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time
Security	The principal amount of the NCDs to be issued in terms of this Draft Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with existing secured creditors, on all movable assets, including book debts and receivables, cash and bank balances, loans and advances both present and future of the Company (excluding (a) reserves created in accordance with law; (b) receivables of the Company, fixed deposits, cash collateral, immovable and movable assets over which exclusive charge is created in favour of State bank of India, Canara Bank, Dhanlaxmi Bank or any other lender), such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.
Specified Locations	Collection centres where the Members of the Syndicate shall accept Application Forms, a list of which is included in the Application Form
Sponsor Bank	The Banker to the Issue registered with SEBI which is appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Requests and/or payment instructions of the UPI Investors into the UPI and carry out any other responsibilities, in terms of the SEBI Operational Circular in this case being, [•].
Stock Exchange	BSE Limited
Syndicate Agreement	Syndicate Agreement to be entered between the Company, Lead Manager and Syndicate Member as specified in the Prospectus
Syndicate ASBA	Applications through the Designated Intermediaries
Syndicate ASBA Application Locations	Collection centres where the Designated Intermediaries shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at https://www.sebi.gov.in and at such other websites as may be prescribed by SEBI from time to time
Syndicate Member	As specified in the Prospectus
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on https://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Tenor	Tenor shall mean the tenor of the NCDs which will be specified in the Prospectus
Trading Member(s)	Individuals or companies registered with SEBI as “trading member(s)” under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, and who hold the right to trade in stocks listed on stock exchanges, through which Investors can buy or sell securities listed on stock exchanges whose list is available on stock exchanges
Transaction Registration Slip/TRS	The acknowledgement slips or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as

Term	Description
	proof of upload of the Application on the application platform of the Stock Exchange
Tripartite Agreement(s)	Agreements as entered into between the Issuer, Registrar and each of the Depositories under the terms of which the Depositories shall act as depositories for the securities issued by our Company
Trustee/ Debenture Trustee	Trustee for the holders of the NCDs, in this case being MITCON Credentia Trusteeship Services Limited (Formerly known as MITCON Trusteeship Services Limited)
UPI	Unified Payments Interface, is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing and merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank account
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Investor	An Applicant who applies with a UPI number whose Application Amount for NCDs in the Issue is upto ₹5,00,000
UPI Mandate Request	A request (intimating the UPI Investors, by way of a notification on the UPI application and by way of an SMS directing the UPI Investors to such UPI application) to the UPI Investors using the UPI Mechanism initiated by the Sponsor Bank to authorise blocking of funds equivalent to the Application Amount in the relevant ASBA Account through the UPI, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The optional bidding mechanism that may be used by UPI Investors to make Applications in the Issue, in accordance with SEBI Operational Circular and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	A person who is categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes an issuer whose director or promoter is categorised as such
Working Days	All days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in Mumbai. Furthermore, for the purpose of post issue period, i.e., period beginning from the Issue Closing Date to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Saturday, Sundays and bank holidays in Thrissur, as per the SEBI NCS Regulations, however, with reference to payment of interest/redemption amount of NCDs, Working Days shall mean those days wherein the money market is functioning in Thrissur.

Business/Industry Related Terms

Term	Description
AFCs	Asset Finance Companies
ALM	Asset Liability Management
ALCO	Asset Liability Committee
CAD	Current Account Deficit
CIC	Core Investment Companies
CIC-ND-SI	Systemically Important Core Investment Company
CRAR	Capital-To-Risk-Weighted Assets Ratio
EMI	Equated Monthly Instalments
ETF	Exchange-Traded Fund
FIR	First Information Report
GDP	Gross Domestic Product
Gross Spread	Yield on the average minus the cost of funds
GDS	Gold Deposit Scheme
GFCE	Government Final Consumption Expenditure
GFCF	Gross Fixed Capital Formation
GLP	Gross Loan Portfolio
GMS	Gold Monetisation Scheme
HFC	Housing Finance Company
IBE	International Bullion Exchange
ICs	Investment Companies
ICCs	Investment and Credit Companies

Term	Description
IDFC - NBFC	Infrastructure Debt Funds – NBFCs
IFCs	Infrastructure Finance Companies
IFSCA	International Financial Services Centres Authority
IMF	International Monetary Fund
Ind AS	Indian Accounting Standards
IGPC	India Gold Policy Centre
FSIAPL	Fitch Solutions India Advisory Private Limited (formerly known as IRR Advisory Services Private Limited)
FSIAPL Report	Report titled "*Gold Loan Industry in India*", dated July 19, 2022, prepared and issued by Fitch Solutions India Advisory Private Limited (formerly known as IRR Advisory Services Private Limited) (FSIAPL)
KYC/KYC Norms	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
LCs	Loan Companies
LTV	Loan to value
Master Directions	RBI's Master Direction – Non-Banking Financial Company – Non - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended
MFIs	Micro Finance Institutions
MFIN	Microfinance Institutions Network
MSMEs	Micro, Small and Medium Enterprises
MT	Million Tonnes
NAV	Net Asset Value
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934
NBFC-AA	NBFC-Account Aggregator
NBFC-ND-NSI (NBFC-BL/ NBFC – Base Layer)	Non-deposit taking NBFCs below the asset size of ₹ 1,00,000 lakh and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-ML/ NBFC – Middle Layer	(a) all deposit taking NBFCs (NBFC-Ds), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1,00,000 lakh and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFC
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-MFIs	Non-banking financial company-microfinance institutions
NBFC-AA	NBFC-Account Aggregator
NBFIs	Non-banking Financial Institutions
NBFC-P2P	NBFC–Peer to Peer Lending Platform
NBFC-TL	NBFC-UL which in the opinion of RBI has substantial increase in the potential systemic risk
NBFC-UL	NBFCs which are specifically identified by the RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in SBR
NOF	Net Owned Fund
NPCI	National Payments Corporation of India
NPA	Non-Performing Assets
NOFHC	NBFC-Non-Operative Financial Holding Company
OGL	Online Gold Loans
PFCE	Private Final Consumption Expenditure
PMI	Purchasing Managers Index
PPP	Purchasing Power Parity
PSL	Priority Sector Lending
PMJDY	Pradhan Mantri Jan Dhan Yojana

Term	Description
R-GDS	Revamped Gold Deposit Scheme
R-GML	Revamped Gold Metal Loan Scheme
SBR Framework	Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs (as amended)
SFBs	Small finance banks
SME	Small and medium enterprises
SROs	Self-Regulatory Organizations
Tier I Capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II Capital	Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier I Capital
TAT	Turnaround Time
WGC	World Gold Council

Conventional and General Terms or Abbreviations

Term	Description
AGM	Annual General Meeting
Asset Under Management / AUM	AUM represents aggregate value of outstanding loans before adjustment of provisions for NPA in accordance with IGAAP
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CGST Act	Central Goods and Services Tax Act, 2017
Cr.P.C	Code of Criminal Procedure, 1973
Companies Act, 1956	The erstwhile Companies Act, 1956
Companies Act/ Companies Act 2013	The Companies Act, 2013 read with rules framed by the Government of India from time to time
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DRR	Debenture Redemption Reserve
EGM	Extraordinary General Meeting
EPS	Earnings per share
FDI Policy	The Government policy, rules and the regulations (including the applicable provisions of the FEMA Non-Debt Rules) issued by the Government of India prevailing on that date in relation to foreign investments in our Company’s sector of business as amended from time to time
FEMA	Foreign Exchange Management Act, 1999
FEMA Non-Debt Regulations	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Debt Regulations	Foreign Exchange Management (Debt Instrument) Regulations, 2019
FPI	Foreign Portfolio Investors defined under the Securities and Exchange Board of India

Term	Description
	(Foreign Portfolio Investors) Regulations, 2019
Financial Year/FY/Fiscal	Financial year ending March 31
GDP	Gross Domestic Product
GoI	Government of India
G-Sec	Government Securities
GST	Goods and Services Tax
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IGST Act	Integrated Goods and Services Tax Act, 2017
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
Insurance Act	The Insurance Act, 1938
IT Act	The Income Tax Act, 1961
IT	Information Technology
ISD	International Subscriber Dialling
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
MIS	Management Information System
MoU	Memorandum of Understanding
NA	Not Applicable
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NII(s)	Non-Institutional Investor(s)
NIM	Net Interest Margin
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
OCI	Overseas Citizenship of India
PAN	Permanent Account Number
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RM	Relationship Manager
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI NCS Regulations/ NCS Regulations/ SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time.
SEBI Delisting Regulations	SEBI (Delisting of Equity Shares) Regulations, 2021
SEBI Listing Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Operational Circular	SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time.
SGST Act	State Goods and Services Tax Act, 2017, as enacted by various state governments
STD	Subscriber Trunk Dialling
TDS	Tax Deducted At Source
VOIP	Voice Over Internet Protocol
WDM	Wholesale Debt Market

Notwithstanding anything contained herein, capitalised terms that have been defined in the chapters titled "*Capital Structure*", "*History and Certain Other Corporate Matters*", "*Our Management*", "*Financial Statements*", "*Financial*

Indebtedness", "*Issue Procedure*", "*Outstanding Litigations*", "*Key Regulations and Policies*", and "*Summary of Main Provisions of the Articles of Association*" and on pages 41, 100, 102, 112, 114, 188, 130, 155 and 217 respectively will have the meanings ascribed to them in such chapters.

PRESENTATION OF FINANCIAL, INDUSTRY AND OTHER INFORMATION

General Risk

Investment in debt securities involves a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it.

Specific attention of investors is invited to statement of risk factors contained under section "*Risk Factors*" on page 16. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities or investor's decision to purchase such securities.

Certain Conventions

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

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

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

Financial Data

Our Company publishes its financial statements in Rupees.

Our Company's Audited Financial Statements for three months ended June 30, 2022 and the year ended March 31, 2022, March 31, 2021 and March 31, 2020 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act, 2013 and other applicable statutory and / or regulatory requirements.

The Reformatted Indian GAAP Financial Statements of our Company included in this Draft Prospectus are derived from the Audited Financial Statements prepared in accordance with Indian GAAP for three months period ended on June 30, 2022, years ended March 31, 2022, March 31, 2021 and March 31, 2020. 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 50 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. Therefore, Ind AS is applicable to our Company with effect from April 1, 2023 upon fulfilling the conditions as mentioned in the notification..

The Reformatted Indian GAAP Financial Statements along with Reformatted Indian GAAP Financial Report are included in this Draft Prospectus, as issued by our Statutory Auditor, V K S Narayan & Co, Chartered Accountants, in the chapter titled *"Financial Statements"* on page 112.

Unless stated otherwise, the financial data in this Draft Prospectus is derived from the Reformatted Indian GAAP Financial Statements.

Further, Audited Financial Statements for quarter ended June 30, 2022 is not indicative of full year results and are not comparable with annual financial information.

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

Currency and units of Presentation

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

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

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been obtained from industry publications and publicly available information. Industry publications and publicly available information generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although our Company believes that industry data used in this Draft Prospectus is reliable, it has not been independently verified. Also, data from these sources may not be comparable. Similarly, internal reports, while believed by us to be reliable, have not been verified by any independent sources. The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Certain information and statistics in relation to the industry in which we operate, which has been included in this Draft Prospectus has been extracted from an industry report titled "Gold Loan Industry in India", dated July 19, 2022, prepared and issued by Fitch Solutions India Advisory Private Limited. (formerly known as IRR Advisory Services Private Limited.) ("**FSIAPL Report**"). Please refer to "*Industry Overview*" on page 49 for further details. Following is the disclaimer of Fitch Solutions India Advisory Private Limited. (formerly known as IRR Advisory Services Private Limited) in relation to the FSIAPL Report:

"This report is prepared by Fitch Solutions India Advisory Private Limited. (FSIAPL) (erstwhile IRR Advisory Services Private Limited.) FSIAPL has taken utmost care to ensure accuracy and objectivity while developing this report. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of FSIAPL."

Exchange Rates

The exchange rates Rupees (₹) vis-à-vis of USD, as of September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, are provided below:

Currency	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
1 USD	81.55	75.81	73.50	75.39

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

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

FORWARD LOOKING STATEMENTS

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

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

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

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

1. Any volatility in interest rates which could cause our gross spreads to decline and consequently affect our profitability;

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

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

4. Changes in political conditions in India;

5. The rate of growth of our Loan Assets;

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

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

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

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

10. Emergence of new competitors;

11. Performance of the Indian debt and equity markets;

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

13. The performance of the financial markets in India and globally;

14. Volatility in global bullion prices; and

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

For further discussion of factors that could cause our actual results to differ from our expectations, please refer to the chapters "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 16, 49 and 86, respectively.

By their nature, certain market risk disclosures are only estimate and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward looking statements speak only as on the date of this Draft Prospectus. The forward-looking statements contained in this Draft Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure Investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. Neither our Company nor the Lead Manager, nor any of its affiliates have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the Lead Manager will ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II - RISK FACTORS

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

An investment in NCDs involves a certain degree of risk. You should carefully consider all the information contained in this Draft Prospectus, including the risks and uncertainties described below, and the information provided in the sections titled "Our Business" on page 86 and "Financial Statements" on page 112 before making an investment decision. The following are the risks envisaged by the management of the Company relating to the Company, the NCDs and the market in general. Potential investors should carefully consider all the risk factors stated in this Draft Prospectus in relation to the NCDs for evaluating the Company and its business and the NCDs before making any investment decision relating to the NCDs. The Company believes that the factors described below represents the principal risks inherent in investing in the NCDs but does not represent that the statements below regarding the risks of holding the NCDs are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Potential investors should also read the detailed information set out elsewhere in this Draft Prospectus and reach their own views prior to making any investment decision. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment including interest thereon.

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

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

This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with the Reformatted Financial Statements

Internal Risk Factors

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

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

   During the course of finalization of inspection, regulatory authorities share their findings and recommendations with us and give us an opportunity to provide justification and clarifications. Further, such regulatory authorities also seek certain clarifications and shared their findings in the ordinary course of business. We respond to observations made by such authorities and address them appropriately; however, we cannot assure you that these authorities will not find any deficiencies in future inspections or otherwise/ the authorities will not make similar or other observations in the future. For instance, pursuant to the inspection of our book of accounts for Fiscal 2018, the RBI vide a letter dated November 1, 2018 ("**Letter**"), observed certain supervisory concerns, which inter alia included matters with regard to (a) non-adherence to KYC Guidelines; (b) non-adherence to Fair Practice Code guidelines; (c) disbursal of loan to micro finance customers without approval by lending policy; (d) deficiencies in appraisal of loans; (e) pendency of compliance with the RBI Inspection Report; (f) extension of maturity of non-convertible debentures in violation of Section 71(8) of the Companies Act; (g) issues pertaining to loan to value (LTV) for gold loans; (h) non-compliance with the 'Master Direction – Information Technology Framework' for the NBFC sector dated June 8, 2017 ("Framework"); and (i) inadequate maintenance of backup server.

Over the last two years, Company created the required assets, systems, processes, policies, and procedures to comply with the RBI Master Directions - in the areas of IT Governance, Information & Cyber Security, IT Operations, IS Audit, Business Continuity Planning, and IT Service Outsourcing - to ensure the due compliance. The Company has rectified the pending gaps to achieve the required compliance. Our Company has complied with the observations/findings highlighted in the inspection reports issued by the RBI as part of its inspections and has responded to each such observation/finding indicated and further information sought therein, if any and there has been no further communication from RBI in respect to the stipulated matters. While we seek to comply with all regulatory provisions applicable to us, in the event we are unable to comply with the observations made by the regulatory authorities, we could be subject to penalties and restrictions which may have an adverse effect on our business, results of operations, financial condition and reputation.

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

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

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

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

For, further details of the legal proceedings that we are subject to, please refer to the chapter titled "*Outstanding Litigations*" on page 130.

3. ***We do not own the trademark i.e. we have been authorised to use it by our Promoter, Chemmanur Devassykutty Boby vide NOC dated March 1, 2022. Termination or withdrawal or unfavourable terms of this authorisation to use or any negative impact on the 'Chemmanur' brand may adversely affect our business, reputation, goodwill, financial condition and results of operations.***

The trademark is in the process of registration with the Registrar of Trademarks in India in the name of our Promoter i.e. Chemmanur Devassykutty Boby. Further, our Promoter, Chemmanur Devassykutty Boby has applied for registration of Trademark to the Trademark Authority vide application dated April 03, 2022 and the status of registration is still 'objected'. We cannot assure you that we will continue to have uninterrupted use of this trademark. Further, termination or use of this trademark without authorization may adversely affect our business, reputation, goodwill, financial condition and results of operations.

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

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

Our liquidity and on-going profitability are largely dependent upon our timely access to and the costs associated in, raising financial resources at low costs. Our funding requirements historically have been met from a combination of borrowings such as term loans, working capital limits from banks / financial institutions, debenture issuances on private placement basis and subordinated debts. Thus, our business depends and will continue to depend on our ability to access diversified low-cost funding sources.

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

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

A significant portion of our debt matures each year. Out of the total amount of our outstanding loans/non-convertible debentures (excluding interest thereon), ₹ 25,038.89 lakh, issued by our Company as of September 30, 2022 loans/non-convertible debentures amounting to ₹ 9,056.29 lakh will mature during the next 12 months. In order to retire these instruments, we either will need to refinance this debt, which could be difficult in the event of volatility in the credit markets or raise equity capital or generate sufficient cash to retire the debt.

Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. As an NBFC, we also face certain restrictions on our ability to raise money from international markets, which may further constrain our ability to raise funds at attractive rates.

Any disruption in our primary funding sources at competitive costs could have a material adverse effect on our liquidity and financial condition.

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

Our results of operations are substantially dependent upon the level of our net interest margins. Interest Income is the largest component of our total income, and constituted 96.28%, 92.66%, 94.73% and 91.56% of our total income for the three months period ended June 30, 2022, Fiscals 2022, 2021 and 2020, respectively. Interest rates are sensitive to many factors beyond our control, including the RBI's monetary policies, domestic and international economic and political conditions and other factors.

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

Our policy is to attempt to balance the proportion of the interest earning assets (which bear fixed interest rates), with interest bearing liabilities. A significant portion of our liabilities, such as our non-convertible debentures and subordinated debts carry fixed rates of interest and the remaining are linked to the respective banks' benchmark prime lending rate/base rate/marginal cost of lending. As of June 30, 2022, 86.05% and as of March 31, 2022, 85.03% of our borrowings were at fixed rates of interest. Moreover, we do not hedge our exposure to interest rate changes. We cannot assure you that we can adequately manage our interest rate risk in the future or can effectively balance the proportion of our fixed rate loan assets and liabilities. Further, changes in interest rates could affect the interest rates charged on interest earning assets and the interest rates paid on interest bearing liabilities in different ways. Thus, our results of operations could be affected by changes in interest rates and the timing of any re-pricing of our liabilities compared with the re-pricing of our assets.

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

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

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

There is increased competition from other lenders in the gold loan industry, including commercial banks and other NBFCs, who also have access to funding from customers' in the form of savings and current deposits. We rely on higher cost loans and debentures for our funding requirements, which could reduce our margins. Our ability to compete effectively will depend on our ability to raise low cost funding. If we are unable to compete effectively with other participants in the gold loan industry, our business, financial condition and results of operations may be adversely affected.

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

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

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

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

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

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

RBI vide the Master Directions has stipulated all NBFCs to maintain an LTV ratio not exceeding 75% for loans granted against the collateral of gold jewellery and further prohibits lending against bullion/primary gold and gold coins. This notification will limit our ability to provide loan on the collateral of gold jewellery and thereby putting us at a disadvantage vis-à-vis unregulated money lenders offering similar products. Further, RBI in the Master

Directions, has mandated NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets) to maintain a minimum Tier I Capital of 12%. Such restrictions imposed by RBI may erode our margins, impact our growth and business prospects.

RBI in the Master Directions has further tightened the norms for lending against the security of gold ornaments by pegging the maximum lendable value to preceding 30 day's average of the closing price of 22 carat gold as per the rate as quoted by the India Bullion and Jewellers Association Limited. Any such future restrictions by RBI could have a negative impact on our business and results of operation.

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

Our growth strategy includes growing our AUM, expanding network of branches and expanding the range of products and services. We cannot assure you that we will be able to execute our growth strategy successfully, or that we will be able to expand further our AUM. Furthermore, there may not be sufficient demand for our services, or they may not generate sufficient revenues relative to the costs associated with offering such services. Even if we were able to introduce new services successfully, there can be no assurance that we will be able to achieve our intended return on such investments. If we grow our AUM too rapidly or fail to make proper assessments of credit risks associated with borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

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

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

Our Company confirms that there were no modifications i.e., unmodified opinion given by M/s. Cheeran Varghese & Co, in their audit report for Fiscal 2020 and Fiscal 2021 and M/s. V K S Narayan & Co, the Statutory Auditors in the audit report for Fiscal 2022, except that there were certain Emphasis of Matter ("**EOM**") on (a) interest on loan taken from Chairman and its impacts on financial statements; (b) outbreak of Covid-19 pandemic and consequential lock down restrictions during the Fiscal 2020 and Fiscal 2021; EOM on (a) implementation of matters relating to Prudential norms and asset classification and (b) outbreak of Covid-19 pandemic and consequential lock down restrictions during the Fiscal 2022; and EOM on implementation of matters relating to Prudential norms and asset classification during three months period ended June 30, 2022. However, the said EOM did not lead to any modification/qualification. The auditors for the relevant years have included certain emphasis of matters in their respective reports on the audited standalone financial statements issued for three months period ended June 30, 2022, and the Fiscals 2022, 2021 and 2020. For details, please see "*Outstanding Litigations - Summary of reservations, qualifications, emphasis of matter or adverse remarks of auditors during the three months period ended June 30, 2022 and last three Fiscals immediately preceding the year of issue of this Draft Prospectus and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or emphasis of matter or adverse remarks".*

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

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

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

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

As of September 30, 2022, we had an outstanding debt (including interest on bank borrowings and excluding interest on debentures) of ₹ 25,038.89 lakh. We may incur additional indebtedness in the future. Many of our financing agreements include various restrictive conditions and covenants restricting certain corporate actions, and our Company is required to take the prior approval of the lender before carrying out such activities. For instance, our Company, *inter alia*, is required to obtain the prior written consent in the following instances:

- To declare/pay any dividend to the shareholders/stake holders
- For extending any guarantee for the credit facilities extended to the group/allied concerns
- To repay monies brought in by the promoters / directors/principal shareholders and friends and relatives by way of deposits / loans / advances
- Effect any change in the unit’s capital structure.
- Implement any scheme of expansion / modernization / diversification / renovation or acquire any fixed assets during any accounting year, except such schemes which have already been approved by banks.
- Formulate any scheme of amalgamation or reconstruction.
- Invest by way of share capital or lend or advance funds to or place deposits with any other concern, including sister / associate / family / subsidiary / group concerns. However, normal trade credit or security deposits in the normal course of business or advances to employees can be excluded.
- Enter into borrowing arrangements either secured or unsecured with any other bank, financial institution, company or person.
- Undertake guarantee obligations on behalf of any other company, firm, director or person.
- Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations.
- Effect any drastic change in their management setup .
- Effect any change in the remuneration payable to the Directors / partners, etc. either in the form of siting fees or otherwise.
- Pay guarantee commission to the guarantors whose guarantees have been stipulated / furnished for the credit limits sanctioned by the banks.
- Create any further charge, lien or encumbrance over the assets and properties of the unit/ guarantors to be charged / charged to the bank in favour of any other bank, financial institution, firm or person.
- Sell, assign, mortgage or otherwise dispose off any the fixed assets charged to the bank.
- Undertake any trading activity other than the sale of produce arising out of its own manufacturing / trading operations.
- Open any account with any other bank. If already opened, the details thereof is to be given immediately and confirmation to this effect given to the bank.
- Effect any change in promoter directors or in the core management team
- Undertake any expansion/ modernization/ diversification programme/new line of business or manufacture other than incurring routine capital expenditure.
- Revalue the fixed assets
- Change the accounting policies in regard to stock valuation, depreciation of fixed assets, payment of dividends etc.
- Declare dividend or distribute profits if any instalments of principal and/or interest remains unpaid in respect of the aforesaid loan and/or in arrear for a period of three months or more.
- Enter into any hire purchase or lease arrangement during the currency of the loan

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

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

As of September 30, 2022, 100% of our branches i.e., 161 branches are located in the southern states of Kerala, Tamil Nadu and Karnataka. For details, please refer to "*Our Business*" on page 86. As a result, we are exposed to risks including any change in policies relating to these states, any localised social unrest, any natural disaster and any event or development which could make business in such states less economically beneficial. Further, any disruption, disturbance or breakdown in these states could adversely affect the result of our business and operations. Our concentration in these southern states of India exposes us to adverse economic or political circumstances that may arise in that region as compared to other NBFCs and commercial banks that may have diversified national presence and may have an adverse effect on our business, market share and results of operations.

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

As on September 30, 2022, we have been sanctioned cash credit facilities of ₹ 2,500 lakh from State Bank of India and ₹ 500 lakh from Dhanlaxmi Bank. Further, we have been sanctioned term loans of ₹ 1,000 Lakh from Canara Bank. We may have difficulty in obtaining funding on acceptable terms from these or other lenders and other sources which we have not accessed so far. Any impairment of our relationship with any, or all, of our lenders or our inability to secure additional loans and renewal of existing facilities on favourable terms from such lenders in future may have a material adverse effect on our business, results of operations and financial condition.

15. ***Our gold loans are of tenors not exceeding 180 days, and a failure to disburse new loans may result in a reduction of AUM and a corresponding decline in interest income.***

The gold loans we offer are short term loans and are due within one year of disbursement typically ranging from 90 days to 180 days. The relatively short-term nature of our loans means that we are not assured of long-term interest income streams compared to businesses that offer loans with longer terms. In addition, our existing customers may not obtain new loans from us upon maturity of their existing loans, particularly if competition increases. The short-term nature of our loan products and the potential instability of our interest income could materially and adversely affect our results of operations and financial position.

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

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

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

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

18. If we are not able to control the level of non-performing assets in our portfolio, the overall quality of our loan portfolio may deteriorate, and our results of operations may be adversely affected.

We may not be successful in our efforts to improve collections and/or enforce the security interest on the gold collateral on existing as well as future non-performing assets. Moreover, as our loan portfolio increases, we may experience greater defaults in principal and/or interest repayments. Thus, if we are not able to control our level of non-performing assets, the overall quality of our loan portfolio may deteriorate, and our results of operations may be adversely affected. Our gross NPAs for the three months ended on June 30, 2022 was ₹ 320.45 lakh and for the financial year ended as on March 31, 2022, March 31, 2021, and March 31, 2020, were ₹ 383.85 lakh, ₹ 233.57 lakh and ₹ 97.75 lakh, respectively.

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

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

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

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

Individual borrowers typically are less financially resilient than larger corporate borrowers, and as a result, they are typically more adversely affected by declining economic conditions. In addition, a significant majority of our customer base belongs to various income groups. Furthermore, unlike many developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial information available about individuals, our focus customer segment of the various income groups. It is therefore difficult to carry out precise credit risk analysis on our customers. While we follow certain procedures to evaluate the credit profile of our customers before we sanction business and personal loans and we generally rely on the quality of the pledged gold for gold loans rather than on a stringent analysis of the credit profile of our customers. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to maintain sufficient credit assessment policies, particularly for individual borrowers, could adversely affect our loan portfolio, which could in turn have an adverse effect on our financial condition and results of operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As a NBFC-ND-NSI (NBFC-BL), our Company is required to maintain a leverage ratio-requirement of not more than 7 times on an ongoing basis. In addition, we are regulated by the RBI, and are subject to certain capital to risk weighted adequacy ratio (CRAR). The minimum capital requirement or capital to risk weighted adequacy ratio (CRAR) required to be maintained by us, as well as the respective capital to risk weighted adequacy ratio (CRAR) of us for three months period ended as on June 30, 2022 and financial year ended as on March 31, 2022 are as follows:

Category	Minimum capital requirement/ adequacy ratio Tier I*	Capital to risk weighted adequacy ratio (CRAR)	
		June 30, 2022	March 31, 2022
NBFC -BL	12%	24.33%	23.23%

** Being a gold loan NBFC, we have to maintain Tier I Capital of 12%. For further details, see "Our Business" on page 86.*

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

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

The cost and availability of capital is also dependent on our short term and long term credit ratings. CRISIL Ratings Limited *vide* their rating rationale letter dated August 25, 2022 reaffirmed the rating of our long term bank loans of ₹ 2,500 lakh as 'CRISIL BBB-/Stable' (outlook revised from 'Negative'). Further, our Company has received rating of 'CRISIL BBB-/Stable'('CRISIL Triple B minus with Stable outlook) by CRISIL Ratings Limited *vide* its letter dated August 25, 2022 for the NCDs proposed to be issued pursuant to this Issue. The outstanding ₹ 10,000 lakh non-convertible debentures issued on private placement basis are rated 'CRISIL BBB-/Stable' by CRISIL Ratings Limited *vide* their letter dated August 25, 2022. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to debt and bank lending markets and, as a result, would adversely affect our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement of financing arrangements. For details regarding ratings received by our Company, please refer to "*Our Business - Credit Rating"* on page 98 and "*Annexure II*" on page 234.

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

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

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

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

RBI guidelines prescribe the provisioning required in respect of our outstanding loan portfolio. These provisioning requirements may require us to reserve lower amounts than the provisioning requirements applicable to financial institutions and banks in other countries. The provisioning requirements may also require the exercise of subjective judgments of management. The RBI vide the Master Directions provides for the regulatory framework governing NBFCs pertaining to provisioning for standard assets. The requirement is to make a provision for standard assets at 0.25% of the outstanding.

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

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

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

As of June 30, 2022 and March 31, 2022, our microfinance AUM was ₹ 2,110.23 lakh and ₹ 3,063.61 lakh, respectively, representing 6.20 % and 8.63%, respectively, of our aggregate AUM as of such date. Our microfinance customers typically belong to low income households and are diverse in nature, which include customers involved in income generating business activities, with limited sources of income, savings and credit records, and are therefore unable to provide us with any collateral or security for their loans. Such customers are at times unable to or may not provide us with accurate information about themselves which is required by us in connection with loans.

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

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

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

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

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

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

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

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

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

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

Our Promoter and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding and debenture holding in our Company. We cannot assure you that our Promoter and the Directors will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter and the Directors may take actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details of Interest of our Directors, please refer to section titled "Our Management" on page 102.

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

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

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

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

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

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

For details regarding our related party transactions entered into by us during the previous three Fiscals, please refer to chapters titled "*Related Party Transactions*" on page 111 and "*Financial Statements*" beginning on page 112.

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

Our branches are required to be registered under the relevant shops and establishments laws and verifications under Standards of Weights and Measures Act, 1976 of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays, leave and overtime compensation. If we fail to obtain or retain any of these approvals, exemptions or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any conditions, our certificate of registration may be suspended or cancelled, and we may not be able to carry on such activities.

In addition, our employees are required to be registered under the provisions of certain labour laws such as the Employees' State Insurance Act, 1948, the Kerala Shops and Commercial Establishments Act, 1960, the Kerala Labour Welfare Fund Act, 1975, and the Employees Provident Fund and Miscellaneous Provisions Act, 1952. Our employees are eligible for Payment of Gratuity Act, 1972. We are also required to maintain certain records under the provisions of these laws, which add to our costs. If we are subject to penalties under these labour laws or if we do not obtain the requisite approvals, our business, financial condition and results of operations may be adversely affected.

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

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

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

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

As on September 30, 2022, we had 161 branches in 3 states. All the branches of our Company are on lease basis. If any of the owners of these premises does not renew an agreement under which we occupy the premises, attempts to evict us or seeks to renew an agreement on terms and conditions non-acceptable to us, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations.

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

42. ***We have certain contingent liabilities, which, if materialized, may adversely affect our financial condition.***

As of June 30, 2022, we had certain contingent liabilities not provided for, amounting to ₹ 137.57 lakh determined in accordance with our accounting policies as disclosed under our significant accounting policies and notes to the accounts. Further, the contingent liability of amounts disclosed in our Reformatted Financial Information represents estimates and assumptions of our management based on advice received. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected. For further information on such contingent liabilities, see "*Financial Information*" on page 112. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

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

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

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

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

RISKS PERTAINING TO THIS ISSUE

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

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

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

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors *inter alia* including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all.

Further, in case of NCDs, although our Company will create appropriate security in favour of the Debenture Trustee for the Debenture Holders to the Issue for the NCDs on the assets adequate to ensure 100.00% security cover on the outstanding amounts of the NCDs and interest thereon, the realisable value of the secured assets may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

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

In accordance with Indian law and practice, permission for listing and trading of the NCD issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issue of NCDs to be submitted. There could be a failure or delay in listing the NCDs in BSE.

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

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

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

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

49. 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.

50. ***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.

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

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending and for repayment of interest and principal of existing loans and also for general corporate purposes. For further details, see "*Objects of the Issue*" at page 46. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

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

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

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

While facts and other statistics in this Draft Prospectus relating to India, the Indian economy as well as the gold loan industry have been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials, particularly since there is limited publicly available information specific to the Gold Loan industry. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics, the same have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "*Industry Overview*" beginning on page 49. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

External Risk Factors

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

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

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

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

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

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

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. Further, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy thereby, adversely affecting our business.

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

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, our ability to raise financing for onward lending and the price of our NCDs.

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

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

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

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

SECTION III – INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated in Kerala on December 16, 2008 as a public limited company under the provisions of the Companies Act, 1956 as Chemmanur Credits and Investments Limited and received the certificate of commencement of business from the RoC on November 10, 2010. For further details about our Company, see "*History and Certain Other Corporate Matters*" on page 100.

Registration

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

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

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

Registrar of Companies

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

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

Registered Office

Mangalodhayam Building,
Round South, Thrissur - 680001, Kerala, India
Tel: 0487-6621200/2424010
Email: mail@chemmanurcredits.com
Website: www.chemmanurcredits.com

For further details regarding changes to our Registered Office, see "*History and Certain Other Corporate Matters*" on page 100.

Board of Directors

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

Name	Designation	DIN	Address
Chemmanur Devassykutty Boby	Chairman & Managing Director	00046095	Chemmanur House, Avenue Road, VTC, Thrissur – 680 005, Kerala India.
Lijo Moothedan	Non-Executive Director	00877403	Moothedan House, Villa No. 47B/ 48, Hilite Spingdale Velliparamba, Kuttikkattoor, Kozhikode – 673008, Kerala. India.
Smitha Boby	Non-Executive Director	00046059	270/AB/17, 45/46A, Hilite Springdale Villa, VTC: Kuttikatoor, P.O.: Velliparamba, Kozhikode – 673 008, Kerala, India.
Panamittath Madhavan Nair Rajagopal	Independent Director	07177470	H No 17-153A Vaikhari, Raman Kartha Road, Cheranellur, Ernakulam – 682 034 Kerala, India.
Edathole Habeebul Rahiman	Independent Director	06973269	Sanam, Naduvattam Beypore Kozhikode – 673 015, Kerala, India.

For further details of Directors of our Company, please see "*Our Management*" on page 102.

Chief Executive Officer

T K Thomas
Mangalodhayam Building,
Round South, Thrissur – 680 001, Kerala, India
E-mail: thomas.tk@chemmanurcredits.com
Tel: +91 487 6621200

Chief Financial Officer

Pramod M
Mangalodhayam Building,
Round South, Thrissur – 680 001, Kerala, India
Email: pramod@chemmanurcredits.com
Tel: +91 487 6621200

Company Secretary and Compliance Officer

Anju Thomas
Mangalodhayam Building,
Round South, Thrissur - 680001, Kerala, India
E-mail: cs@chemmanurcredits.com
Tel: +91 487 621200

All comments on this Draft Prospectus are to be forwarded to the attention of Anju Thomas, Company Secretary and Compliance Officer at the aforementioned address. Comments may be sent through email. However, please note that all comments by post must be received by the Issuer by 5:00 p.m. (Indian Standard Time) on the seventh Working Day from the date on which this Draft Prospectus is hosted on the website of the Stock Exchanges. All comments received on this Draft Prospectus will be suitably addressed prior to filing of the Prospectus with the RoC.

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

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

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

All grievances relating to ASBA process where the Application is submitted to a Member of Syndicate should be addressed to the Registrar to the Issue with a copy to the relevant Member of Syndicate and the relevant SCSB.

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

Lead Manager to the Issue

VIVRO

Vivro Financial Services Private Limited
607/608 Marathon Icon
Opposite Peninsula Corporate Park
Off. Ganpatrao Kadam Marg Veer Santaji Lane
Lower Parel, Mumbai – 400 013
Maharashtra, India
Tel: +91 22 4040 4242
Email: investors@vivro.net
Contact Person: Viral Shah/Kruti Saraiya
Website: www.vivro.net
SEBI Registration No.: INM000010122

Debenture Trustee

MITCON CREDENTIA
PARTNER WITH TRUSTED CREDENTIALS

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

MITCON Credentia Trusteeship Services Limited has by its letter dated November 24, 2022 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue.

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

Registrar to the Issue

KFINTECH
EXPERIENCE TRANSFORMATION

KFin Technologies Limited
Selenium Tower-B, Plot 31 & 32 Gachibowli
Financial District
Nanakramguda Serilingampally
Hyderabad – 500 032, Telangana, India
Telephone: +91 40 6716 2222
Facsimile: N.A.
Email: ccil.ncdipo@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221

Credit Rating Agency

CRISIL Ratings Limited
CRISIL House, Central Avenue
Hiranandani Business Park
Powai, Mumbai – 400 076
Tel: + 91 22 3342 3000
Email: crisilratingdesk@crisil.com
Website: www.crisil.com
Contact Person: Krishnan Sitaraman
SEBI Registration No: IN/CRA/001/1999

Legal Advisor to the Issue

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

Statutory Auditors

V K S Narayan & Co
Chartered Accountants
32/88 Thiruvambady Shoranur Road
Thrissur – 680 022, Kerala, India
Tel: +91 487 2334268 / 2323268
Email: vksncatcr@yahoo.co.in; vksncatcr@gmail.com
Website: NA
Firm Registration No.: 002399S
Contact Person: V Sajith - Partner

Banker to our Company

Canara Bank
1st Floor, Paramekkavu Building
Palace Road
Thrissur – 680 020, Kerala, India
Tel: +91 487 2331130
Email: cbl4550@canarabank.com
Website: www.canarabank.com
Contact Person: Renjith K S, Chief Manager

State Bank of India
SME Branch, State Bank Bhavan
Kovilakathumpadam, Thiruvambady PO
Thrissur – 680 022, Kerala, India
Tel: +91 487 2221005
Email: sbi.07479@sbi.co.in
Website: www.sbi.co.in
Contact Person: Siji S, Relationship Manager (SME)

Bankers to the Issue

Public Issue Account Bank/Sponsor Bank/Refund Bank

As specified in the Prospectus

Syndicate Member

As specified in the Prospectus

Designated Intermediaries

Self-Certified Syndicate Banks

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

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

Syndicate SCSB Branches

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

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

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

RTAs / CDPs

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

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI 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 www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the registered brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Arrangers/Guarantor to the Issue

There are no arrangers/guarantor to the Issue.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities, the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75% of the Base Issue i.e. ₹ 3,750.00 lakh within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount blocked shall be unblocked in the respective ASBA Accounts of each Applicant, within six Working Days from the date of closure of the Issue, provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within six Working Days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Credit Rating and Rationale

Our Company has received rating of CRISIL BBB-/Stable (pronounced as CRISIL triple B minus rating with Stable outlook) by CRISIL Ratings Limited *vide* its letter dated August 25, 2022, for the NCDs proposed to be issued pursuant to this Issue. The rating of the NCDs by CRISIL Ratings Limited indicates that the instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations and carry a moderate degree of risk. The rating given by CRISIL Ratings Limited is valid as on the date of this Draft Prospectus and shall remain valid on date of the issue and allotment of NCDs and the listing of the NCDs on BSE. The rating provided by CRISIL Ratings Limited may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. The rating is not a recommendation to buy, sell or hold securities. For the rating letter, rating rationale, and press release, see "*Annexure II*" on page 234.

Consents

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

Underwriting

This Issue is not underwritten.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds, please refer to "*Objects of the Issue*" on page 46.

Issue Programme

ISSUE OPENS ON	[●]
ISSUE CLOSES ON	[●]#

#The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a period of maximum 30 days from the date of the Prospectus) as may be decided by the Board of Directors of our Company ("Board") or the Debenture Committee, subject to relevant approvals. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in an English national daily newspaper and a regional newspaper in the state of Kerala, with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. on one Working Day post the Issue Closing Date. Further please note that Application (including Application under the UPI Mechanism) shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period as mentioned above by the (a) by the Designated Intermediaries at the Collection Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs as mentioned on the Application Form, except that on the Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange platform would be rejected.

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

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

CAPITAL STRUCTURE

1. Details of share capital

The share capital of our Company as on September 30, 2022 is set forth below:

Share Capital	(in ₹)
AUTHORISED SHARE CAPITAL	
8,00,00,000 Equity Shares of ₹ 10 each	80,00,00,000
2,00,000 Preference Shares of ₹ 1000 each	20,00,00,000
Total Authorised Share Capital	**100,00,00,000**
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
6,00,00,000 Equity Shares of ₹ 10 each fully paid up	60,00,00,000
Securities Premium Account	Nil

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

2. Issue size

Public issue by our Company of Secured, Redeemable Non-Convertible Debentures ("**NCDs**") amounting up to ₹5,000 lakh, with an option to retain over-subscription up to ₹5,000 lakh, aggregating up to ₹10,000 lakh, on the terms and in the manner set forth herein.

3. Details of change in authorised share capital of our company as on September 30, 2022, for last three years:

There have been no changes in the authorised share capital of our Company since last three years.

4. Changes in the Equity Share capital of our Company in the three years preceding September 30, 2022:

Date of Allotment	No of Equity Shares	Face value (₹)	Issue Price (₹)	Consideration (Cash, other cash, etc)	Nature for Allotment	Cumulative			Remarks
						No. of equity shares	Equity Share Capital (₹ in lakh)	Equity Share Premium (₹ in lakh)	
Nil									

5. **Shareholding pattern of our Company on September 30, 2022**

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of Locked in shares		No. of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class eg: Equity Shares	Class eg: y	Total								
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII) = (IV)+(V)+ (VI)**	**(VIII) As a % of (A+B+C2)**	**(IX)**				**(X)**	**(XI)= (VII)+(X) As a % of (A+B+C2)**	**(XII)**		**(XIII)**		**(XIV)**
(A)	Promoter & Promoter Group	6	5,16,32,800	Nil	NIL	5,16,32,800	86.05	5,16,32,800		5,16,32,800	86.05	Nil	86.05	Nil	Nil	Nil	Nil	5,15,77,800
(B)	Public	96	83,67,200	NIL	NIL	83,67,200	13.95	83,67,200		83,67,200	13.95	Nil	13.95	Nil	Nil	Nil	Nil	1,23,200
(C)	Non Promoter - Non Public											Nil					0	0
(C1)	Shares Underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C2)	Shares Held By Employee Trust	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	**102**	**6,00,00,000**	**Nil**	**Nil**	**6,00,00,000**	**100.00**	**6,00,00,000**		**6,00,00,000**	**100.00**	**Nil**	**100.00**	**Nil**				**5,17,01,000**

6. ***List of top 10 holders of Equity Shares of our Company as on September 30, 2022:***

Sr. No.	Name of the Shareholder	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	% of total number of Equity Shares
1	Chemmanur Devassykutty Boby	5,14,22,800	5,14,22,800	85.70
2	Chemmanur Gold Palace International Limited	70,00,000	-	11.67
3	Jayabharathi. K	90,000	-	0.15
4	Jose Chakkappan	55,000	-	0.09
5	Smitha Boby	55,000	55,000	0.09
6	Sumitha V G	55,000	-	0.09
7	Ramakrishnan Akkal	50,000	-	0.08
8	Kuriakose C P	40,000	40,000	0.07
9	Seshambal N S	40,000	-	0.07
10	Jisso C Baby	35,000	35,000	0.06

7. ***List of top 10 holders of non-convertible securities as on September 30, 2022 in terms of value (on cumulative basis):***

S. No.	Name of holders of non-convertible securities	Amount *(₹ in lakh)*	% of total subordinated debt outstanding
1.	Perviz Farrok Kaka	100.00	3.64%
2.	Prince S	50.00	1.82%
3.	Chitra K S	35.00	1.27%
4.	Jyothilekshmi T	32.00	1.17%
5.	K Ajay Vishnu	30.00	1.09%
6.	K Arun Vishnu	30.00	1.09%
7.	Attiyaril Mathai Mathew	30.00	1.09%
8.	Raveendranathan V	25.00	0.91%
9.	Rajitha Ravi	25.00	0.91%
10.	Anju M	23.00	0.84%

8. ***List of top 10 holders of subordinated debt as on September 30, 2022 in terms of value (on cumulative basis):***

S. No.	Name of holders of subordinated debt	Amount *(₹ in lakh)*	% of total Subordinated Debt outstanding
1.	Muralidhar K R	99.00	0.53%
2.	Siyaf M V	97.15	0.52%
3.	Siyak M V	77.25	0.42%
4.	John Abraham	76.60	0.41%
5.	Kala s	59.25	0.32%
6.	Simpson Pennamma Chacko	58.00	0.31%
7.	Devendra H G	55.50	0.30%
8.	Santhosh Kumar S	55.50	0.30%
9.	Swapna Sibu	53.10	0.29%
10.	Rajeswary Amma	51.00	0.27%

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

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

Sr. No.	Name of the Transferor	Name of the Transferee	Date of purchase/ transfer	Whether purchase/ transfer	Number of Equity Shares
1.	Roja P C	Chemmanur Devassykutty Boby	May 24, 2022	Transfer	10,000
2.	Sandeep T.A	Chemmanur Devassykutty Boby	July 26, 2022	Transfer	20.000
3.	P Santhosh	Chemmanur Devassykutty Boby	September 14, 2022	Transfer	10,000

10. ***Debt – Equity Ratio***

The debt-equity ratio of our Company, prior to this Issue is based on a total outstanding debt of ₹ 25,567.21 lakh and Shareholder funds amounting to ₹ 8,854.36 lakh as of June 30, 2022:

(₹ in lakh, except Debt/Equity ratio)

Particulars	**As on June 30, 2022**	
	Pre- Issue	**Post- Issue#**
Debt		
Debt Securities	4,334.55	14,334.55
Borrowings (other than Debt Securities)	21,232.66	21,232.66
Total Debts	**25,567.21**	**35,567.21**
Equity		
Equity Share Capital	6,000.00	6,000.00
Other Equity		
Special Reserve Fund	840.57	840.57
Securities Premium		
Retained Earnings	2,016.08	2,016.08
Other Comprehensive Income		
Less: Unamortized expenses of Public Issues, term loans, and other prepaid expenses	2.29	2.29
Total Equity	**8,854.36**	**8,854.36**
Debt/Equity	**2.89**	**4.02**

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

Notes:

1) *Short term borrowings represent borrowings which are due within twelve months.*
2) *Long term borrowings represent debts other than short term borrowings, as defined above, including current maturities of long-term borrowings.*
3) *The figures disclosed above are based on Reformatted Financial Statements of the Company for three months ended June 30, 2022 and for Financial Years ended March 2022, March 2021 and March 2020.*
4) *Debt / Equity Ratio= Total Debt (Borrowings) / Net worth*
5) *The Debt-equity ratio post the Issue is indicative and is on account of inflow of ₹ 10,000 lakh from the proposed public issue and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon actual position of debt and shareholders fund on the date of allotment.*
6) The following *events occurred between July 1, 2022 – November 25, 2022*
   i. *The Company from July 1, 2022 till November 25, 2022 have made the repayment of the term loans from Canara bank and State Bank of India amounting to ₹ 112.03 lakh and ₹ 12.01 lakh, respectively.*
   ii. *The Company from July 1, 2022 till November 25, 2022 has redeemed secured privately placed non-*

convertible debentures amounting to ₹ 2,286.80 lakh out of which ₹ 8.03 lakh pertains to non-convertible debentures which were earlier matured but remained unclaimed.

iii. *The Company from July 1, 2022 till November 25, 2022 has redeemed subordinated debt amounting to ₹ 1,478.05 lakh.*

iv. *The Company has raised funds through issuance of secured, redeemable privately placed non-convertible debentures amounting to ₹ 116.20 lakh.*

v. *The Company has raised funds through issuance of subordinated debt amounting to ₹ 2,557.70 lakh.*

11. Shareholding of Directors in our Company

The shareholding of the Directors in our Company as on September 30, 2022 is mentioned below:

Sr. No.	Name of Director	Number of Equity Shares
1.	Chemmanur Devassykutty Boby	5,14,22,800
2.	Smitha Boby	55,000
3.	Lijo Moothedan	35,000
4.	Panamittath Madhavan Nair Rajagopal	Nil
5.	Edathole Habeebul Rahiman	Nil

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

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

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

15. As on September 30, 2022, 5,17,01,000 Equity Shares of our Company having face value of ₹ 10 each are in dematerialised form.

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

17. 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.

18. Details of change in promoter holding in our Company during the last financial year beyond 26% (as prescribed by RBI) - Nil.

OBJECTS OF THE ISSUE

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

1. For the purpose of onward lending, financing, and for repayment/prepayment of principal and interest on borrowings of the Company; and

2. General corporate purposes.

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

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

(in ₹ lakh)

No.	Description	Amount
1.	Gross proceeds of the Issue	Upto 10,000.00
2.	(less) Issue related expenses*	[●]
3.	Net Proceeds*	[●]

** To be updated in the Prospectus*

Requirement of funds and Utilisation of Net Proceeds

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

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

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

For further details of our Company's outstanding indebtedness, see "*Financial Indebtedness*" on page 114.

Funding plan

Not applicable

Summary of the project appraisal report

Not applicable

Schedule of implementation of the project

Not applicable

Interests of Directors/Promoter

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

Interim Use of Proceeds

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

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. Our Board shall monitor the utilization of the proceeds of the Issue. For the relevant financial years commencing from financial year 2022-2023, our Company will disclose in our financial statements, the utilisation of the Net Proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue. Our Company shall utilise the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchange.

Variation in terms of contract or objects in this Draft Prospectus

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

Issue related expenses

The expenses for this Issue include, *inter alia*, Lead Manager's fees and selling commission to the Lead Manager, brokers' fees, fees payable to Debenture Trustee, the Registrar to the Issue, Sponsor Bank, SCSBs' commission/fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company. Our Company shall include the details of commission and processing fees payable to each intermediary and the timelines for payment, in this Draft Prospectus.

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

Activity	Amount* *(in ₹ lakh)*	Percentage of overall Issue Size* (%)
Fees to intermediaries (Lead Manager's fees, brokerage, rating agency, Registrar to the Issue, Sponsor Bank, legal advisor, Debenture Trustee, etc.)	[●]	[●]
Advertising and Marketing Expenses	[●]	[●]
Printing, Stationery and Distribution	[●]	[●]
Other Miscellaneous Expenses	[●]	[●]
Total	[●]	[●]

**To be updated in the Prospectus*

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 ₹ [●] 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 ₹ [●] 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 or the Group Companies of our Company.

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

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

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

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

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

Utilisation of Issue Proceeds

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

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

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

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

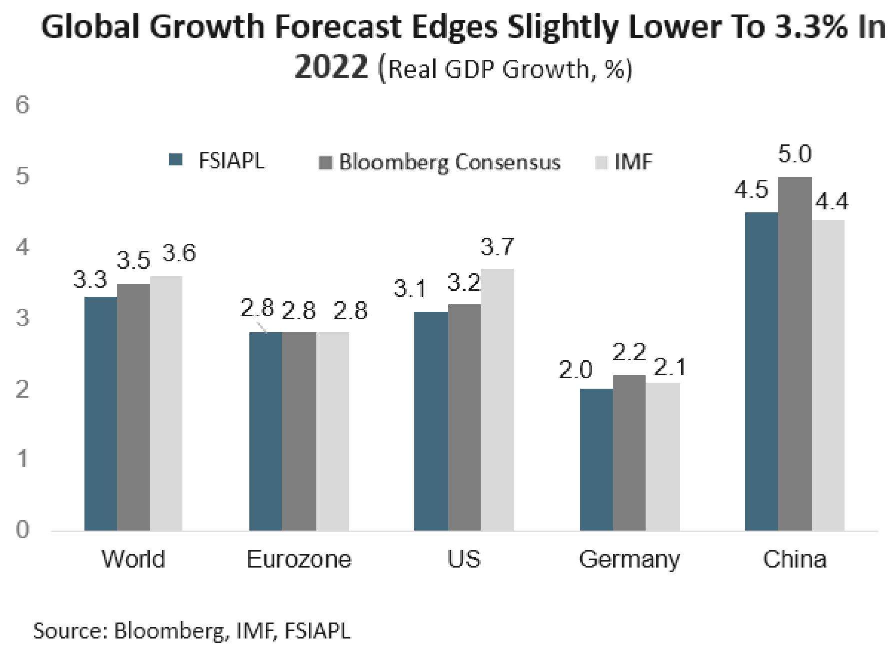
SECTION IV - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

1. OVERVIEW OF GLOBAL ECONOMY

The Global economy is severely impacted because of Russia's invasion of Ukraine; causing a tragic humanitarian crisis in Eastern Europe; and the sanctions aimed at pressuring Russia to end hostilities. Russia is a major supplier of oil, gas, and metals, and, together with Ukraine, of wheat and corn, the current and anticipated decline in the supply of these commodities has already driven their prices up sharply. Europe, Central Asia, Middle East and North Africa, and sub-Saharan Africa are most affected. The food and fuel price increases will hurt lower-income households globally, including in the Americas and Asia. A severe double-digit drop in GDP for Ukraine and a large contraction in Russia are more than likely, along with worldwide spillovers through commodity markets, trade, and financial channels.

Global economy was on a mending path but had not yet fully recovered from the COVID-19 pandemic, with a significant divergence between the economic recoveries of advanced economies and emerging market and developing ones. In addition to the war, frequent and wider-ranging lockdowns in China, including in key manufacturing hubs, have also slowed activity there and could cause new bottlenecks in global supply chains. Higher, broader, and more persistent price pressures have also led to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging.



Fitch Solutions India Advisory Pvt. Ltd. (FSIAPL) (erstwhile IRR Advisory Services Pvt. Ltd.) expects the Global economy to grow by 3.3% in 2022. At 3.3%, our forecast for global growth remains below the Bloomberg consensus estimate of 3.5% as well as the IMF's April 2022 forecast of 3.6%. FSIAPL's growth forecasts was driven primarily by Russia, Germany and China. Central banks continue to tighten policy and Developed Markets (DMs) are slowly catching up with Emerging Markets (EMs) tightening cycles. FSIAPL expects DM Central banks will start to move more quickly over the coming months and particularly in the US and the eurozone. FSIAPL now forecasts the US Federal Reserve will raise interest rates to 2.0% in 2022. In the eurozone, FSIAPL expects the European Central Bank will start to normalise monetary policy and hike interest rates in Q42022.

In China, growth is forecast at 4.5% as a result of lockdowns, which are now impacting about 40% of the Chinese economy. China's zero-Covid policy is unlikely to be eased in the short term and will compound the existing downside pressures stemming from the real estate market and the regulatory clampdown on various sectors, including technology. As a result of the downward revision to Chinese growth, Emerging Asia will no longer be the fastest growing region. It will be overtaken by the Middle East and North Africa, which is benefitting from elevated energy prices as well as prospects for the Iran nuclear deal, which saw FSIAPL revise up Iran's growth forecast from 3.8% to 7.8%.

An overview of the Global Macro Economic projections is given in the table below:

Global Macro Economic Forecasts (2019-2026)

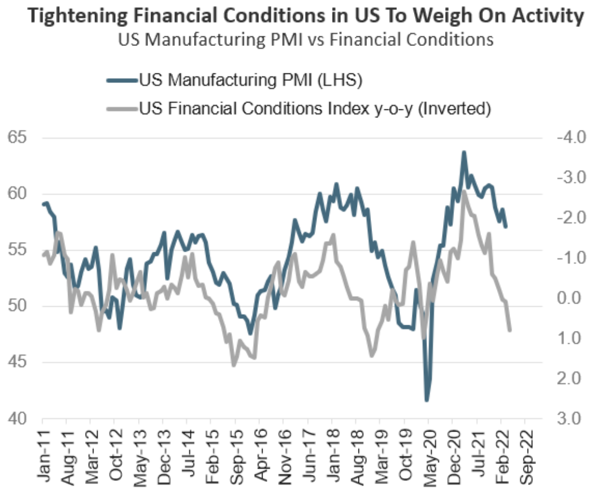
Name of the Country/ Economy	2019	2020	2021	2022f	2023f	2024f	2025f	2026f
Real GDP Growth (%)								
United States	2.3	-3.4	5.7	3.1	2.0	2.0	2.0	2.0
Eurozone	1.6	-6.3	5.4	2.8	2.4	2.0	1.7	1.7
Japan	-0.2	-4.5	1.7	2.3	1.3	1.0	1.0	0.9
China	6.0	2.3	8.1	4.5	5.5	5.4	5.3	5.2
India	6.5	4	-6.6	8.9	7.2	6.4	6.5	6.9
World	2.6	-3.2	5.8	3.3	3.2	3.1	3	3.0
Regionwise Real GDP Growth (%)								
Developed Markets	1.8	-4.4	5.2	3.1	2.1	2.0	1.9	1.9
Emerging Markets	3.7	-1.3	6.7	3.7	4.7	4.7	4.4	4.4
Asia Ex-Japan	5.4	0.3	7.5	5	5.6	5.5	5.4	5.4
Latin America	0.8	-6.6	6.6	1.9	2.2	2.4	2.4	2.5
Emerging Europe	2.9	-2.1	6.2	-3.9	3.5	3.8	2.7	2.3
Sub-Saharan Africa	2.8	-1.9	4.2	3	3.6	3.5	3.6	3.9
Middle East & North Africa	0.3	-3.0	4.2	5.6	4.0	3.7	3.6	3.6
Consumer Inflation (avg)								
United States	1.8	1.2	4.7	6.5	2.5	2.2	2.1	2.2
Eurozone	1.2	0.3	2.6	6.5	2.3	2.0	2.0	2.0
Japan	0.5	0.0	-0.3	0.4	0.8	1.0	1.0	1.0
China	2.9	2.5	0.9	2.7	3.1	2.3	2.3	2.3
India	3.4	4.8	6.2	6.7	5.7	4.8	4.0	4.0
World	2.9	2.8	4.4	6.6	3.9	2.9	2.8	2.8
Interest rates (%)								
Fed Funds Rate	1.75	0.25	0.25	2.00	2.50	2.50	2.50	2.50
ECB Refinancing Rate	0.00	0.00	0.00	0.00	0.75	0.75	1.25	1.25
Japan Overnight Call Rate	-0.10	-0.10	-0.10	-0.10	-0.10	0.00	0.00	0.00
Exchange Rates (avg)								
Eurozone - USD/EUR	1.12	1.14	1.18	1.13	1.16	1.20	1.23	1.24
Japan - JPY/USD	109	106	104	116	117	117	114	114
China - CNY/USD	6.91	6.90	6.45	6.40	6.55	6.68	6.72	6.74
India - INR/USD	70.4	74.10	73.9	78.0	80.0	82.0	84.0	84.0
Oil Prices (avg)								
OPEC Basket (USD/bbl)	64.04	41.47	69.89	113.00	105.00	93.00	87.00	87.00
Brent Crude (USD/bbl)	64.16	43.21	70.95	115.00	110.00	95.00	88.00	88.00

**f=forecasted*
Source – Bloomberg, National Sources, FSIAPL

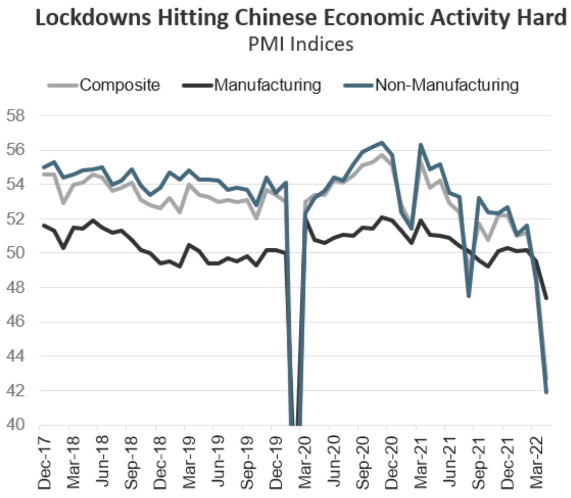
US: Fed to hike interest rates in 2022

The Federal Reserve said it would increase its benchmark rate by three quarters of a percentage point, pushing its target range from 1.5% to 1.75% - the highest level since 2019.

Higher inflation prints, more hawkish messaging by the Fed and continued labour market strength are the main factors behind a faster pace of monetary tightening. FSIAPL expects the US Fed to hike interest rates by a further 150-175 basis points, bringing the Fed Funds rate to 3.0-3.5% by the end of December 2022. Inflation accelerated to 8.6% y-o-y in May 2022 from 8.5% in March 2022. U.S. economy added 390,000 jobs in May 2022, with the unemployment rate holding steady at 3.6% for a third straight month. Moreover, FSIAPL continues to see upside risks to the inflation outlook owing to elevated commodity prices and the ongoing lockdowns in China, which could lead to a slower-than-expected decline in inflation. The Fed has continued to become more hawkish, with an increasing number of Fed Governors calling a faster move towards the 'neutral rate' which they estimate sits between 2.5% and 3.5%. Federal Reserve Bank of St. Louis President James Bullard is among the most hawkish members of the Federal Open Market Committee (FOMC) and has continued to advocate for a much faster pace of tightening. Unless there is a sharp decline in energy and commodity prices, or a large negative growth shock, FSIAPL expects Fed officials will look to front-load hikes and vote for a 50bps hike in the next meeting in order to anchor inflation expectations.



Source: Bloomberg, FSIAPL

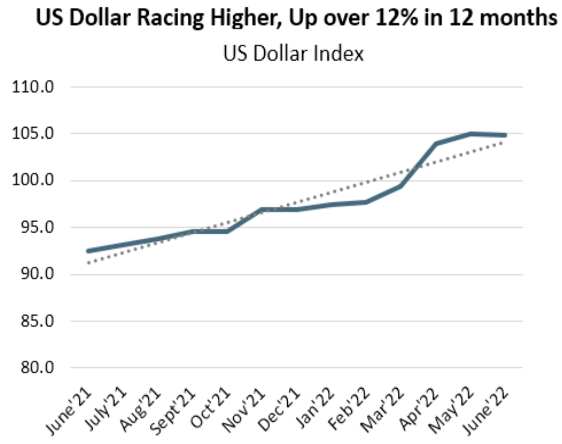


Source: Bloomberg, FSIAPL

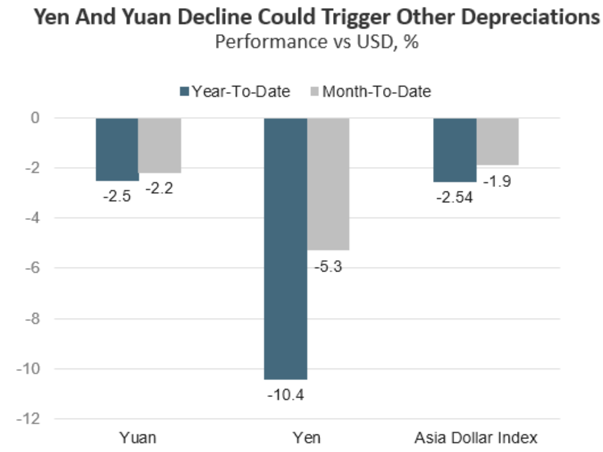
The strength in the labour market continues to surprise, with the US economy adding 3,90,000 jobs in May 2022 and the unemployment rate holding steady at 3.6%. FSIAPL expects the unemployment rate to continue to edge lower over the coming months given the still-high level of job openings (11.4mn in April).

Currency risks starting to emerge

Not all Central Banks are hiking interest rates, and a divergence in monetary policy has been causing significant shifts in currency markets, particularly for the Japanese yen and the Chinese yuan. The Bank of Japan's decision to continue controlling its yield curve has seen spreads between US and Japanese bond yields widen sharply and has put significant downside pressure on the yen. The yen has declined to a 24-year low of ¥135.17 against the dollar. Similarly, as a result of the weakening growth outlook in China, the People's Bank of China has continued to ease monetary policy, which has also led to a narrowing of yield spreads with the US. As a result, the yuan has weakened to 6.75 against US dollar in June 2022. Rising volatility in the yuan could start to put additional pressure on emerging market currencies more broadly, while the combination of yen and yuan weakness could increase Asian policymakers' appetite to engage in a 'competitive depreciation' of their currencies in a bid to offset a loss of competitiveness.



Source: Bloomberg, FSIAPL



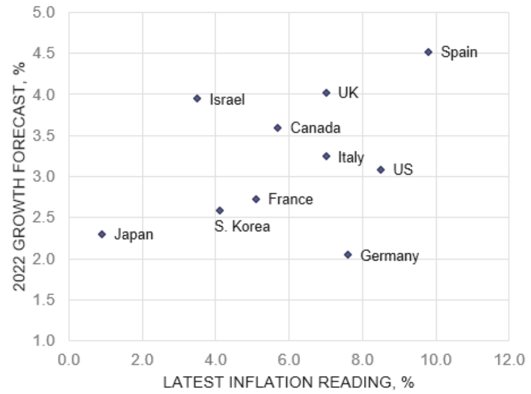
Source: Bloomberg, FSIAPL

Developed Markets: Stagflation risks are rising, lower growth ahead

Developed markets (DMs) are facing rising stagflation risks as energy prices surge, weighing on companies and consumers via higher inflation and weaker demand. Worsening consumer sentiment, weakening purchasing power and hawkish central banks could combine to push some DMs into a period of low (or even negative) growth at a time when they are experiencing multi-decade high inflation readings.

At the country level, FSIAPL has cut out 2022 forecast for Germany and Italy to 2.0% and 3.2%. FSIAPL has also revised down the growth projections for the US (3.5% to 3.1%), the UK (4.6% to 4.0%), France (3.6% to 2.7%) and Spain (5.4% to 4.5%). Among other major DMs, FSIAPL forecasts lower growth in Japan (2.5% to 2.3%) and South Korea (3.3% to 2.6%).
Consumer confidence is key to shaping turning points in business cycles, as consumers tend to reduce spending when their confidence in the economy is eroded, with negative growth implications. Looking at the major DMs, French consumers have grown to be the most pessimistic among peers since the start of the Russia-Ukraine conflict, followed by Italian, German and Canadian consumers. By contrast, US and Japanese consumers are only moderately pessimistic than they were before the war in Ukraine started. In particular, nominal wages have been struggling to keep up with inflation in Italy and Canada, followed by the US and Germany.

Germany At Risk Of High Inflation And Stagnant Growth
Developed Markets Growth vs Inflation, %

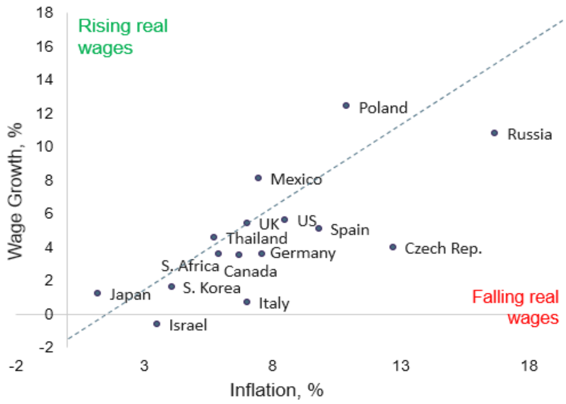


Source: Bloomberg, FSIAPL

Available wage data show that, despite a tight labour market, inflation continues to outpace nominal wage growth, leading to negative real wage growth. In particular, nominal wages have been struggling to keep up with inflation in Italy and Canada, followed by the US and Germany. In Italy, for example, nominal wages rose by 0.7% y-o-y in February 2022, but in real terms they contracted by 3.2% in the same month, while in Canada real wages declined by 2.6%.

Governments have been implementing measures to (partially) offset the impact of elevated energy prices on consumers. In the eurozone, for example, governments have announced measures totaling between 1.0% and 1.5% of national GDP that have included subsidies to households and business, as well as price caps and cuts to fuel duty. More measures are likely to follow as strong nominal growth has seen tax revenues soar, while creating additional fiscal space.

Wages Are Rising, But Still Low Relative To Inflation
(Nominal Wages & Inflation, % y-o-y)



Source: Bloomberg, IMF, FSIAPL

Emerging Markets: Ukraine crisis prompts recession risks in vulnerable emerging markets

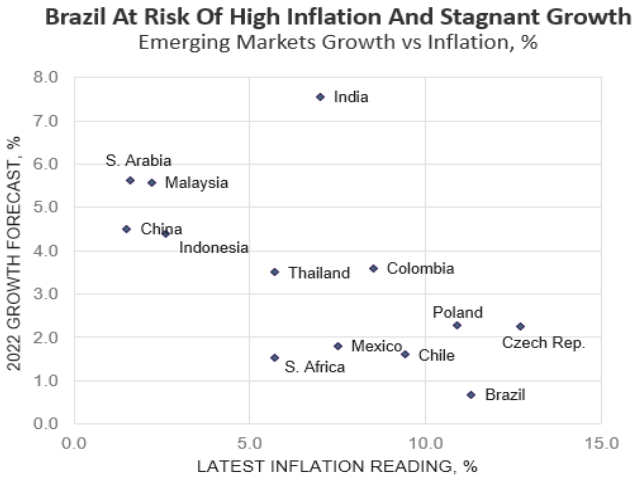
While most major emerging markets (EMs) have few direct trade or investment links to Russia or Ukraine, Moscow's invasion will still create significant economic headwinds. FSIAPL expects that the war will result in a period of high food and fuel prices, which will add to elevated inflation and put pressure on balance of payments positions. EM growth is forecasted at 3.7%, and it is believed that risks are weighted to the downside. There are a few EMs that entered 2022 with less momentum and which could be pushed into technical recessions as they are hit by a combination of aggressive monetary tightening, adverse terms of trade and weakening sentiment. For example, in Thailand, South Africa, Brazil, Sri Lanka and Mexico output rose by less than 2.0% y-o-y in the final quarter of 2021. In Thailand and Sri Lanka, activity had already fallen in Q32021.

Even before the Russia-Ukraine war, Sri Lanka was facing a painful economic crunch as a result of balance of payments strains and a shortage of foreign exchange. The economy is facing mounting economic headwinds resulting from an acute shortage of foreign currency, rising inflation and tightening financing conditions. Moreover, the authorities have temporarily halted outstanding debt repayments according to reports by Bloomberg, and this will also dent investor sentiment. These multiple headwinds will weigh on the major sectors of the economy and result in a contraction in output of 0.5% in 2022.

The impact of higher commodity prices on South Africa will be more mixed; the country is a major exporter of coal, iron ore and platinum group metals. However, higher food and fuel prices will hit consumer spending and we forecast that the South African Reserve Bank will hike its key policy rate from 4.25% to 5.25% by the end of the year.

In Brazil, FSIAPL expects growth of just 0.7% in 2022 as the economy faces elevated inflation, increased political risk surrounding the October presidential election and the effects of aggressive monetary policy tightening. Policymakers have already raised the selic rate by 975 basis points since Q12021 and FSIAPL expects that they will raise their key rate from 11.75% to 13.25% by the end of 2022. This raises the risk of a technical recession at some point in 2022.

In Mexico, the economy contracted by 0.7% q-o-q in Q32021, and activity stagnated in Q42021. Preliminary figures suggested that output fell in Q42021; the economy only dodged a technical recession when the final figures were updated. FSIAPL expects that the economy will continue to struggle in 2022, posting growth of just 1.8% as a result of slower US demand and an aggressive tightening cycle by the central bank.



Source: Bloomberg, FSIAPL

The way ahead

The adverse consequences from the current geopolitical conflict are a reminder of the importance of global cooperation. This extends from addressing the immediate needs of war refugees to the eventual great effort to rebuild Ukraine. Multilateral institutions offer a critical safety net, providing emergency liquidity and preventing crises from spreading. On climate, advanced economies must make real progress toward their COP26 climate summit pledges. And as the pandemic is not yet over, Governments must use all tools at their disposal to combat the virus, both by meeting vaccination targets and by ensuring equitable access to tests and treatment.

2. OVERVIEW OF INDIAN ECONOMY

India, the world's third largest economy in terms of its PPP (purchasing power parity) with population of over 1.3 billion (bn) has witnessed significant economic growth since the country was liberalized in early 1990s. Industrial deregulation, divestment of state-owned enterprises, reduced governmental controls on foreign trade and investment, served to accelerate the country's growth and India has been one of the leading growing economies, posting an average of 7.0% Gross Domestic Product (GDP) growth since beginning of this millennium. However, India's GDP growth rate has seen a downward trend over the past few quarters since Q1FY19, which has been further exacerbated by the coronavirus pandemic. Economic loss for India due to COVID-19 in FY21 is estimated to be INR18.4tn. The Russian invasion of Ukraine has further led to higher oil prices and supply disruptions, pushing up prices of commodities and further raising the inflation rate in India.

Gross Domestic Product (GDP)

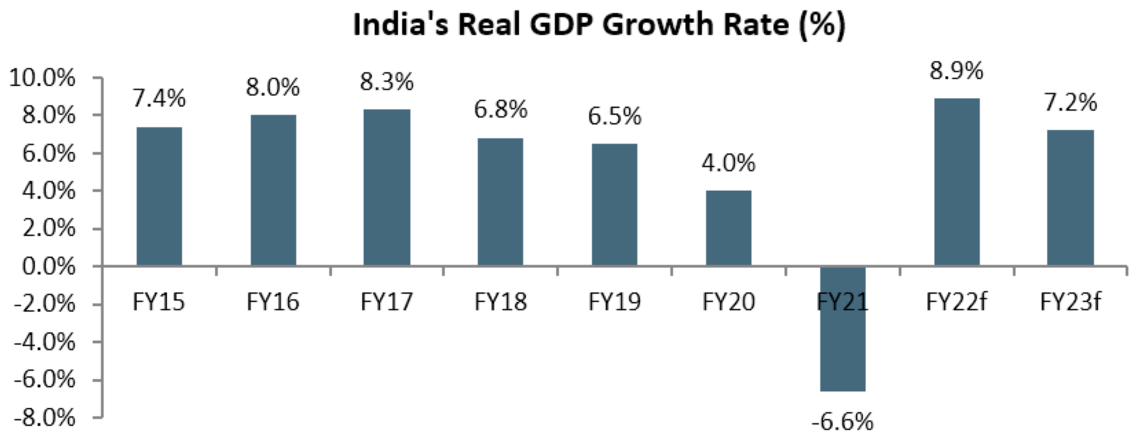
The disruption caused by the COVID-19 pandemic unfolded with such a speed and scale that the disruption of production, breakdown of supply chains/ trade channels and total wash out of economic activities in certain sectors – e.g. aviation, tourism, hotels and hospitality – did not allow the economic activity to become normal throughout FY21. According to NSO data, the size of the Indian economy in FY21 was INR135.6 trillion at 2011-12 constant prices. It grew to INR147.7tn at 2011-12 constant prices in FY22 as per NSO's 2nd Advanced Estimate of National Income 2021-22.

Components of Gross Domestic Product

(Base Year : 2011-12) Constant Prices							(Amount in INR Trillion)
Items/Year	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21 (1st RE)**	**2021-22 (2nd AE)**
Private Final Consumption Expenditure	63.8	69.0	73.3	78.8	82.6	77.6	83.6
Government Final Consumption Expenditure	11.3	12.0	13.4	14.3	14.8	15.4	16.1
Gross Fixed Capital Formation	34.9	37.9	40.8	44.9	46.1	41.3	47.3
Changes in Stocks	2.4	1.2	2.1	2.6	1.1	-0.1	1.9
Valuables	1.9	1.5	2.1	1.9	1.6	2.1	3.4
Exports of Goods and Services	23.7	24.9	26.0	29.2	28.1	25.5	30.9
Import of Goods and Services	25.1	26.2	30.8	33.4	33.2	28.6	37.2
Discrepancies	0.8	2.8	4.4	1.7	4.0	2.4	1.7
Gross Domestic Product	**113.7**	**123.1**	**131.4**	**140.0**	**145.2**	**135.6**	**147.7**
(Base Year : 2011-12) Current Prices							(Amount in INR Trillion)
Items/Year	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21 (1st RE)**	**2021-22 (2nd AE)**
Private Final Consumption Expenditure	81.3	91.3	100.4	112.2	122.4	120.3	140.2
Government Final Consumption Expenditure	14.4	15.9	18.4	20.4	22.0	23.9	26.9
Gross Fixed Capital Formation	39.6	43.4	48.2	55.1	57.4	52.6	67.0
Changes in Stocks	2.6	1.4	2.4	3.2	1.3	-0.1	2.2
Valuables	2.0	1.7	2.4	2.3	1.9	2.7	4.6
Exports of Goods and Services	27.3	29.5	32.1	37.7	37.5	37.0	49.2
Import of Goods and Services	30.4	32.2	37.5	44.7	42.7	37.8	54.1
Discrepancies	1.0	3.1	4.6	2.7	0.9	-0.7	0.4
Gross Domestic Product	**137.7**	**153.9**	**170.9**	**188.9**	**200.7**	**198.0**	**236.4**

RE - Revised estimate, AE - Advanced Estimate
Source - NSO, MOSPI, RBI, FSIAPL

Private final consumption expenditure (PFCE) had registered a contraction for the first time in FY21 in the past four decades. PFCE picked up and grew by 7.6% in FY22. Government final consumption expenditure (GFCE) continued to provide support to aggregate demand; however, its contribution waned in FY21 and FY22 as stress mounted on government finances. Gross fixed capital formation (GFCF) recorded a contraction in FY21, primarily due to prevailing uncertainty and the imposition of lockdown. However, GFCF grew by 14.5% in FY22 owing to opening up of the economy. There was a marked expansion in the external sector in FY22; with imports increasing sharper than exports, overall net exports made a positive contribution to aggregate demand.

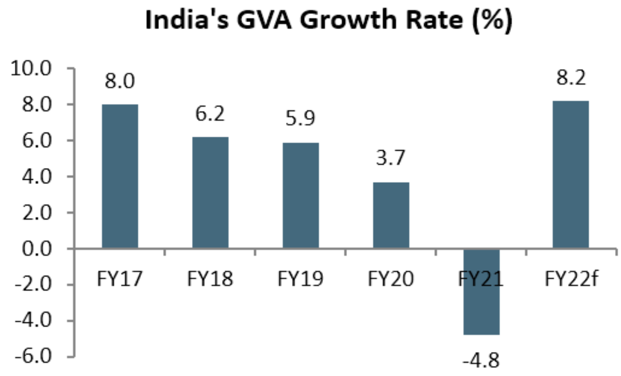


**f=forecasted*
Source: NSO, RBI, FSIAPL

FSIAPL expects GDP to grow 7.2% y-o-y in FY23. After a gap of two years, the Indian economy will show a meaningful expansion as the real GDP in FY23 will be 9.1% higher than the FY20 (pre-COVID level) GDP level. Despite a meaningful recovery the size of the Indian economy in FY23 will be 10.2% lower than the FY23 GDP trend value.

Gross Value Added (GVA)

Gross value added (GVA) is the measure of the value of goods and services produced in an economy. GVA at basic prices, grew by 8.2% in FY22, after contracting 4.8% in FY21. The deceleration in GVA growth in FY21 was underpinned by a contraction in the industrial and the services sectors. While industrial GVA, driven by its largest constituent – manufacturing – moved out of contraction in Q3FY21, after having registered contraction in the preceding five quarters, the resilience of the agricultural sector provided a floor to the contraction in aggregate supply. GVA by agriculture and allied activities registered a growth of 3.4% in FY22, with record production in food grains. This was the only sector which remained in expansion zone in FY21, resulting in an increase in the share of agriculture in overall GVA by 1.5% to 16.3%.



**f=forecasted*
Source: NSO, RBI, FSIAPL

Components of Gross Value Added

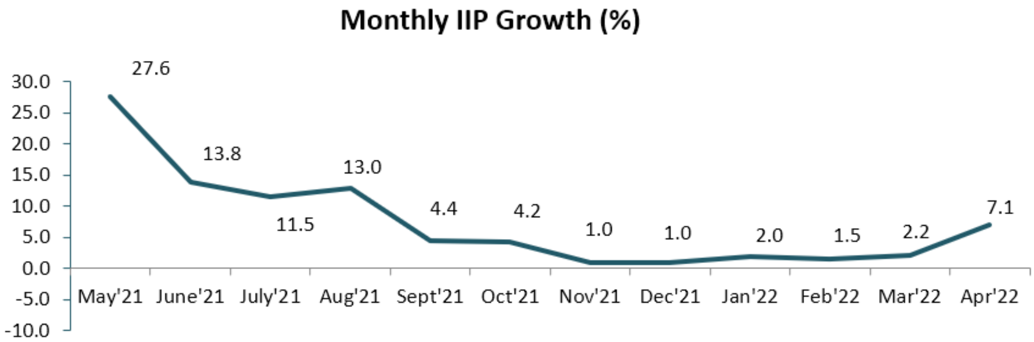
GVA at Basic Prices (Base Year : 2011-12) Constant Prices						(Amount in INR Trillion)	
Items/Year	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21 (1st RE)**	**2021-22 (2nd AE)**
Agriculture, Forestry and Fishing	16.2	17.3	18.4	18.9	19.8	20.5	21.2
Industry	24.5	26.5	28.1	29.5	28.9	27.1	28.2
Mining & Quarrying	3.2	3.5	3.3	3.3	3.2	2.9	3.3
Manufacturing	19.0	20.5	22.1	23.3	22.6	22.5	24.8
Electricity, Gas, Water Supply & Other Utility Services	2.2	2.5	2.7	2.9	3.0	2.9	3.1
Services	64.3	69.5	73.8	79.1	84.1	77.1	10.6
Construction	8.7	9.2	9.6	10.3	10.4	9.6	10.3
Trade, Hotels, Transport, Communication and Services Related to Broadcasting	19.9	21.5	23.7	25.4	26.9	21.5	24.0
Financial, Real Estate & Professional Services	22.9	24.9	25.4	27.2	28.9	29.6	30.9
Public Administration, Defence and Other Services	12.8	14.0	15.1	16.2	17.3	16.3	18.4
GVA at Basic Prices	**104.9**	**113.3**	**120.3**	**127.4**	**132.2**	**125.9**	**136.2**
GVA at Basic Prices (Base Year : 2011-12) Current Prices							**(Amount in INR Trillion)**
Items/Year	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21 (1st RE)**	**2021-22 (2nd AE)**
Agriculture, Forestry and Fishing	22.3	25.2	28.3	30.2	33.6	36.1	39.6
Industry	27.8	30.2	33.3	36.3	35.5	33.6	36.2
Mining & Quarrying	2.9	3.3	3.4	3.8	3.6	3.2	5.2
Manufacturing	21.5	23.3	25.7	28.1	27.0	27.1	33.3
Electricity, Gas, Water Supply & Other Utility Services	3.3	3.6	4.3	4.5	5.0	5.1	5.7
Services	75.7	84.3	93.5	105.1	115.2	109.4	113.4
Construction	9.9	10.8	12.0	13.5	13.7	13.1	17.0
Trade, Hotels, Transport, Communication and Services Related to Broadcasting	22.9	25.4	28.8	32.0	34.8	28.7	35.4
Financial, Real Estate & Professional Services	26.3	29.1	31.3	35.4	38.9	40.5	45.6
Public Administration, Defence and Other Services	16.6	19.0	21.4	24.2	27.0	26.8	31.7
GVA at Basic Prices	**125.7**	**139.7**	**155.1**	**171.6**	**183.6**	**180.6**	**213.6**

RE - Revised estimate, AE - Advanced Estimate
Source - NSO, MOSPI, RBI, FSIAPL

Sector-wise GVA trend estimates for the services show that realised growth in FY22 was below trend growth for trade, hotels, transport, communications and services relating to broadcasting and financial, real estate and professional services. In FY21, COVID-19 brought major services activities to a near halt and the sector contracted in a broad-based manner by 24.8% in Q1FY21 and 10.9% in Q2FY21, but in Q3FY21, services sector output returned broadly to its level a year ago. Domestic trading activities, railway freight traffic, port cargo, construction activities, and automobiles sales indicators for Q4FY21 suggested improvement in services sector.

Industrial Growth trends

The Index of Industrial Production (IIP) is a composite indicator that measures the short-term changes in the volume of production of a basket of industrial products during a given period with respect to that in a chosen base period. GVA growth in industry contracted sharply on a y-o-y basis by 7.4% in FY21. This is the fifth year of sequential deceleration, including two successive years of contraction in the industrial sector. During Q1FY21, industrial activity plummeted sharply, registering a contraction of 31.1%. The turnaround in industrial activity since then has been volatile. IIP data show that the contraction was severe in case of consumer durables and capital goods, as consumers shunned discretionary expenditure while firms curbed investment. Cumulatively, the IIP declined by 8.6% in FY21. At the sub-sectoral level, however, electricity, gas, water supply and other utility services recorded a growth of 1.8% in GVA.



Source: MOSPI, FSIAPL

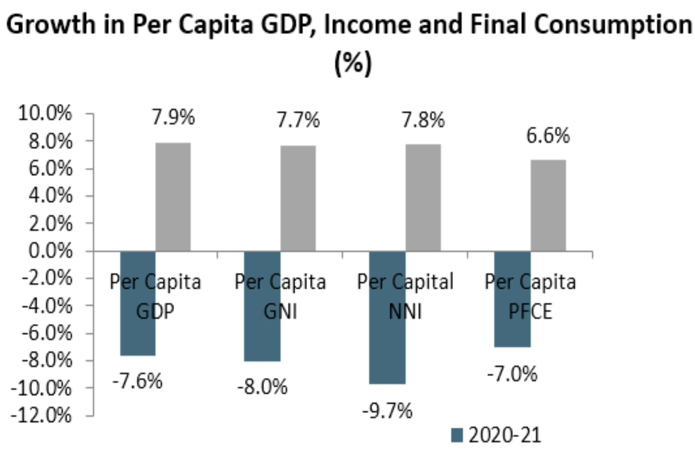
India's industrial production (IIP) for the month of March 2022 showed a dismal performance and grew at 1.9%. At the broad-based level, the output of manufacturing, the largest component of IIP, grew at 0.9% and mining and electricity at 4.0% and 6.1% respectively in March 2022. At the use-based classification, four segments namely primary goods (5.7%), capital goods (0.7%), intermediate goods (0.6%) and infrastructure goods (7.3%) witnessed positive growth in March 2022, but both consumer durables and non-durables recorded negative growth of 3.2% and 5.0%. The pattern of growth across used based classification suggest that weak consumption demand is likely to witness more headwinds in the coming months from high inflation and reversal of interest rate cycle, but the demand for infrastructure goods may continue due to the sustained government capex spending.

Per Capita GDP, Income and Final Consumption

India's per capita gross domestic product (GDP) dropped by 7.6% to INR1,00,032 in 2020-21, while it increased by 7.9% to INR1,07,934 in 2021-22. Per Capita Gross National Income (GNI) dropped by 8.0% in 2020-21; whereas it increased by 7.7% to INR1,06,217 in 2021-22. The per capita private final consumption expenditure (PFCE), that represents consumer spending, dropped by 7.0% in 2020-21; while it increased by 6.6% to INR61,054 in 2021-22.

Indian Economic Outlook FY23

An overview of the India's Macro Economic projections is given in the table below:



Source: NSO, MOSPI, FSIAPL

India - Economic Outlook FY23 (% change)	FY16	FY17	FY18	FY19	FY20	FY21	FY22f	FY23f
Gross value added at FY12 prices	8.0	8.0	6.2	5.9	4.1	-4.8	8.3	6.7
- Agriculture	0.6	6.8	6.6	2.6	4.3	3.3	3.0	3.0
- Industry	9.6	7.7	5.9	5.3	-1.2	-3.3	10.0	5.6
- Services	9.4	8.5	6.3	7.2	7.2	-7.8	9	8.3
Real GDP	8.0	8.3	6.8	6.5	4.0	-6.6	8.9	7.2
- Private final consumption expenditure (PFCE)	7.9	8.1	6.2	7.6	5.5	-6.0	8.2	8.1
- Government final consumption expenditure (GFCE)	7.5	6.1	11.9	6.3	7.9	3.6	4.3	7.8
- Gross fixed capital formation (GFCF)	6.5	8.5	7.8	9.9	5.4	-10.4	17.5	8.8
Nominal GDP	10.5	11.8	11.1	10.5	7.8	-1.4	18.7	13.2
Average wholesale inflation	-3.7	1.7	2.9	4.3	1.7	1.3	11.9	6.7
Average retail inflation	4.9	4.5	3.6	3.4	4.8	6.2	5.5	5.8
Year-end interest rate (10-yr G-sec)	7.5	6.7	7.4	7.5	6.1	6.2	6.5-6.6	6.9-7.0
Average exchange rate (INR/USD)	65.5	67.1	64.5	69.9	70.9	74.2	74.5	77.6
Fiscal deficit (central government, % of GDP)	3.9	3.5	3.5	3.4	4.6	9.3	6.6	6.7
Current account deficit (% of GDP)	1.1	0.6	1.8	2.1	0.9	-0.9	2.1	2.8

Source: Union Budget, NSO, RBI, FSIAPL

FSIAPL expects GDP to grow 7.2% y-o-y in FY23. Consumption demand as measured by private final consumption expenditure (PFCE) has been subdued in FY22, despite sales of select consumer durables showing some signs of revival during the festive season. Although the January 2022 round of Reserve Bank of India's (RBI) Consumer Confidence Survey shows that Current Situation Index increased marginally on the back of better sentiments with respect to the general economic situation, it continues to be in the pessimistic zone. The Expectations Index, which captures one year ahead outlook, moderated due to the surge in COVID-19 infection cases in January 2022. Household sentiments on non-essential/ discretionary spending continue to be subdued. As the consumer sentiment is likely to witness a further dent due to the Russia-Ukraine conflict leading to rising commodity prices/consumer inflation, FSIAPL expects PFCE to grow at 8.1% in FY23.

After PFCE, investment demand as measured by the gross fixed capita formation (GFCF) is the second-largest component (27.1%) of GDP from the demand side. Private capex by large corporates, which has been down and out over the past several years, had shown some promise lately in view of the roll-out of the Production-linked Incentive Scheme and increased manufacturing sector capacity utilisation driven by higher exports. However, FSIAPL expects the surge in commodity prices and disruptions in global supply chain caused by the Russia-Ukraine conflict to take a toll on their sentiments and there is a likelihood that this capex may get deferred till more clarity emerges with respect to the conflict. Government capex, however, is unlikely to be dented. By scaling up the capex to GDP ratio for FY22 to 2.6% and budgeting the capex at 2.9% of GDP for FY23, the government has been showing its resolve to do the heavy lifting. FSIAPL therefore believes that the overall GFCF growth will not be impacted much and it will grow at 8.8% in FY23.

A 10% y-o-y increase in petroleum product prices without factoring in currency depreciation is expected to push up Consumer Price Index inflation by 42bp and Wholesale Price Index inflation by 104bp. Similarly, a 10% y-o-y increase in sunflower oil without factoring in currency depreciation is expected to push Consumer Price Index inflation by 12.6bp and Wholesale Price Index inflation by 2.48bp. Both these events could increase the retail and wholesale inflation by 55bp and 109bp, respectively.

Retail prices of petrol and diesel were on hold since early-November 2021. However, they have begun to inch up from March 2022 almost on a daily basis. Therefore, FSIAPL estimates retail inflation to average 5.8% - 6.0% in FY23. Due to a higher import bill for items such as mineral fuels & oils, gems & jewellery, edible oils and fertilisers, FSIAPL expects the current account deficit to come in at 2.8% of GDP.

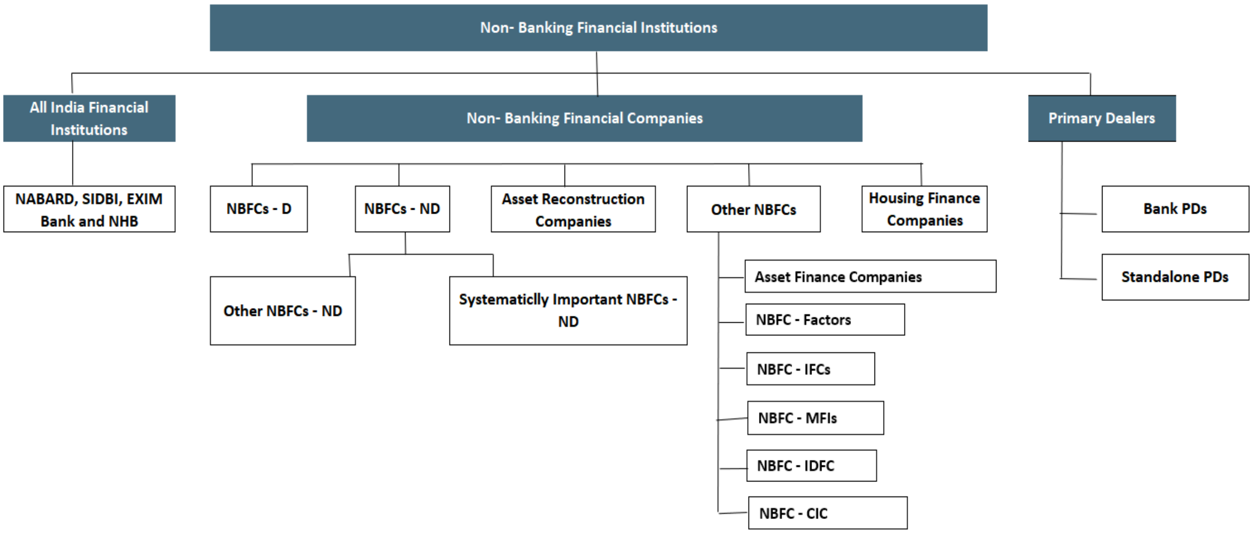
Although the union government acknowledges the adverse impact of the Russia-Ukraine conflict on the ongoing Indian economic recovery, it is unlikely to scale down its fiscal support already announced in the FY23 budget. Even the RBI has so far resisted the temptation to tighten its monetary policy stance, despite retail inflation being close to its upper tolerance level and/or occasionally breaching it. Although there is a case for a 50bp increase in the policy rates in FY23, the RBI may still opt for accommodation, because it believes initiating a premature demand compression via a monetary policy action would be counterproductive, particularly when the recovery is fragile and there is an output gap (the difference between potential and actual output) in the economy.

3. OVERVIEW OF THE NBFC MARKET IN INDIA

Introduction

Non-banking Financial Institutions (NBFIs) form an integral part of the Indian financial system by complementing the banking sector in reaching out credit to the unbanked segments of society, especially to the micro, small and medium enterprises (MSMEs) which form the cradle of entrepreneurship and innovation.

Structure of NBFIs under the Reserve Bank Regulation



Source: Reserve Bank of India (Data as on 31st May 2021)

On the basis of liabilities, NBFCs are classified into two categories (i) NBFCs-Deposit taking (NBFCs-D) and (ii) NBFCs-Non-Deposit taking (NBFCs-ND). NBFCs-D are subject to requirements of capital adequacy, liquid assets maintenance, exposure norms (including restrictions on exposure to investments in land, building, and unquoted shares), Asset-liability management and reporting requirements. The NBFCs, depending upon its nature of business, are broadly categorized as loan companies, investment companies, infrastructure finance companies (IFCs), asset finance companies (AFCs), core investment companies (CIC), infrastructure debt funds (IDFC), micro finance institutions (MFIs). In 2018-19, three categories of NBFCs namely, AFCs, loan companies (LCs) and investment companies (ICs) were merged into a new category called investment and credit companies (ICCs) for harmonisation and operational flexibility. The regulatory and supervisory framework for NBFCs has been continuously strengthened in order to ensure their strong and healthy functioning, limit excessive risk-taking practices, and protect the interests of the deposit holders.

NBFCs are primarily governed by the RBI Act and the RBI Master Directions. 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.

Regulatory guidelines mandate that only those NBFCs with minimum net owned funds (NOF) of INR2cr can be allowed to operate. Compared to FY19, when there was a record number of cancellations/surrender of licenses of non-compliant NBFCs, both registrations and cancellations were lower during FY20. RBI has cancelled certificate of registration of 3 non-banking finance companies in FY22, including two housing finance companies. Housing finance companies whose registrations have been cancelled are -- Aizawl-based North East Region Housing Finance Company Limited and Gurgaon-based Aryarth Housing Finance Limited. Further, two Non-Banking Financial Companies (NBFCs) have surrendered their certificate of registration. NBFCs which surrendered the certificate of registration granted to them by the RBI are Ernakulam-based Empower India Capital Investments Private Limited and Kolkata-based Mangalmayee Garments Private Limited (presently known as Abhijeet Ferrotech Limited).

Further, while an NBFC may be registered as a deposit accepting NBFC (NBFC-D) or as a non-deposit accepting NBFC (NBFC-ND), NBFCs registered with RBI are further classified as:

- **Investment and Credit Company:** The main business of these companies is lending and investment.
- **Systemically Important Core Investment Company (CIC-ND-SI):** A systematically important NBFC (assets INR1.0bn and above) which has deployed at least 90% of its assets in the form of investment in shares or debt instruments or loans in group companies is called CIC-ND-SI. Out of the 90%, 60% should be invested in equity shares or those instruments which can be compulsorily converted into equity shares. Such companies do accept public funds.
- **Infrastructure Finance Companies (IFC):** A company which has net owned funds of at least INR3.0bn and has deployed 75% of its total assets in Infrastructure loans is called IFC provided it has credit rating of A or above and has a CRAR of 15%.
- **Infrastructure Debt Fund – NBFCs (IDF-NBFC):** An IDF-NBFC is a non-deposit taking NBFC that has Net Owned Fund of INR3.0bn or more and which invests only in Public Private Partnerships and post commencement operations date (COD) infrastructure projects which have completed at least one year of satisfactory commercial operation and becomes a party to a Tripartite Agreement.
- **NBFC - Micro Finance Institutions:** Microfinance companies are non-deposit taking firms that are entitled to provide loans up to INR50K to individuals coming under low-income group living in rural or semi-urban areas.
- **NBFC – Factors:** An NBFC-Factoring Company should have a minimum NOF of INR50.0mn and its financial assets in the factoring business should constitute at least 75% of its total assets and its income derived from factoring business should not be less than 75% of its gross income.
- **Mortgage Guarantee Companies:** Mortgage Guarantee Company acts as an insurance against defaults on loans by the homebuyer, thereby reducing the loan exposure and credit risks for the lender.
- **NBFC-Non-Operative Financial Holding Company (NOFHC):** For permitting promoter/ promoter groups of NBFCs to set up a new bank.
- **NBFC-Account Aggregator (NBFC-AA):** NBFC-AA engages in collecting and providing information about a customer's financial assets in a consolidated, organised and retrievable manner to the customer or others as specified by the customer
- **NBFC–Peer to Peer Lending Platform (NBFC-P2P):** PBFC – P2P provides an online platform to bring lenders and borrowers together to help mobilise funds.
- **Housing Finance Companies (HFC):** HFC is another form of a non-banking financial company NBFC which primarily is engaged in the business of providing finance for housing.

<u>New framework of categorisation of NBFCs</u>

A four-layered scale-based approach to regulate NBFC in the country will kick in from October 1, 2022 to ensure tight oversight of the sector. Further, the Reserve Bank of India (RBI) has set a limit of INR 1 crore per borrower for financing subscriptions to initial public offer (IPO). The ceiling will come into effect from April 1, 2022. The regulatory structure will comprise four layers based on their size, activity, and perceived risk. The lowest layer will be the base layer, followed by the middle, upper and top layers. The top layer might remain empty.

The base layer will have non-deposit-taking NBFCs with assets worth up to INR 1,000 crore. Finance firms working as peer-to-peer (P2P) lending, account aggregator firms, non-operative financial holding company (NOFHC) and entities that do not avail of public funds or have any customer interface will also be in this layer. The middle layer will comprise deposit-taking NBFCs irrespective of asset size, non-deposit-taking firms with assets worth INR 1,000 crore or more, as well as housing finance firms. Standalone primary dealers, infrastructure debt fund investment companies and infrastructure finance companies will also come under this category. NBFCs which warrant enhanced regulatory requirements based on a set of parameters and scoring methodology will feature in the upper layer. The top-10 eligible NBFCs in terms of asset size will always be in the upper layer, irrespective of any other factor. The top layer can get populated if the regulator thinks there is a substantial increase in the potential risk from specific NBFCs in the upper layer. Government-owned NBFCs will be placed in the base or middle layer, and not in the upper layer until further notice.

The regulatory minimum net-owned fund for finance companies acting as microfinance firms and those factoring business will be increased to INR 10 crore. The RBI has set a three-year glide path for the existing NBFCs to achieve the net-owned funds (NOF) of INR 10 crore by 31st March 2027. The following glide path is provided for the existing NBFCs:

NBFCs	Current NOF	By 31st March 2025	By 31st March 2027
NBFC-ICC	INR 2 crore	INR 5 crore	INR 10 crore
NBFC-MFI	INR 5 crore (INR2 crore in NE Region)	INR 7 crore (INR 5 crore in NE Region)	INR 10 crore
NBFC-Factors	INR 5 crore	INR 7 crore	INR 10 crore

Source: RBI's 'Scale Based Regulation: A Revised Regulatory Framework for NBFCs' circular dated 22nd Oct 2021

However, for NBFC-P2P, NBFC-AA, and those with no public funds and no customer interface, the NOF shall continue to be INR 2 crore. The RBI has revised existing norms for classifying loans as non-performing assets (NPAs). Now, the overdue of more than 90 days will be termed NPAs for all categories of NBFCs. The central bank has provided a three-year transit period to NBFCs in the base layer to adhere to the revision. NBFCs in middle and upper layers have to make a thorough internal assessment of the need for capital, commensurate with the risks in their business. NBFCs in the upper layer will have to have a common equity tier-1 capital of at least nine per cent to enhance the quality of regulatory capital. In addition to the CRAR, the upper layer NBFCs will also be subjected to leverage requirements to ensure that their growth is supported by adequate capital. A suitable ceiling for leverage will be prescribed subsequently as and when necessary.

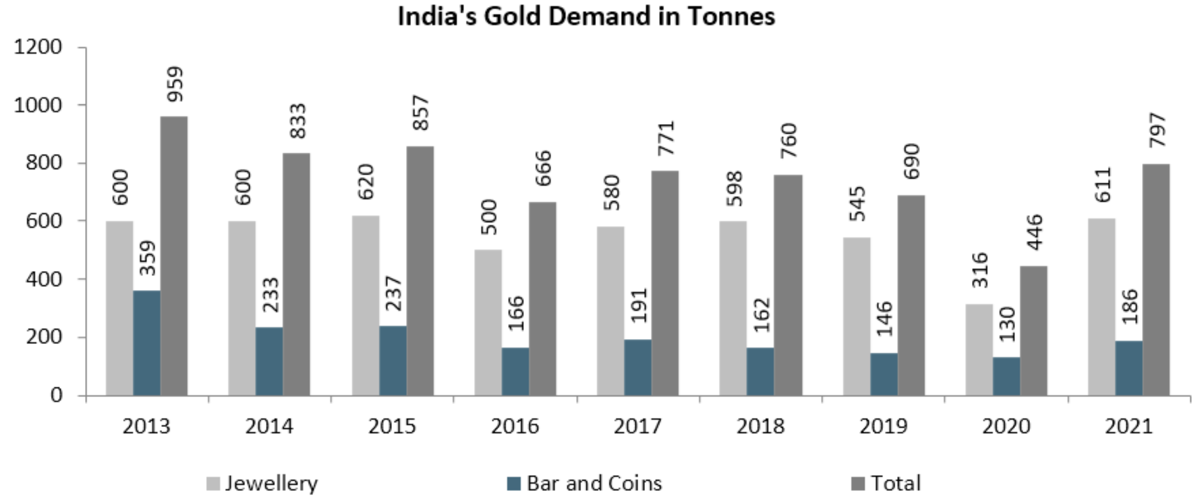
4. EVOLUTION OF GOLD LOAN MARKET IN INDIA

Introduction

Gold has long been a valued commodity, historically regarded as among the most liquid assets and accepted universally as a currency since time immemorial. In India, Gold has traditionally been consumed by individuals in the form of jewellery – it is considered auspicious to buy gold jewellery during festive seasons - and handed down generations as family wealth. Gold is considered to be a safe haven in times of economic uncertainty, a fact exemplified by almost a 450x time's rise in gold prices over the past five decades.

Gold Demand in India (2013-2021)

India is one of the largest markets for gold and growing affluence is driving growth in demand. Gold has a central role in the country's culture, considered a store of value, a symbol of wealth and status and a fundamental part of many rituals. Aside from Diwali, one of the most important dates in the Indian calendar, regional festivals across the country are celebrated with gold: in the south, Akshaya Tritiya, Pongal, Onam and Ugadi; in the east, Durga Puja; in the west, Gudi Pavda; in the north, Baisakhi and Karva Chauth. Two-thirds of India's gold demand came from rural areas, where jewellery is a traditional store of wealth. The chart given below depicts the trend of India's gold demand (in tonnes) from 2013-2021.



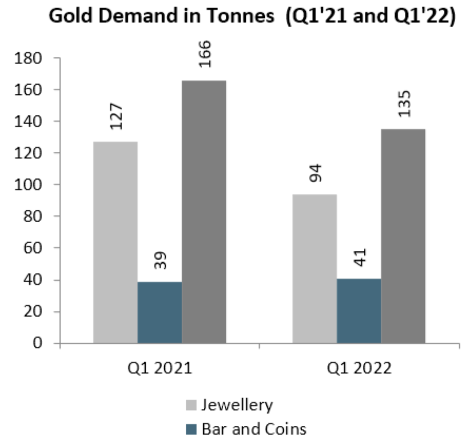
Source: World Gold Council

As per World Gold Council (WCG), India's gold demand surged to 797.3 tonnes in 2021, registering a massive 78.6% jump from 446.4 tonnes during 2020, on the back of recovery in consumer sentiments and pent-up demand post Covid-19-related disruptions. India's gold demand recovered chiefly as a result of an exceptional fourth quarter demand of 343 tonnes that surpassed even the most optimistic expectation articulated in the third quarter and turned out to be the best quarter in the recorded data series.

Jewellery demand during 2021 was up by 93% at 610.9 tonnes, compared to 315.9 tonnes in 2020. Gold jewellery demand doubled year-on-year in 2021, surging past pre-pandemic levels to reach a six year high following a record fourth quarter demand of 265 tonnes, fuelled by weddings and festival season, underpin the resilience of gold demand following its deep-rooted socio-economic footprint in household finance. The easing of lockdown restrictions in the second half and a successful progress of the vaccination program, economic growth altered consumer sentiment significantly, triggering spending and investments across the board during festivals like Dussehra and Dhanteras. In value terms, jewellery demand skyrocketed by 96 per cent to INR261,140cr from INR133,260cr in 2020. Meanwhile, the total investment demand for 2021, was up by 43% at 186.5 tonnes in comparison to 130.4 tonnes in 2020, while in value terms, demand was up by 45% at INR79,720cr against INR55,020cr in 2020.

Gold Demand moderates in March quarter of 2022 as prices surged

Total demand in the first quarter of 2022 was down by 18% to 135.5 tonnes, and jewellery demand was down 26% to 94.2 tonnes, on a year-on-year (y-o-y) basis. The trend was contrary to global demand for gold, which went up by 34% y-o-y to 1,234 tonnes, the highest since Q4'2018. Global demand was led by an increase in investment demand, which went up in the quarter by 203% y-o-y to 550.7 tonnes. In India, investment demand was up only marginally by 3 tonnes or around 5% y-o-y as Indians prefer to sell old gold, both jewellery as well as coins, when prices are high rather than buying gold.

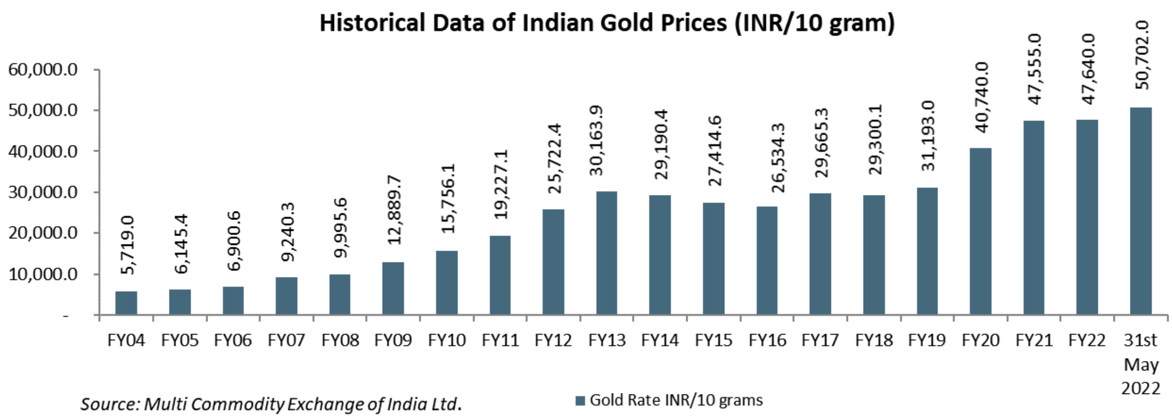


Source: World Gold Council

Demand in the second (April-June) quarter in India will receive support from festival purchases and wedding season buying. And if the monsoon remains good as expected, then gold demand in India in 2022 will cross 800 tonnes. However, Gold demand could face headwinds should there be further increases – or heightened volatility – in the gold price, while broad-based inflation may also curb demand by squeezing disposable incomes.

Gold Price Movement in India

Gold prices in India have been showing an overall upward trend since the last 3 decades. There was a steady increase in the prices of gold from FY04 to FY13. From FY14 to FY16; there was a decline in gold prices owing to geopolitical stability, low oil prices, low inflation and strong growing equity market. During this period, gold lost its attractiveness to investors either from a capital appreciation perspective as a hedge against inflation or as a safe haven; causing a significantly reduced demand.



Source: Multi Commodity Exchange of India Ltd.

However, from FY17 to FY19, gold prices started to surge to the pre-FY13 levels, further increasing to INR40,740 per 10gram in FY20 and INR 47,555 per 10gram in FY21. Currently, the spread of coronavirus cases and its potential negative impact on the global economy are prompting investors to take refuge in safe havens like gold. Gold prices hit over INR50,000 per 10 grams in India which is the world's second-largest gold consumer after China as a host of factors like global uncertainties triggered by pandemic, weak dollar, low-interest rates and stimulus programmes have increased the appetite for gold. Like money market and high-quality bond funds, gold benefited from investors' need to reduce risk, with the recognition of gold as a hedge further underscored by the record inflows seen in gold-backed Exchange Traded Funds.

Gold prices have been stuck in INR47,000-INR51,000 range so far since March 2022. Gold prices were confined to a tight range as safe-haven demand for bullion helped offset some sustained pressure from a firmer dollar and elevated U.S. Treasury yields. A stronger dollar makes bullion more expensive for buyers holding other currencies, while gains in benchmark U.S. 10-year Treasury yields reduce the appeal of zero-yield gold. While the surging inflation in the major economies of the world makes it an appropriate choice for some amount of value preservation, the strength in the US Dollar and the rising US rates are putting pressure on gold price. There is a clear positioning from the Fed that the rate hikes will continue till inflation is tamed. The rising rates will make it quite attractive for investors to stay in the currency to earn the higher currency yield. This has also led to a strengthening US currency. Gold being quoted in US Dollars; the price is bound to come down.

Gold Loan Market in India

Gold enjoys a unique connection with Indians in terms of social status, financial security and rich cultural legacy. Along with the country's growing population and ever-increasing disposable income, India's inclination and liking for gold has also increased. Due to the emotional value associated with household jewellery, people are hesitant to sell their gold to meet their immediate financial needs; as an alternative, people pledge their gold ornaments as collateral and secure a short-term loan. The pledging of gold ornaments and other gold assets to local pawnbrokers and money lenders to avail loans has been prevalent in Indian society over ages. The increased holding of gold as an asset among large section of people, and the practices related to borrowing against gold in the informal sector, have encouraged some loan companies to provide loans against the collateral of used household gold jewelleries. Over a period of time, many companies have emerged as 'specialised gold loan companies.

Most of the gold in India is held by people in rural market. Rural residents and low-income groups are the major customers of gold loans, as gold is usually the only asset they possess, in some quantity. They also typically lack access to banking facilities. Thus, gold loan has emerged as one of the most reliable credit sources for these categories of customers at a broader level, there are mainly two categories of gold loan providers:

(i) Formal sector (Banks, NBFCs and cooperatives)
(ii) Informal sector (local moneylenders).

The key factors that drove the rapid growth phase of Gold loan in India included low cost of funds (eligibility under Priority Sector Lending), rise of India's middle class, consumerism and urbanization, rising gold prices, and high Loan to Value (LTV) of up to 75.0%. Convenience of access, quick disbursals and lower interest rates compared to moneylenders led to NBFCs becoming the customer's de-facto choice. Meanwhile, from the beginning of 2013, gold prices reduced drastically globally. With the pledged gold having lower market value, customers walked away from the loans resulting in increased Non-Performing Assets (NPAs).

The gold loan industry was also subsequently impacted by demonetization in 2016 when cash crunch in the market led to immediate shortfall in business. However, digital eco-system is now leading to increased credibility and tilting scales of gold loan business in favor of the specialized gold loan NBFCs. Alongside, the introduction of GST in 2017 has also impacted the market. In the pre-GST era, the taxation on gold was 1% excise duty, along with a VAT of 1-1.5%, totaling to 2.0% tax. GST rates on gold have now been pegged to 3%. This is in addition to an import duty of 7.5% and 3% GST on making charges.

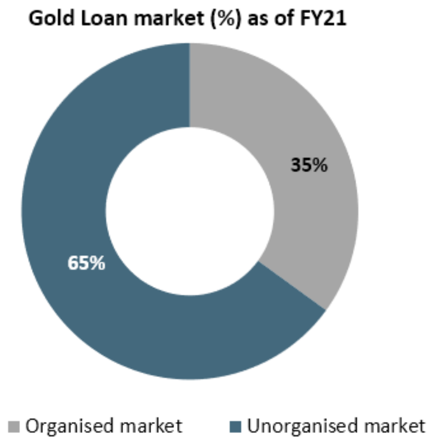
In order to stabilize the proliferation and books of gold loan NBFCs, RBI intervened and released certain guidelines:

- Removal of Priority Sector Lending (PSL) status. This immediately resulted in substantially higher borrowing cost.
- Restricted credit exposure to single gold NBFC to 7.5% from 10% resulting in lower bank funding.
- Prohibition of grant of loans against bullion and gold coins.

The COVID-19 pandemic and the subsequent nationwide lockdown resulted in a significant amount of job losses, leaving people to burn out their savings for a living. People heavily relied on borrowings through banks and other sources to fulfil their financing needs amid the pandemic. Consumers used their gold holdings as collateral to obtain their financing needs rather than outright selling. These higher borrowings lifted demand for gold loans during the pandemic both through NBFCs and banks. Gold loans will benefit not just from the demand side but supply-side dynamics too as many banks and non-banking institutions target this product segment on account of its acceptable risk profile. Borrowers had benefited from higher loan value for the same collateral while lenders have benefited from lower LTV ratios on their existing loans and higher demand. Demand during the pandemic has pushed gold loan Asset Under Management (AUM) higher by 20-30% for most of India's leading gold loan NBFCs and banks.

Gold Loan NBFCs in India

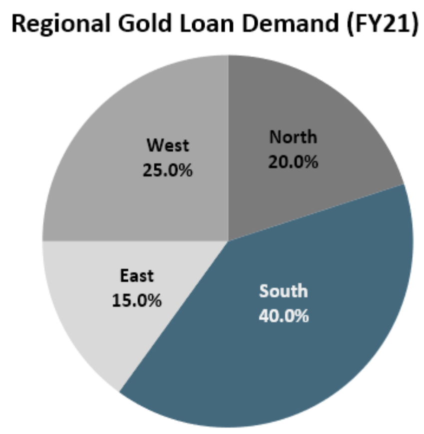
Till the last century, most of the lending was in the unorganized sector through pawnbrokers and money lenders. However, this scenario has changed over the last two decades post India's economic liberalization and financial sector reforms, and the organised sector has become more dominant. Buoyed by the spurt in gold prices during the last decade, organised lenders grew during the period FY09 to FY12. However, correction in gold prices in FY13, adverse regulatory scenario, restrictions on offering high LTV products, and increase in competition intensity has seen gold loan industry's AUM stagnating. This is also reflected in the stagnating portfolio of gold loan NBFCs.



Souce: FSIAPL

The total gold loan industry AUM stood at approximately INR11,574bn in FY21, out of which approximately 35% accounted for organised market. India's unorganised gold loan market is estimated to be around 65% of the total gold loan market. There are no official estimates available on the size of this market, which is characterised by the presence of numerous pawnbrokers, moneylenders and landlords operating at a local level. However, this market is believed to be almost double the size of organised gold loans market.

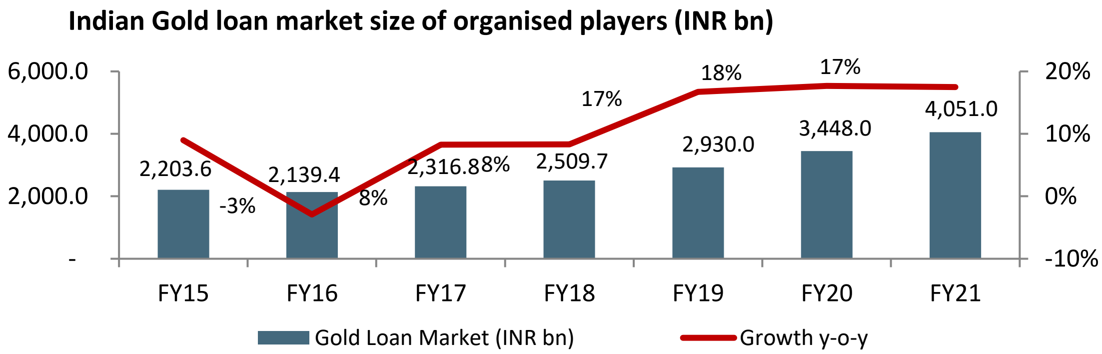
The demand for gold has a regional bias with southern Indian states accounting for around 40.0% of the annual demand. There is potential to expand gold loans market to the Northern and Western regions of India, provided the branch network is expanded and the loans are available with ease and with flexible options. The prevalence of high level of rural indebtedness, easy availability of gold loans on extremely flexible terms, relative scarcity of personal and retail loans from the banks, and changing attitude of customers to gold loans will contribute to the growth in the gold loan AUM to newer regions. Many Gold loan companies are reducing their geographical concentration risk and gradually shifting their focus to northern and western region over the last 3 years.



Souce: Media Reports, FSIAPL

Growth in Gold Loans market of Organized Players in the Last 5 Years

As per WGC report, the organized gold loan industry is around 35% and unorganized industry is around 65%. The total gold loan industry AUM stood at INR11,574bn in FY21, out of which approximately 35% valuing INR4,051.0bn accounted for organised market.



Source: FSIAPL

NBFCs were marked by slowdown and weakening competitive positioning during FY12 and FY15 owing to withdrawal of eligibility for NBFCs under priority sector lending, RBI putting a ceiling on LTV ratio that could be given out by NBFCs at 60%, as against 75% for banks and RBI norms for conducting gold loan auctions. Industry reports state that Indian Gold loan market of organised players has increased at a CAGR of 8% from INR2,203.6bn in FY15 to INR4,051.0bn in FY21 owing to increase in gold prices, good monsoon and favourable macroeconomic factors. During this period, NBFCs' focused on improving the business per branch, undertook aggressive marketing and diversified into new regions.

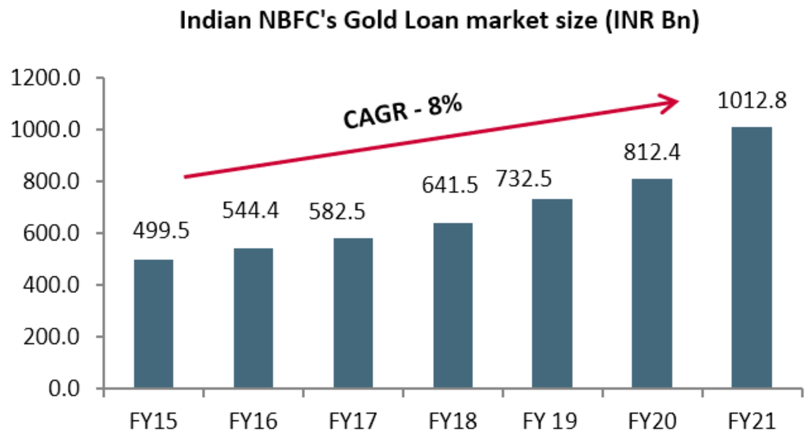
Overview of some operational parameters of organized players is provided below:

Parameters	Gold Loan NBFCs	Banks	Money Lenders
Loan to Value	Upto 75%	Upto 75%	Higher than 75%
Penetration	Highly peneterated	Not highly peneterated. Selective branches	Highly peneterated
Interest Charges	Around 12-25% p.a	Around 7-17% p.a	Usually in the range of 35-60% p.a.
Regulatory Body	RBI	RBI	Not regulated
Processing Fees	No/Minimal processing fees	Higher than NBFCs	Nil
Documentaion	Minimal, Govt. ID proof	Complete KYC compliance	Nil or minimal
Customer Service	High-Gold Loan is core focus	Non- core focus	Core focus
Repayment Structure / Flexibility	Flexible. No pre-payment charges	EMI based. Pre-payment penalty is charged.	One time
Model of Disbursal	Cash, Cheque/Electronic Transfer (Cash upto INR20,000/-)	Cheque, Electronic Transfer	Cash
Working Hours	Open beyond banking hours	Typical Banking Hours	Open beyond banking hours
Fixed Office Space	Branch with dedicated staff for gold loans	Bank branches	No fixed place
Turn Around Time	Around 10 minutes	1-2 hours	More than 10 minutes

Source: Industry Sources, FSIAPL

<u>Growth in Gold Loans market of NBFCs (Gold Loan) in the Last 6 Years</u>

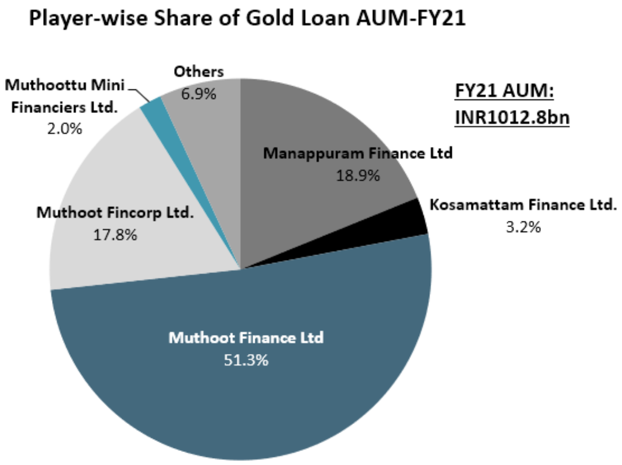
The gold loan AUM of NBFCs grew at a CAGR of 8% between FY15 and FY21. NBFCs witnessed a decline in gold loan AUM between FY12 and FY14, as RBI's regulations curbed the performance as mentioned earlier. However, due to NBFCs flexible loan offerings and quicker disbursement time helped them to grow their gold loan AUM from INR499.5bn in FY15 to INR544.4bn in FY16.

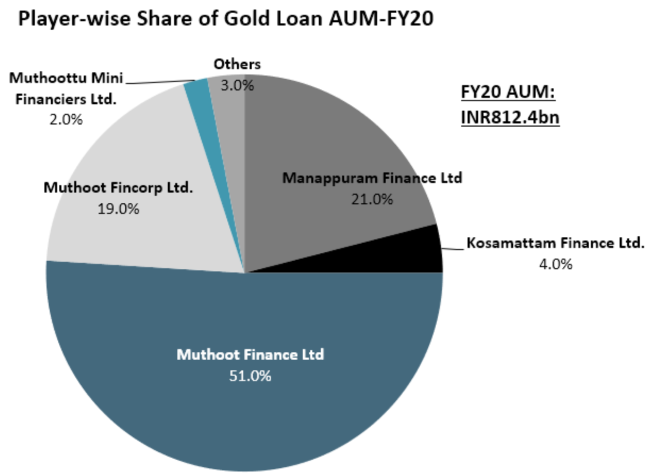


Source: FSIAPL

Gold Loan NBFCs AUM further grew by an impressive 13% over the next 5 years from INR544.4bn in FY16 to INR1012.8bn in FY21 due to geographic expansion, rise in gold prices and higher marketing expenditure undertaken by players in order to improve product awareness and build brand identity. NBFCs and banks approach the gold loan market differently, which is reflected in their interest rates, ticket sizes and loan tenures. NBFCs focus more single-mindedly on the gold loans business and have accordingly built their service offerings by investing significantly in manpower, systems, processes and branch expansion. This has helped them attract and serve more customers.

Percentage share of organized players in Gold Loan market during the last 2 years is provided below:





Source: Company Annual Reports, Credit Rating Reports, FSIAPL

Muthoot Finance Ltd. increased its market share of gold loan AUM slightly from 51.0% in FY20 to 51.3% in FY21. Manappuram Finance Ltd's market share decreased from 21.0% in FY20 to 18.9% in FY21. Muthoot Fincorp Ltd's market share decreased from 19% in FY20 to 17.8% in FY21.

Muthoot Finance Ltd. has witnessed growth of 27.4% in Gold AUM from INR407.7bn in FY20 to INR519.3bn in FY21. Meanwhile, Manappuram Finance Ltd. has witnessed a growth of 12% in Gold AUM from INR170.6bn in FY20 to INR191.0bn in FY21. Muthoot Mini Financiers Ltd. has been expanding its franchisee in the core gold finance business, with its AUM growing by 18% y-o-y from INR16.8bn in FY20 to INR19.9bn in FY21. The growth was majorly attributed due to greater liquidity needs arising with the onset of COVID-19 pandemic.

5. KEY GROWTH DRIVERS FOR GOLD LOAN

Gold financing companies form an integral part of the Indian financial system. It plays an important role in nation building and financial inclusion by complementing the banking sector in reaching out credit to the unbanked segments of society, especially to the MSMEs, which form the cradle of entrepreneurship and innovation. NBFCs' ground-level understanding of their customers profile and their credit needs gives them an edge, as does their ability to innovate and customise products as per their clients' needs. This makes them the perfect conduit for delivering credit to lower-income group people and MSMEs. Gold loan as a credit product is not a new phenomenon in the country; it is only in the recent past that Indians have started losing their inhibitions over pledging their family heirlooms to mainstream commercial lenders and leveraging multiple benefits, such as instant credit, flexible schemes, lower interest rates and minimal paperwork without the hassles of rigid credit appraisal. As banks and NBFCs offer gold loans at interest rates much lower than those of informal moneylenders; they have successfully targeted a new segment of customers who would have otherwise not taken a gold loan. The key growth drivers for gold loan are provided below:

Lack of reach of banking to rural and lower-income groups

In India, the reach of NBFCs in rural areas is comparatively higher than the banks. Due to which NBFCs have an advantage in terms of business revenue and larger base of customer over the banks. The traditional banking products are not accessible to rural and lower-income groups as those products are to relatively higher-income groups. Credit scores would undermine one's effort to get normal loans during distress periods. This is the situation faced by a large portion of the Indian population engaged in farming and rural employment. Gold loans offer a viable solution in this situation since, gold loans are fully securitized, lenders have the option to recoup the full principle amount (in most cases) if the borrower defaults - hence, there is no need for extensive checks on borrower's previous repayment records. The relative ease in obtaining a loan approval has boosted the popularity of gold loans.

Rising consumerism in rural areas

WGC estimates that about 65% of the Indian household gold belongs to rural communities, who are the biggest purchasers of gold loan. Unpredictability of the rain and harvest season means farmers become cash-strapped frequently. For them, unlocking value of their household gold is the easiest way to meet their financial obligations. Consumption growth in rural India had outpaced urban spending by the widest margin in last decade, encouraged by relatively good rainfall and an increase in government spending on infrastructure. However, the year 2019 witnessed a slowdown in the rural market due to factors such as liquidity crunch, drop in gross domestic product (GDP), floods in several parts, weakened household spending, high food inflation due to spike in milk and onion prices impacted consumer wallet in rural regions. The rural consumption was back on high single digit growth in FY20, helped by factors including government spending in infra projects and increased rural spending. Additionally, the expected rise in consumerism in rural areas will lead to increased gold loans being taken for non-income generating purposes.

Changing attitudes towards Gold Loan

Few decades back, the gold loan was a high-cost affair, interest charged were around 35-50% (local moneylenders) but now organized players in the market (banks and NBFCS) offer the loan at 7.5-20% per annum. In recent, gold loan is becoming a word of mouth whether it is Tier1, Tier2 or Tier 3 cities – people are turning more towards depositing gold with banks and NBFCs because it is one of the easiest ways to avail money. The overall process to avail gold loans has become more formal and transparent with an entry of organized financial players. Further, gold is a secured asset and there is no requirement of any additional collateral but however; to avail home loans & personal loans, one need to show income certificates, bank statements & income tax returns. One good thing about gold loan is that it can be used for any purpose so more and more people are migrating towards this loan. It is not only the rural communities who are willing to put household jewellery in the market – acceptance towards using family gold for financial needs is increasing in the relatively untapped urban market. Using gold loans to meet household exigencies is gaining popularity in Indian cities and metros.

Ease of availability of Gold Loan

NBFCs offer very competitive gold loan schemes with a wide range of tenures, interest slabs and repayment options making it very attractive for the customer. Unlike the rigid products offered by traditional banks, gold loan products are designed in a way that specifically meets the situation of the target customer segments. Disbursements are made within a quick time period after loan approval with a turnaround time (TAT) of around 10 minutes. A good number of loans do not have fixed Equated Monthly Instalment (EMI) facility - only the interest needs to be paid on a monthly basis while the principle should be paid at the end of the tenure. The ability to choose product features (repayment scheme, tenure) has facilitated increased gold loan penetration.

Untapped opportunities in the non-south regions

Since ages, most of the gold loan companies have their maximum presence in the southern pockets of India. Western, northern and eastern region have minimal gold loan credit penetration, which reflects that gold loan companies can unlock this potential in the coming years. The gold loan market is expected to demonstrate high growth potential as banks are becoming more selective and stringent in credit disbursement. The emergence of the online and digital models in the gold loan space by NBFCs and new-age FinTech players that offer gold loans at the customers' doorstep have opened up an untapped market for gold loan companies.

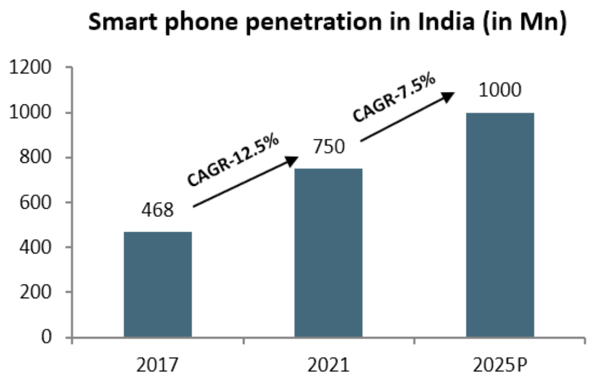
Lower default rates

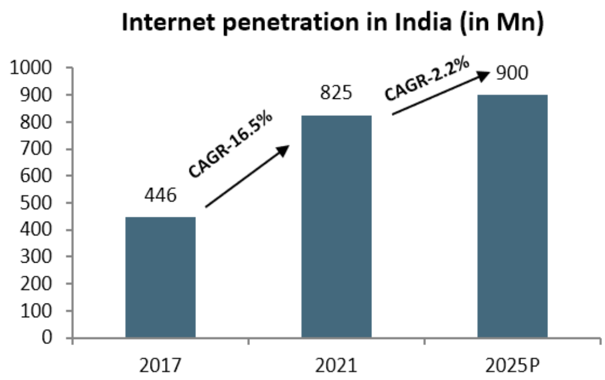
There is very low NPA in gold loans. A low default rate is the reason why many formal institutions have comfortably entered the gold loan space. Default rates typically are between 1-2% which is much lower than other traditional financial products offered by financial institutions. This makes gold loan attractive product for organised players.

Development of online gold loan market

Many new age fintech companies and traditional players have started to offer innovative products such as online gold loans (OGL) catering to the young and urban population. Primary beneficiaries of online gold loan facilities are digitally and financially literate customers who belong to the age group of 25 to 40 years. Gold loan companies have come up with various operating models like visiting customer's residence, allowing customers to place their gold within the NBFC's vault after which customers have the option to pledge this gold via online channels and receive funds directly to their bank accounts. A leading NBFC has recently reported that their OGL in their total gold loan business before the lock down was about 45% and this has gone up to 62% as many of their customers understood the benefits of OGL as they were able to operate their account and borrow higher amounts even as the branches remain closed.

Internet penetration in India grew at a CAGR of 16.5% from 446mn subscribers in 2017 to 825mn subscribers in 2021. Low data tariffs and increasing smartphone penetration have ensured that consumers and their devices are always connected and on. India has around 1.2bn mobile connections, 825mn internet users, and 750mn smartphone users in 2021. India has one of cheapest internet rates in the world of INR6.7/GB. It has the highest mobile data consumption rate at 12 GB per user a month in the world, much ahead of USA (~7 GB per user a month) and China (~8 GB per user a month) and the country is adding as much as 25mn new smartphone users every quarter.





Source: Telecom Regulatory Authority of India, FSIAPL Source: Telecom Regulatory Authority of India, FSIAPL

The increasing adoption of smartphones and expanding internet connectivity in rural and semi urban area will enable NBFCs in the coming years to get most of their customers to transact in the online gold loan platform. Further, NBFCs have started targeting MSME segment for the OGL as they are not very comfortable visiting gold loan offices for their finance requirements.

6. REGULATORY MEASURES IMPACTING THE GOLD LOAN MARKET IN INDIA

NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets) shall maintain a minimum Tier-l capital of 12%. The RBI Master Directions have issued guidelines with regard to the following:

Appropriate Infrastructure for Storage of Gold Ornaments: A minimum level of physical infrastructure and facilities is available in each of the branches engaged in financing against gold jewellery including a safe deposit vault and appropriate security measures for operating the vault to ensure safety of the gold and borrower convenience. Existing NBFCs should review the arrangements in place at their branches and ensure that necessary infrastructure is put in place at the earliest. No new branches should be opened without suitable storage arrangements having been made thereat. No business of grant of loans against the security of gold can be transacted at places where there are no proper facilities for storage/security.

Prior Approval of RBI for Opening Branches in Excess of 1,000: It is mandatory for NBFC to obtain prior approval of the RBI to open branches exceeding 1,000. However, NBFCs which already have more than 1,000 branches may approach the Bank for prior approval for any further branch expansion. Besides, no new branches will be allowed to be opened without the facilities for storage of gold jewellery and minimum-security facilities for the pledged gold jewellery.

Standardization of Value of Gold in Arriving at the Loan to Value Ratio: For arriving at the value of gold jewellery accepted as collateral, it will have to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by The India Bullion and Jewellers Association Limited (formerly known as Bombay Bullion Association Limited).

Verification of the Ownership of Gold: RBI has directed all NBFCs to put in place an explicit policy approved by their board of directors within their overall loan policy to verify ownership though a suitable document which is prepared to explain the manner in which ownership is determined, particularly in each case where the gold pledged at any one time or cumulatively on the loan outstanding is more than 20 grams.

Auction Process and Procedures: The following additional stipulations are made with respect to auctioning of pledged gold jewellery:

- The auction should be conducted in the same town or taluka in which the branch that has extended the loan is located.
- While auctioning the gold the NBFC should declare a reserve price for the pledged ornaments. The reserve price for the pledged ornaments should not be less than 85% of the previous 30-day average closing price of 22 carat gold as declared by The India Bullion and Jewellers Association Limited (formerly known as The Bombay Bullion Association Ltd.) and value of the jewellery of lower purity in terms of carats should be proportionately reduced.
- It will be mandatory on the part of the NBFCs to provide full details of the value fetched in the auction and the outstanding dues adjusted and any amount over and above the loan outstanding should be payable to the borrower.
- NBFCs must disclose in their annual reports the details of the auctions conducted during the financial year including the number of loan accounts, outstanding amounts, value fetched and whether any of its sister concerns participated in the auction.

Other Instructions:

- NBFCs financing against the collateral of gold must insist on a copy of the PAN Card of the borrower for all transaction above INR0.5mn
- High value loans of INR0.1mn and above must only be disbursed by cheque.
- Documentation across all branches must be standardized.
- NBFCs shall not issue misleading advertisements like claiming the availability of loans in a matter of 2-3 minutes.

Details of the key guidelines impacting the gold loan market in India are provided below:

Loan to Value Ratio (LTV)

LTV ratio describes the size of a loan which is taken out compared to the value of the asset securing the loan. Lenders and others use LTV's to determine how risky a loan is. A higher LTV ratio suggests more risk because the assets behind the loan are less likely to pay off the loan as the LTV ratio increases. The LTV ratio has been capped at 75% for traditional banks and NBFCs. RBI regulations state that - gold jewellery accepted as security/collateral will have to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by the India Bullion and Jewellers Association Ltd. If the gold is of purity less than 22 carats, the collateral should be translated into 22 carat value and exact grams need to be valued. Loan against bullion, units of Exchange-Traded Fund (ETF) and units of gold mutual funds is not permitted. This standardisation and increased transparency of LTV calculations across the organised sector has meant healthy businesses for NBFCs.

RBI directions on lending against security of single product-gold jewellery

As per RBI directions all applicable NBFCs should follow the below mentioned directives:

(i) NBFCs shall maintain a Loan-to-Value (LTV) Ratio not exceeding 75% for loans granted against the collateral of gold jewellery; provided that the value of gold jewellery for the purpose of determining the maximum permissible loan, amount shall be the intrinsic value of the gold content therein and no other cost elements shall be added thereto.
(ii) NBFCs shall disclose in their balance sheet the percentage of such loans to their total assets.
(iii) NBFCs shall not grant any advance against bullion / primary gold and gold coins. NBFCs shall not grant any advance for purchase of gold in any form including primary gold, gold bullion, gold jewellery, gold coins, units of Exchange Traded Funds (ETF) and units of gold mutual fund.

Know Your Customer (KYC)

The RBI KYC directions are applicable to NBFCs and RBI has advised all NBFCs to 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 KYC policies are required to have certain key elements, including, customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, diligence of client accounts opened by professional intermediaries, customer due diligence and diligence of accounts of politically exposed persons, adherence to RBI KYC directions and the exercise of due diligence by persons authorised by the NBFC, including its brokers and agents.

For verification purposes, a customer needs to submit the following: government issued identity proof (passport, PAN card, voter's ID or driving license, along with passport size photographs), address proof (either electricity bill, ration card or telephone bill) and signature proof. The NBFCs are now allowed to make use of e-KYC which uses Aadhaar card validation. The move towards e- KYCs is meant to reduce risk of fraud and forgery as well as improve application processing speeds.

Changes in classification of Non-Performing Asset

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

- Standard Assets;
- Sub-Standard Assets;
- Doubtful Assets; and
- Loss Assets

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

Provisioning Policy for Systemically Important Non-Deposit taking NBFC

Asset Classification	Provisioning Policy
Standard Asset	0.40% of outstanding
Sub-standard Assets	10% of outstanding
Doubtful Assets	100% of unsecured portion + 20% - 50% of secured portion
Loss Assets	100% provided if not written off

Source: RBI Circular

Provisioning Policy for Non-Systemically Important Non-Deposit taking NBFC

Asset Classification	Provisioning Policy
Standard Asset	0.25% of outstanding
Sub-standard Assets	10% of outstanding
Doubtful Assets	100% of unsecured portion + 20% - 50% of secured portion
Loss Assets	100% provided if not written off

Source: RBI Circular

The time frame for classification of NPAs for NBFCs has been brought on par with banks. RBI mandated from FY18, a loan is termed as a NPA if interest is not paid for 90 days (3 months). In 2016, the time period was 5 months, while it was 4 months in 2017. However, it should not be a cause for concern, since default is not an issue for a gold finance company, as the loan is fully secured. In case of non-payment, the gold finance company could simply auction off the gold underlying to recover the interest and principal.

Verification of Gold Ownership

RBI in January 2014, has directed all NBFCs should have Board approved policies in place to satisfy ownership of the gold jewellery and adequate steps be taken to ensure that the KYC guidelines stipulated by the RBI are followed and due diligence of the customer undertaken. Where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams, NBFCs must keep record of the verification of the ownership of the jewellery. Further, it is not necessary to produce original receipts to establish ownership. Instead, a suitable document may be prepared to explain how the ownership is determined. The method of establishing ownership should be laid down as a board approved policy.

Impact of GST on purchase of Gold Jewellery

Earlier excise duty and VAT of 1% each were attracted to gold jewellery initially. Once GST was implemented, all the other taxes were eliminated, and only a GST of 3% was brought into effect. Whenever a customer purchases gold jewellery, they have to bear a flat rate of 3% GST. Additionally, he also has to pay GST at 5% on the making charges. It is important to note that the import, purchase, and making charges of gold have different GST rates individually. However, there is no GST attracted if you sell old gold jewellery and purchase new jewellery in a single transaction.

Gold Monetisation Scheme (GMS)

The government in the late 1990s also tried to monetize the idle gold hold by Indian households by bringing it into use for the industry and to reduce dependency on imports. Gold Deposit Scheme (GDS) was introduced in September 1999 to allow individuals to deposit gold at banks and receive interest in return. Further, the scheme was also exempt from capital gains, wealth and income tax. However, the minimum deposit of 500 grams was a huge deterrent for many individuals and households to avail this scheme. Between 1999 and 2015, only 15% of gold was mobilized reflecting the inefficiency of GDS structure. GDS was reintroduced in the Union Budget 2015 by Finance Minister Mr. Arun Jaitley in a new avatar - 'Gold Monetisation Scheme' with the minimum deposit size being reduced to 30 grams. This scheme offers an annual tax free-interest starting from 0.6% (Short-term: up to 3 years) to 2.5% (Long-term: up to 15 years).

The objective of GMS is to mobilize gold held by households and institutions of the country and facilitate its use for productive purposes, and in the long run, to reduce country's reliance on the import of gold. All Scheduled Commercial Banks excluding Regional Rural Banks are eligible to implement the scheme. It includes Revamped Gold Deposit Scheme (R-GDS) and Revamped Gold Metal Loan Scheme (R-GML). The minimum deposit at any one time is 30 grams of raw gold (bars, coins, jewellery excluding stones and other metals). There is no maximum limit for deposit under the scheme. Also, the interest earned on the gold deposit will be exempted from not only income tax but also capital gains tax.

7. KEY RISKS IN GOLD LOANS FINANCING

Few of the risks involved in Gold loan financing is as follows:

Price Risk: Gold being a globally traded precious commodity, its price fluctuates daily depending on domestic and international factors. When gold price increases, it is beneficial to lenders as well as borrowers whereas when it falls drastically on a continuous basis, the current loan to value ratio (LTV) increases. This increases the possibility of delinquencies and the internally set mark to market (MTM) or LTV trigger may breach. As a policy, the financier in this case would ask for the part prepayment or additional collateral to avoid jewellery from auctioning. But in an extreme scenario when most of the customers fail to comply with either of the options combined with an unfavourable economic environment, a large chunk of jewellery may get auctioned for a value lower than market prices pre-auction, resulting in a lower recovery.

Credit Risk: Unlike other retail loans, where an independent credit team does assessment of a borrower, gold loans involve limited borrower credit check (by major non-banking finance companies), given that lending is purely collateral based. Given the limited role of credit risk assessment in gold loans' disbursement, the presence of robust internal processes for collateral assessment becomes crucial.

Valuation Risk: The LTV ratio at the time of sanction depends on the valuation conducted by the valuation officer to arrive at an intrinsic value/net weight of gold content in jewellery based on its purity, weight and excluding non-gold content. Often, one to two months of training is provided to staff before they are enrolled to the branches. Staff follows an internal policy of valuation which generally includes acid test and sound test, and disregarding stones and non-gold content to arrive at the net weight of jewellery. Lack of a standardised valuation procedure across branches of the originator will involve judgement of the valuer, which may result in mispricing the asset which can lead to an under collateralised loan. Moreover, to curb the risk of spurious gold being pledged, strong valuation system/process should be in place.

Auction Risk: Auction is typically conducted either on loan crossing 90 days past due (dpd) or when MTM breaches an internally defined threshold. Once it is established that an auction needs to be conducted, there are operational challenges of moving jewellery to a designated auction centre, risk of losing it in transit and finding buyers when quantity/weight is high.

Safety and Insurance Risk: In any secured loan, the substance of collateral is high from recovery perspective. Safety and protection of collateral becomes more crucial when servicer has custody of it. When security systems of storage and surveillance of gold have weak controls, the collateral is prone to the risk of burglary and fraud which can lead to unwanted losses. Also, financiers store high-value gold in vaults at their branches and make disbursements up to certain value in cash with high daily cash turnover. It is crucial to adequately and effectively cover the risk of losing collateral and cash through insurance.

Delinquency: Gold loan is considered as an emergency source of funding typically disbursed in a quick time. Although the product is fully secured, historically it has been noticed that there can be chances of delinquencies in the softer buckets because of the nature, purpose and tenor of loans. Income levels of the underlying borrowers during the tenor of loan and gold price volatility determine delinquency levels in the deeper buckets.

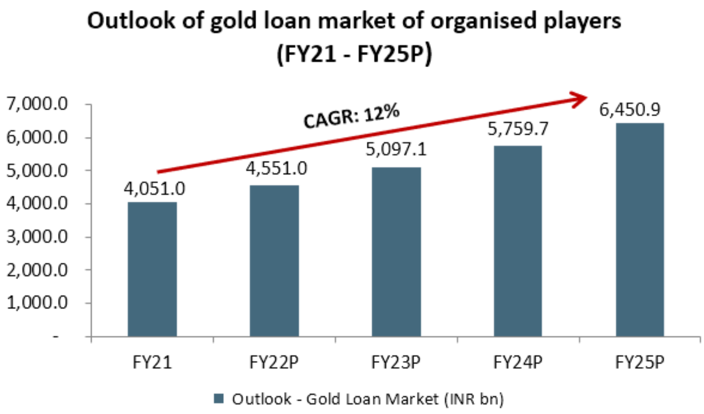
Seasoning Risk: Gold loans being a short tenure product where the weighted average life is often less than 12 months, the average seasoning at the time of securitisation may be three to four months and of only interest payment (principal repayment being bullet in nature). Hence, loan's performance history is limited. Although the short-tenure gold loan has the advantage over a correction in gold prices, it does not give a larger picture on pre-securitisation credit behaviour.

8. OUTLOOK OF THE GOLD LOAN MARKET IN INDIA

Outlook of the Gold Loan Market in India

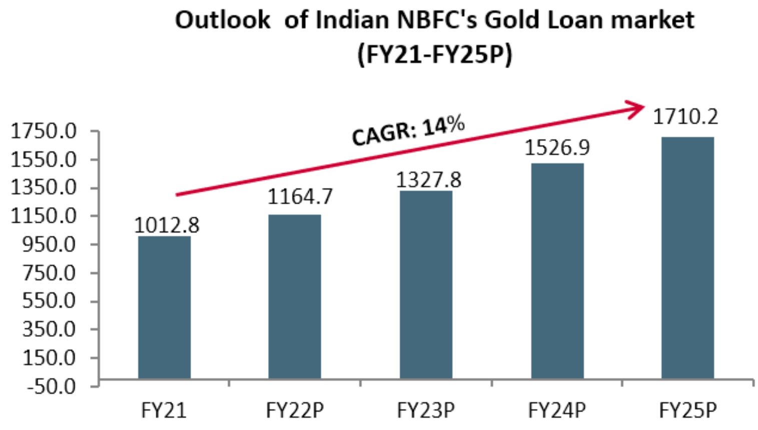
India is one of the largest markets for gold and in our Indian culture gold is considered as auspicious, particularly in Hindu and Jain cultures and gold is worn for important ceremonies and occasions. Gifting gold is a deeply ingrained part of marriage rituals in Indian society where weddings generate approximately about 50% of annual gold demand. Rural residents and low-income groups are the major customers of gold loans, as gold is usually the only asset they possess. Gold loan has emerged as one of the most reliable credit sources for these categories of customers. Further the gold loan market is still underpenetrated, considering the abundant availability of gold as collateral with Indian private households. This could play a vital role in the expansion of gold loan market. FSIAPL has estimated that the gold loan market size will grow to INR6,450.9bn by FY25P.

Demand for gold loans, both through banks and NBFC, has grown in response to the economic impact of the COVID-19 pandemic. The need for quick credit among small businesses will further spur gold loans' growth post the pandemic. With the credit demand expected to rise, the organised gold loan industry is expected to grow over the next few years at a CAGR of 12% from INR4,051.0bn in FY21 to INR6,450.9bn in FY25P which would be driven by gold loan NBFCs moving into non-southern Indian territories, improving penetration, improving product awareness and building brand identity. Diversification into other regional geographies and untapped markets would be the key for industry AUM to grow. Gold loan industry AUM projection from FY21 to FY25P is provided below:



Source: FSIAPL

Since the COVID-19 outbreak of the pandemic, gold loans have become an easy way of accessing capital and both banks and NBFCs have reported higher disbursements and increasing revenue numbers from their gold loans portfolio. Industry report suggests that MSME companies are turning to gold to raise funds, rebuild their business and manage working capital requirements. Gold loan processing is perceived to be faster and more convenient, compared to personal loans. Organized players are adopting marketing initiatives to raise awareness against heavy interest rates charged by the unorganized players (which are in the range of 25-50%) especially in rural parts. Also, player's ability to leverage technology and improve their online gold disbursements could turn out to be a game changer. Based on these growth drivers, we expect gold loan NBFCs' AUM to grow at 14% CAGR, from INR1012.8bn in FY21 to INR1,710.2bn in FY25P. Indian NBFC's gold loan AUM projection for the coming 4 years is provided below:



Source: FSIAPL

The overall organized NBFC's gold loan penetration level is around 25-30%, which confirms that there is headroom for growth in this market. So, financial institutions with the right focus, operational capabilities, availability of funds, refreshing products and modern technology can capture a large market share.

Various factors affect the gold demand in India. The relationship between these factors is provided below:

Long Term Factors		Short Term Factors	
Rising Income	**Gold Price Movement**	**Inflation**	**Excess Rainfall**
It is anticipated that for a 1% increase in income, the demand for gold will rise by 1%	For a 1% increase in gold price, demand will decrease by 0.5%	For a 1% increase in inflation, demand rises by 2.6%	For a 1% increase in monsoon rainfall, gold demand rises by 0.5%

Source: World Gold Council

The arrival of new online gold loan products and digital models by various NBFCs and fintech players are expected to tap the gold loan market. These products offer gold loans at the client's doorstep and complete the process without much hassle. More and more tech driven consumers are opting for these loans as these products have lower interest rates vis-à-vis its competing brick and motor NBFCs.

<u>Gold as a Hedge against Inflation, Fluctuation in Interest Rates and Rupee Devaluation</u>

The Indian rupee has been deprecating against the US dollar over the months and it is INR77.64 per US dollar as on 31st May 2022. The Indian Rupee is likely to trade on choppy as Global markets started-off the week with a risk-off sentiment with higher oil prices amid Russia-Ukraine tensions escalates further. Additional headwind coming from China that they reported first covid death since January 2021 pushing Asian equities lower as well as rupee too. Dollar rupee has witnessed over one points correction after knocking record high near 77.33 levels and now facing immediate support around. Energy crunch across the Asia to Europe belt have led to sharp rise in oil prices and renewed concerns of hot-steaming inflation. Being India importing nearly 80% of its oil needs, high prices result in increased imported inflation thereby putting rupee under pressure.

Higher inflation leads to increase in expenses and lesser savings thereby affecting personal finances. Higher inflation over a period can cause higher interest rates, thereby making loans expensive. A weak rupee against dollar affects any investment done abroad, foreign education and foreign travel. The inflationary pressures have led to interest rate hike by RBI which has already raised interest rates twice last year. A higher interest rate will lead to higher EMIs. For the investor of debt funds, rise in interest rates would bring down the bond prices and hence has a negative impact on the debt funds 'net asset values'. As explained above, the rising exchange rates and the resulting inflationary pressures will have an impact on the value of the assets of the retail investors and hence it is imperative for the retail investors to invest in class of assets which are a good inflation hedge. Among all the class of assets, gold is considered as a best hedge against inflation and seen as an ideal asset for portfolio diversification.

The demand for gold rises whenever there is political chaos and gold is considered as safe haven. A significant reason why people invest in gold is that it has performed admirably in holding of value over the long-term in comparison to other assets like paper currency, some coins or even stocks. Thus, gold can be used to protect purchasing power, reduce volatility and minimize losses during periods of market shock.

RBI is among the 10th largest holder of gold reserves among central banks globally, according to the latest WGC report with USA and Germany among the top holders ever since uncertainty over the dollar outlook mounted after the US-China trade war concerns in 2018, central banks across the globe started buying gold to diversify their foreign exchange reserves base. RBI also started buying gold after a long gap (after Nov 2009). The surge in foreign inflow and low yield on overseas sovereign bonds may have led to RBI buy gold. As at FY22, the Reserve Bank held 760.42 metric tonnes of gold ranking tenth globally in gold holding. Out of this, 453.52 metric tonnes of gold is held overseas with the Bank of England and the Bank of International Settlements (BIS), while 295.82 metric tonnes of gold is held locally. While the quantity of holding is less than that of the US, Germany, France and Switzerland, it is far higher than other emerging economies, with the exception of China.

The RBI decision to buy gold is significant because unlike Central banks it does not regularly trade in gold although the law permits it do so. The RBI's decision to buy gold is probably a decision for diversification of assets for deployment keeping in mind the evolving global risks due to rising policy rates in the USA and increasing market volatility. The beginning of the RBI's recent gold purchases in early 2018 coincides with two events. One, the US dollar fell sharply in 2017 as the trade war with China and crash in commodity prices led to selling in dollar assets. Two, yields on US treasury bonds spiked sharply between September 2017 and March 2018. These two happenings, taken together, would have resulted in a sharp loss in the value of US treasury securities held in foreign exchange reserves. Gold prices have also been in a strong up-trend since September 2018, gaining almost 48% since then. This rally would have bolstered the central bank's resolve further.

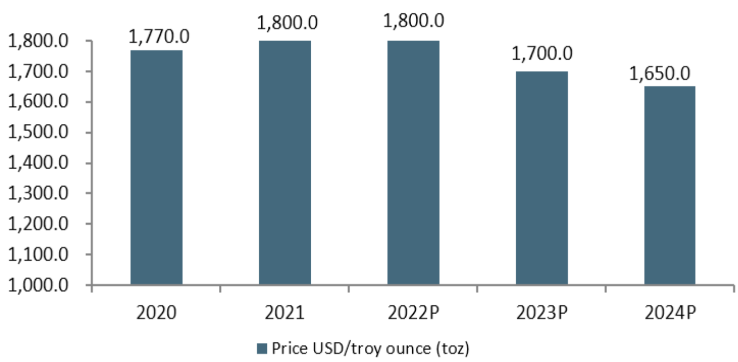
India's desire to add gold reserves seems to be driven mainly by the fear of depreciation in dollar value causing capital loss. India's forex reserves have been on an upward trajectory for most part over the last three decades as the RBI used the copious foreign portfolio and direct investment inflows to build its reserves. More than one-third of these reserves are held as US treasury securities.

9. KEY CHALLENGES FACED BY THE GOLD LOAN INDUSTRY

Volatility in Gold prices

Volatility in the gold prices has impact on the performance of the gold loan market. Though gold prices were increasing, it is expected to decrease over the long term. As per World Bank - Commodity Markets Outlook, April 2022, the global prices of gold are expected to decline from USD1,800.0 per toz in 2021 to USD1,650.0 per toz in 2024P. With increase in LTV, the asset portfolio of gold finance companies become more vulnerable if gold price crash suddenly. This is because the safety margin reduces with higher LTV. Banks would be exposed to greater risk due to higher LTV.

Global Gold Prices Projections (FY20-FY24P)



Source: World Bank - Commodity Markets Outlook, April 2022

Regulatory pressure

At present, every NBFCs-ND-SI is required to make a provision for standard assets at 0.4% of the outstanding. In March 2017, RBI stated that NBFCs cannot disburse more than INR20,000/- in cash against the gold loans. This RBI move is being part of its go digital drive post demonetization. RBI had increased the maximum limit for LTV for gold loans for scheduled commercial banks to 90% (earlier it was 75%) till March 2021 but it was brought back to 75% post 31st March 2021. The LTV is still 75% for NBFCs. The objective behind increasing the LTV would be to provide some lending room for the lenders. The higher LTV ratio suggests more credit risk for the lenders as the collateral available in the form of gold ornaments or jewellery may not be sufficient to fully cover both principal and interest components on these loans. Higher LTV could adversely impact the recoverability and asset quality of lenders in the case of a weakening in the borrower's credit risk profile and/or sharp decline in gold prices.

Security Threats and Risks of Theft

One of the principal risks in the operations of gold loan NBFCs are robbery and employee theft or fraud which needs to be safeguarded. To safeguard against theft or loss of collateralized gold NBFCs install safe vaults, in-house or outsourced storage model, electronic surveillance, internal and external audits and insurance.

Lack of financial literacy among rural customers

The customer segment living in remote areas is financially illiterate and till date they are under the impression that they are not eligible for any loans from the organized (banks, NBFCs, financial institutions) sector and they approach local moneylenders. This financial illiteracy among rural people is a factor that hampers the growth of market to a great extent.

Young Indians attraction to alternative jewellery

India is the largest consumer of gold in the world. From last few years the young population of India is more inclined towards high-end designer and gem-set jewellery with a preference to platinum and diamonds. This indicates buying patterns are shifting and the demand for plain gold jewellery is declining especially in the urban areas. As per industry reports, India is the world's fourth largest platinum market and customers have the assurance of buy-back similar to gold ornaments. In recent times, diamonds are also gaining equal popularity to gold as an investment option. Further, the Indian Commodity Exchange is offering a Systematic Investment Plan to acquire precious stones for retail buyers Since, the last seven years, gold and platinum have appreciated by a similar extent. All these are indicators of slightly diminishing popularity of gold amongst the urban youth in urban markets.

Change in Savings Pattern

The youth are turning towards alternative options such as equity markets/mutual funds for wealth creation as against traditional method of buying gold. Also, the %age of discretionary spending is also rising day by day. These alternate investment options are gaining more traction.

Data Security

Protection of data is the most importance given to the rise of cyberattacks through malware and phishing targeted at the confidential client information. All the financial institutions need to make sure that sufficient attention is given to such challenges and a strong network and data infrastructure is in place which would be capable of preventing such attacks.

According to industry sources, cyber-crime is the third most reported fraud across the financial sector. The RBI directed that all NBFCs were required to have a board-approved information security policy with the following basic tenets:

(a) Confidentiality - Ensuring access to sensitive data to authorized users only
(b) Integrity - Ensuring accuracy and reliability of information by ensuring that there is no modification without authorization.
(c) Availability - Ensuring that uninterrupted data is available to users when it is needed.
(d) Authenticity - For information security it is necessary to ensure that the data, transactions, communications or documents (electronic or physical) are genuine.

10. GOLD LOAN INDUSTRY DURING COVID-19 CRISIS

During periods of economic stress, banks can really become risk averse and gold will offer on lending. The global financial crisis happened in 2008-09 when major economies went into recession and stock markets crashed. But unlike the financial crisis, challenges are different this time. The COVID-19 pandemic is a medical problem and the remedy of this problem also lies in the realm of medical sciences. Monetary and fiscal measures extensively used across the globe at best will only help in mitigating some of the adverse impact on the economy. Therefore, it is now evident that the impact of COVID-19 on the economy and livelihood is going to be greater than the impact of global financial crisis of 2008-09.

The economic package of INR20tn to revive Indian economy which includes the loan guarantee scheme of INR750bn for NBFCs and the MFIs would help in easing the liquidity challenges faced by the NBFCs. Both the government and RBI are fully committed to do whatever it takes in addressing the challenges of the pandemic.

Unlike other segment like house finance, commercial vehicle finance and MFIs, leading NBFCs have kept momentum going in gold loan by focusing on online channels. Leading NBFC is expecting 12-15% growth on gold loans in FY22 while other segments do not expect any growth. The application for gold loans have increased 35%-40% during June 2021. Gold loans were disbursed online when branches were closed during lockdown period. Due to this, even during the lockdown period itself, the online gold loan out of the total portfolio has gone up. Online channels are helping NBFCs in the interest collection and customer find it easy to transfer online whenever they have some money in their accounts. Online gold loan brings a lot of cost savings to NBFCs, but it will be accrued only in future because there are minimal number of people in the branch. Even if portfolio grows 3x to 4x, NBFCs do not need any additional employees. In future, this is going to bring a lot of operating expenditure saving per branch. Online gold disbursement would prove as competitive advantage to NBFCs who will proactively consider it as a vital business strategy in coming years

NBFCs are expecting increase in gold loans as benefits like free storage of gold and drawing power up to 75% of the LTV can be done anytime from anywhere. At the portfolio level, most of the NBFCs have average LTV at around 60% against recent increase of RBI limit. It creates lot of room to borrow more against their excessive ledgers by most of the customers.

Unlike Micro Finance Institutions (MFIs) loans, most of the gold loan customers have preferred not to opt for loan moratorium as they realize the deferment of payments without the waiver of interest would add to their interest outflow. One of major reason for this is the nature of gold loan offered by NBFCs. It is bullet repayment loans and loan moratorium are applicable to term loans. The current overall bounce rate of the customers is around 40% to 50% during lockdown. But NBFCs were able to collect almost all interest on gold loan. That is why, there is not much difference between approvals pre COVID-19 and present for gold loans. But for other segments, normal rate of disbursement for the NBFCs will start once the collection %age gets back to normal. Gold loans can turn the tide due to innovative products like online gold loans, being liquid and secured in nature and increase in gold prices during the period.

11. OVERVIEW OF MICRO FINANCE INDUSTRY IN INDIA

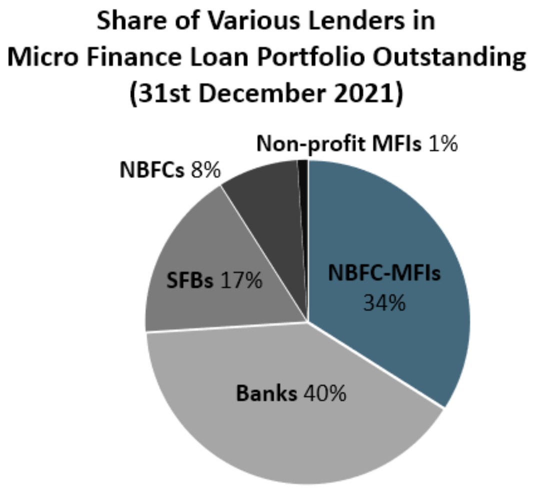
Microfinance, which involves providing small loans to financially excluded rural market, is an important player to bridge the credit demand gap among the underserved lower income groups. The journey of financial inclusion in the past two decades has been one of intensive efforts and incremental experimentation. However, the quantum jump came when Pradhan Mantri Jan Dhan Yojana (PMJDY) was launched in 2014, which enabled achievement of the objective of providing bank accounts to adult population in almost every household. The reach of mobile phones and e-KYC has ensured these accounts are accessible to those who have been included in the financial services.

Number of negative events in the past have influenced growth as well as asset quality of the microfinance sector including – the Andhra Pradesh crisis of October 2010, farm loan waivers by several states, demonetisation in November 2016, floods in some states, as well as recent economic slowdown. Despite these setbacks, the industry has evolved over the cycles and demonstrated resilience by adapting to changing dynamics. It is significant to note that both the number of institutions providing microfinance as also the quantum of credit made available to the financially excluded clients have increased significantly during the last decade. RBI has been making sustained efforts to increase the penetration of formal financial services in unbanked areas, while continuing with its policy of ensuring adequate flow of credit to productive sectors of the economy and also ensuring the availability of banking services to all sections of people in the country.

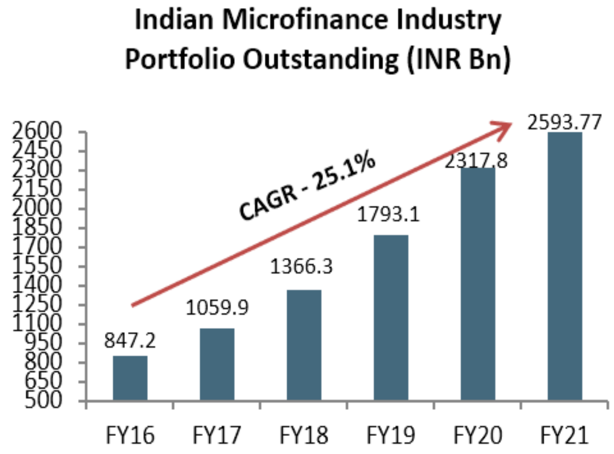
Market size of Indian Microfinance industry

Micro Finance industry consists of multiple players with diverse organizational structures. Loans in this sector are provided by Banks, Small finance banks (SFBs), Non-banking financial company-microfinance institutions (NBFC-MFIs), other NBFCs and non-profit organizations. According to Microfinance Institutions Network (MFIN), MFIs operate in 27 States, 5 Union Territories and 627 districts in India. The sector served 5.7 crore(cr) unique borrowers through 10.5cr loan accounts. The industry Gross Loan Portfolio (GLP) has grown at a CAGR of 25.1% during FY16 to FY21 period as depicted in the graph alongside.

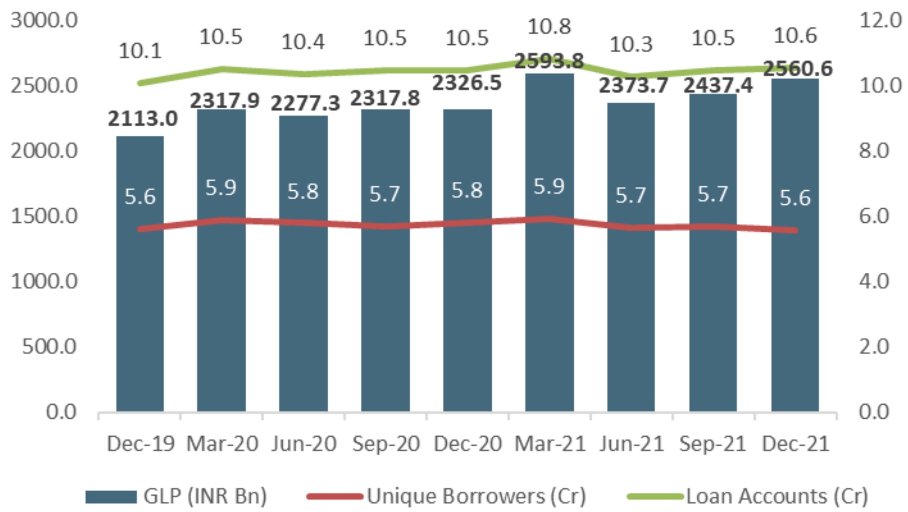
GLP growth of Microfinance Industry from Q3FY20 to Q3FY22



Source: Microfinance Institutions Network (MFIN)



Source: Microfinance Institutions Network (MFIN)

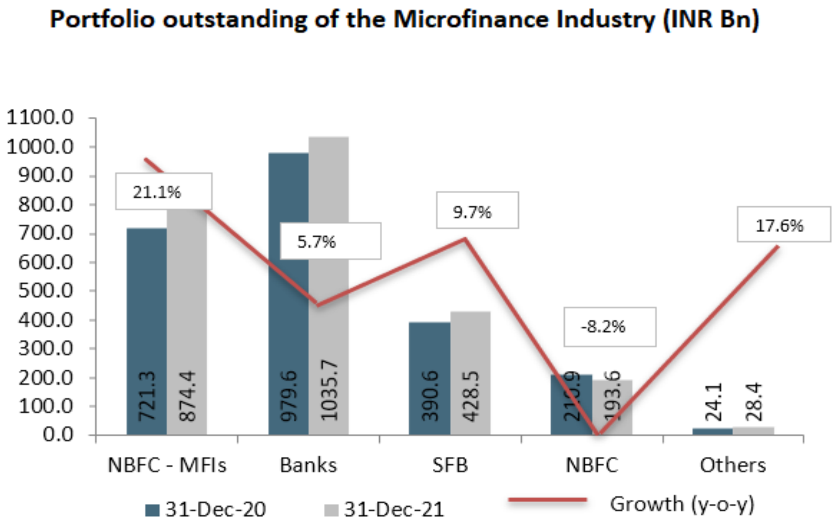


Source: Microfinance Institutions Network (MFIN)

Microfinance loan portfolio stands at INR2,560.6bn as on 31st December 2021, serving 5.6 crore unique borrowers with 10.6 crore loan accounts. GLP as on 31st December 2021, showed an increase of 10.1% y-o-y as compared to INR2,326.5bn as on 31st December 2020. Some other trends of the industry are as follows:

- As on 31st December 2021, 13 Banks hold the largest share of portfolio in micro-credit with total loan outstanding of INR1,035.7bn**,** which is 40% of total micro-credit universe. NBFC-MFIs are second largest provider of micro-credit with a loan amount outstanding of INR87,4.4bn accounting for 34% to total industry portfolio. SFBs have a total loan amount outstanding of INR428.5bn with total share of 17%. NBFCs account for another 8% and other MFIs account for 1% of the universe.
- The microfinance active loan accounts increased by 0.8% during the past 12 months to 10.6 crore as on 31st December 2021.
- In terms of regional distribution of GLP, East & Northeast and South account for 65% per cent of the total portfolio
- The Top 10 states constitute 81.9% in terms of GLP. West Bengal has retained its spot as the largest state in terms of portfolio outstanding followed by Tamil Nadu and Bihar. Among Top 10 states, West Bengal has the highest average loan outstanding per unique borrower of INR53,110 followed by Kerala at INR43,838.

The graph below depicts the comparison of portfolio growth of different microfinance lenders as on 31st December 2021 and 31st December 2020.



Source: Microfinance Institutions Network (MFIN)

Over the past years, the GoI and the RBI has recognized the role played by MFIs in furthering government's financial inclusion agenda. As a part of strengthening the MFI, the RBI appointed industry body Micro Finance Institutions Network (MFIN) as well as Sa-Dhan (an association of MFIN) as self-regulatory organizations (SROs) and bringing Credit Bureau for the tiny loan segments. There has been a tremendous improvement in the risk management practices of MFIs which is evident that the sector was able to tide over the effects of demonetization despite being the fact that MFIs transactions with its customers are mainly in cash as they cater to low income households with majority of them located in rural areas. NBFC-MFIs are increasingly adopting digital transactions and expecting disbursements and repayment to happen cashless. However, their customers are illiterate and the adoption is low by the customers. Digitalization will happen only with the improvement in digital infrastructure and with a continuous engagement with their customers. This is possible as the MFI feet on the street model has been instrumental in building an extensive reach at the grass-root level thereby enabling MFI to cater to the financial needs of the unbanked clients. RBI has also raised the household income limit for availing micro loans while enhanced the lending limit to INR1.25 lakh per eligible borrower from INR1.0 lakh earlier, creating more opportunity for MFIs to grow.

The NBFC-MFIs adhere to RBI guidelines to fix interest rates. As NBFC-MFIs are non-deposit taking entities they borrow funds from external sources to cater to the micro-credit requirements of their clients. The interest rates what NBFC-MFI are heavily dependent on the cost of funds that it borrows and RBI stipulations. Over the years, the average cost of funds for MFI has come down and many of the MFI have started passing on the benefits of the reduction in the cost of funds to their clients by charging lower interest rate to their client. RBI set an average base rate of 9.18% for non-banking financial companies and micro finance institutions to be charged from their customers for the quarter beginning July 2019.

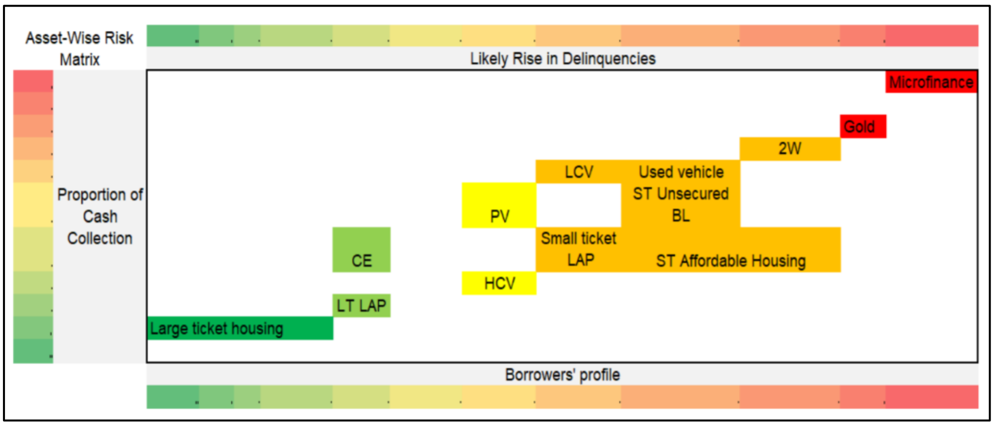
A significant portion of the Indian population still lacks access to credit from the formal sector and consequently borrows from informal channels like moneylenders or relatives, indicating the scope of micro lending in achieving financial inclusion and overall industry growth. The prospective for Microfinance, particularly in Semi-Urban and Rural geography is quite large in India and with NBFC-MFIs are stepping up to integrate best practices and technology which would help them provide better customer service as well as achieve operational efficiencies and lower costs.

The announcement of the 'Regulatory Framework for Microfinance Loans, 2022' has come at a very opportune time when the industry has seemingly navigated the stressful Covid period well and has started showing signs of normalcy. The new regulation is expected to usher in a new phase of growth in the microfinance sector which is more client centric and responsible and will enable regulated entities to reach out to new unreached areas/excluded households. At the same time, the regulation is applicable to all regulated entities and has created a level playing field, which will encourage healthy competition and challenge regulated entities to innovate and become more efficient, and in the process benefit the clients and contribute further towards achievement of financial inclusion.

12. CHALLENGES FACED BY MFIS IN INDIA

Asset class-wise vulnerabilities

MFIs and SFBs will face severe asset quality issues in the short term, as near-term collections would see unprecedented disruptions. There may be refinancing and funding challenges for entities in the next 3-6 months. MFIs would be among the severely impacted primarily due to the operational challenges to collect cash. Additionally, the credit costs could exceed pre-provision operating profits (4%-6% for NBFC-MFIs) with likely erosion in capital. It could take much longer for the credit support to normalise. Domestic banks may curtail funding/refinancing to MFIs for the short-to-medium term, given the uncertainty towards inflows.



Source: FSIAPL

Trends in collection efficiency

Overall, collection efficiency has improved to 95-99% in MFIs but the recovery is not uniform across the states/UTs. Collection efficiency in Assam is lowest at 60-65%. The reduction in stressed assets, along with improved collection efficiencies mark a recovery in the asset quality of NBFC-MFIs, supported by economic revival, limited impact of the omicron variant, and acclimatisation to the post-pandemic 'new normal'.

Harmonisation Norms – Important but need to tread carefully

The proposed harmonisation guidelines are the need of the hour to address the diverse interpretations of regulations by the multiple forms of entities (mostly regulated) involved in microfinance. Under the draft harmonisation guidelines, Microfinance Institutions Network is trying to evolve a common income evaluation guideline for NBFC-MFIs and other players in the segment such as small bank banks (SFBs), banks and NBFCs. Traditionally, banks have followed their own criteria (sometimes deriving from NBFC-MFI regulatory guidelines) which often put NBFC-MFIs at a disadvantage and this, in some states has increased the systemic risk. In addition, the removal of caps on lending rates could provide small NBFC-MFIs some breathing space and the opportunity to have reasonable operating buffers. Lending rates are capped on account of the formula at 21.5% and funding costs at 13-15%. Thus, small MFIs have marginal operating buffers, if any. The caveat here is that in case the microfinance qualifying borrower income cap is high; the purpose of microfinance could be diluted and the group structure may not be cut out to withstand defaults on high indebtedness.

Assam Debt Waiver – Encouraging discipline, but still a waiver

The Assam debt waiver is crafted in a manner to incentivise disciplined borrowers who have faced temporary cashflow problems but are not willing to default. For long-time defaulters, the plan envisages clearing of overdues and an incentive conditional to borrower behaviour becoming regular. While the MFIs operating in the region would probably see write-backs in their portfolio, this only partly addresses the larger problem of defaults post announcement/expectation of loan waivers especially in election times. In the rest of FY22, there could be elections in nine states/union territories and hence MFIs operating in these regions might slow down disbursements.

Timing of stress events to play role in FY22 Income statements

MFIs and SFBs were able to spread the provisions on the first Covid wave impacted portfolio over two financial years; 4QFY20 entailed advance creation of provisions, given that the national lockdown was imposed in 4Q; SFBs that have a prescriptive provision regime would also have made some provisions on the first wave impacted portfolio in FY22. However, given that the bulk of the second wave portfolio deterioration would happen at the beginning of FY22, the incidence of most of the relevant provision will also fall in FY22. As a consequence, the impact of the credit costs on account of the second wave would be higher in the single financial year for FY22 than FY21 - which saw some benefit of the Q4FY20 provision buffers created by players in anticipation of another COVID-19 led country-wide lockdown. Even during the demonetization crisis, companies were able to spread the credit cost over three years as the event occurred at end Q3FY17 and the regulator provided forbearance for NPA recognition.

Funding Access would be critical

Smooth access to funding and liquidity would be critical for the MFI sector. For most large MFIs (assets under management (AUM) above INR50bn or those part of large groups), bank funding lines could continue and hence they may not face immediate liquidity stress. During Q1FY22, the regulatory announcement of special long-term repo operations of INR100bn for SFBs and categorization of lending by SFBs to MFIs under the priority sector lending (for loans to MFIs of AUM INR5bn and less) were step to ensure flow of liquidity to small MFIs.

13. Overview Of MSME Loans in India

The Micro, Small and Medium Enterprises (MSMEs) sector is a major contributor to the socio-economic development of the country. In India, the sector has gained significant importance due to its contribution to GDP of the country and exports. The sector has also contributed immensely with respect to entrepreneurship development especially in semi-urban and rural areas of India.

Overview of MSME lending in India

The total on-balance sheet commercial lending exposure in India stood at INR74.36 lakh crore in March 2021, with y-o-y growth rate of 0.6%. In FY21, the country disbursed loans worth INR9.5lakh crore to MSME sector; higher than preceding year of INR6.8lakh crore in FY20. This sharp jump in MSME lending for FY21 was supported by Atmanirbhar Bharat scheme of Emergency Credit Line Guarantee Scheme which provided 100% credit guarantee to lenders. Strong rebound in credit demand, accompanied by equally strong credit supply and ECLGS support, has led to growth in the credit outstanding amount of MSME sector to INR20.2 lakh crore, with a y-o-y growth rate of 6.6%. Micro segment has grown fastest at 7.4%, followed by Small segment at 6.8% and Medium segment at 5.8% in FY21.

Balance-Sheet Commercial Credit Exposure (In INR Lakh Crore)

Period	Very Small loans (< INR 10 lakhs)	Micro loans 1 (INR 10-50 lakhs)	Micro loans 2 (INR 50 lakhs- 1 cr)	Small loans (INR 1-10 crores)	Medium loans 1 (INR 10-25 crores)	Medium loans 2 (INR 25-50 crores)	Large loans (>INR 50 crores)	Overall
Mar'19	0.86	2.18	1.49	7.44	3.65	22.96	54.10	72.68
June'19	0.86	2.14	1.47	7.38	3.58	2.88	53.77	72.09
Sep'19	0.88	2.2	1.5	7.42	3.58	2.87	53.27	71.72
Dec'19	0.92	2.25	1.52	7.54	3.61	2.86	53.39	72.1
Mar'20	0.96	2.31	1.56	7.64	3.65	2.85	54.93	73.88
Jun'20	0.94	2.27	1.52	7.51	3.65	2.85	55.06	73.81
Sep'20	0.93	2.34	1.59	7.84	3.73	2.91	50.33	69.65
Dec'20	0.97	2.37	1.61	7.95	3.8	2.94	52.06	71.70
Mar'21	1.02	2.47	1.67	7.15	3.88	3.00	54.15	74.36
Growth Y-o-Y (%)	**6.3%**	**6.9%**	**7.1%**	**6.7%**	**6.3%**	**5.3%**	**-1.4%**	**0.6%**

Source: CIBIL

With the strong inflow of credit in the MSME sector, and various support measures from government and regulator, the NPA rates for MSMEs are controlled at 12.5% for March 2021 compared to 12.6% for March 2020. However, the NPA rates for March 2021 are higher than Dec 2020 (12%) coupled with credit downgrades.

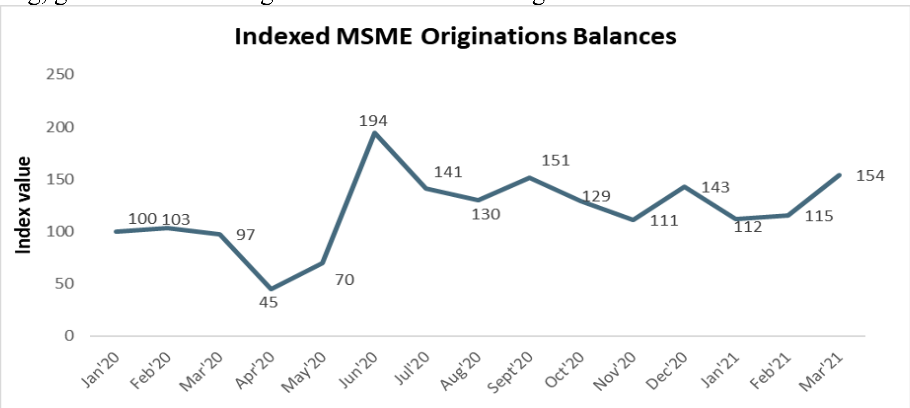
MSME Disbursement Amounts (in INR Lakh Crore)

Period	Micro (< 1 Cr)	Small (1-10 Crs)	Medium (10-50 Crs)	Overall
Apr '19 - Jun'19	0.33	0.57	0.55	1.45
Jul'19-Sept'19	0.42	0.65	0.61	1.69
Oct'19-Dec'19	0.42	0.68	0.62	1.72
Jan'20-Mar'20	0.44	0.74	0.73	1.91
Apr'20-Jun'20	0.43	0.83	0.69	1.95
Jul'20-Sept'20	0.58	1.09	1.00	2.67
Oct'20-Dec'20	0.52	0.97	0.92	2.41
Jan'21-Mar'21	0.52	0.97	0.95	2.45

Source: CIBIL

Trends in Originations of MSME loans

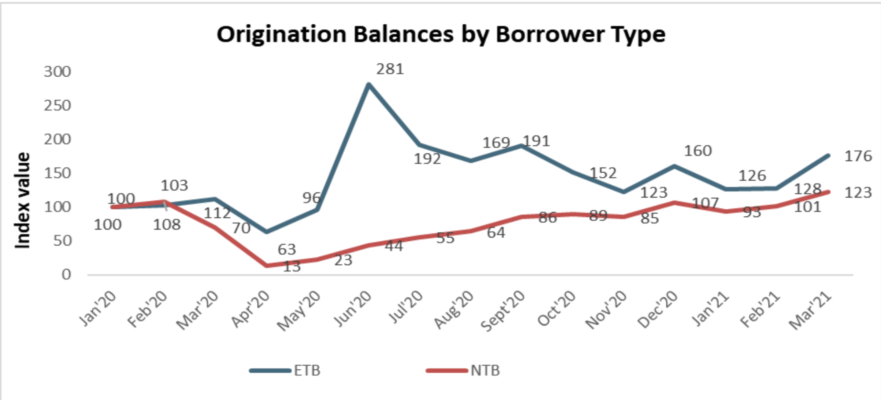
Since the launch of ECLGS, credit originations have seen an uptick. Compared to Jan '20, which has been taken as the baseline for indexing, growth in credit originations have been strong since June '20.



Source: CIBIL

Lending activity by type of borrowers

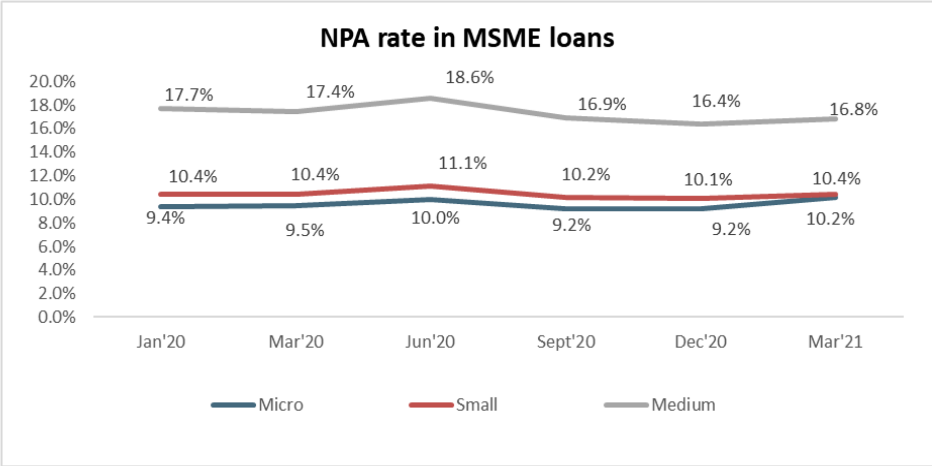
Borrowers who were sanctioned loans are further classified based on their existing relationship with the lenders. Borrowers who had an existing commercial credit relationship with the lender are defined as Existing-to-Bank (ETB), Borrowers with no commercial credit relationship with the respective lender or any other lender are classified as New-to-Bank (NTB).



Source: CIBIL

While a strong rebound was seen initially for ETB primarily because of the design of ECLGS scheme, over time NTB were also picking up. Credit disbursals to NTB MSMEs had dropped by 90% for Apr '20 compared to pre-covid levels and has gradually returned to higher than pre-covid levels for Mar '21. Credit disbursals to ETB MSMEs jumped to more than double of pre-covid levels in June '20, due to ECLGS and since then has sustained pre-covid levels.

Segment-wise NPA rate in MSME loans



Source: CIBIL

The overall NPA rate in MSME lending remained stable till June' 20, and reduced across all subsegments in Sept' 20. It remains stable for Small and Medium segments till March' 21. Within the MSME subsegments, the NPA rates are higher for subsegments with larger ticket sizes. There is again an increase in NPA rate in March' 21 over Dec' 20 for Micro segment. Reduction in NPA rates across subsegments is driven by high credit supply since ECLGS. The NPA rates may be subject to change as regulatory/legal guidelines emerge.

Digital Lending in MSME segment

The ecosystem-based approach of digital lending has transformed both the supply and demand side of lending. As a result, an MSME proprietor's lack of a digital footprint, formal documentation, and owned properties is not an impediment. Digital lenders assess a borrower's creditworthiness with data mapped from economic behaviour, payment history, and other past transactions by leveraging data analytics and AI. These novel methods make for a more inclusive lending ecosystem.

Another method hitherto unseen is that of 'verticalized underwriting'; digital lenders collaborate with aggregators in various industry segments to fully understand industry-specific needs and challenges and provide credit solutions that suit them. Digital lending has also augmented the reach of credit; proprietors in small cities can seamlessly access credit that was previously available to them in only physical outlets that were out of town. This has been made even more accessible through solutions like E-NACH, CKYC/OKYC, E-sign, video sign. The cost benefits of the lack of physical infrastructure are also passed down from lenders to borrowers. All of this leads to a cost advantage to the lenders which translates to a lower cost of capital.

The shift brought about by digital lending is changing the optics of MSME lending. What was once an onerous and time-consuming task is now becoming an easily accessible business decision. Empowering the underserved through capital inclusion is a win-win-win situation; for the lending ecosystem, MSME borrowers, and India's economy as a whole.

14. OVERVIEW OF PERSONAL LOAN INDUSTRY IN INDIA

India with a population of over 1.3bn people is one of the largest and most complex credit markets in the world. With increasing incomes and consumption, the demand for personal credit is on the rise. Personal loans have assumed significance in the wake of global pandemics, high inflation and rising living costs. India personal loan market is segmented based on source, tenure, purpose, interest rate, company and region. Based on source, the market can be bifurcated into bank and NBFC. Banks dominate the market since the penetration of banks is far more than any other credit union in the country. Based on purpose, the market can be fragmented into home improvement, wedding, travel and others. The credit landscape in India is ever evolving and has witnessed changing consumer preferences, shift in demand towards smaller ticket loans, ease of access to credit, increased usage of digital platforms and entry of non–traditional lenders in the ecosystem.

Market Size of Personal Loans in India

Credit bureau 'CRIF High Mark' reported that the overall personal loan market in India grew at a CAGR of 25.5% from INR4,093.0bn in FY19 to INR6,446.0bn in FY21. The number of active personal loans increased at a CAGR of 37.3% from 210.1 lakh in FY19 to 396 lakh in FY21. Between FY19 and FY21, the average ticket size of personal loans shrunk

40% to INR1.5lakh from INR2.4lakh. The increasing income gap and expenditure coupled with rising aspirations, especially among the young population are the key factors driving the Indian personal loan market.

Overall Personal Loans in India	FY19	FY20	FY21
Portfolio Outstanding (in INR bn)	4,093.0	5,364.0	6,446.0
Active Loans (in Lakhs)	210.1	339.2	396.0
PAR 31-90 days	1.5%	1.6%	2.2%
PAR 91-180 days	0.5%	0.8%	1.3%
PAR 180+ days	2.2%	2.4%	3.0%

Small Ticket Personal Loans in India	FY19	FY20	FY21
Portfolio Outstanding (in INR bn)	2.7	4.0	4.1
Active Loans (in Lakhs)	73.7	167.7	199.6
PAR 31-90 days	1.9%	2.4%	4.0%
PAR 91-180 days	1.3%	2.8%	4.8%
PAR 180+ days	10.3%	8.6%	13.7%

Source: CRIF High Mark

As the volumes of personal loans in India soared, the loan size shrunk equally fast in the same time period. Small Ticket Personal Loan (STPL), which are essentially loans below INR1 lakh in value, grew at a CAGR of 24.2% from INR2.7bn in FY19 to INR4.1bn in FY21. Small Ticket Personal Loans constituted 50% share by volume of the total loan portfolio as of FY21.

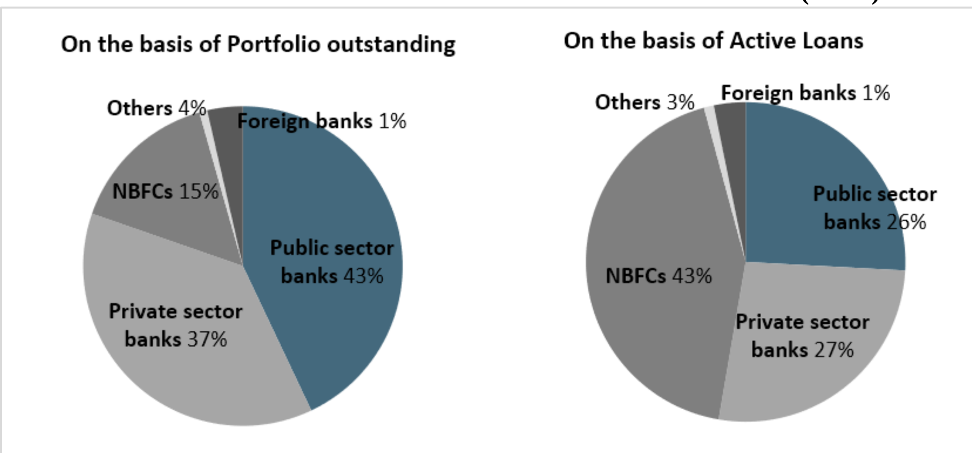
The number of active STPL loans increased at a CAGR of 64.6% from 73.7 lakh in FY19 to 199.6 lakh in FY21. NBFCs have driven this growth by the way of loan offerings like buy-now-pay-later (BNPL) and no-cost EMI on all kind of consumer durables being sold nowadays. About 54% of STPL borrowers in FY21 were less than 35 years old. To break it up further, 22.8% of loans with ticket size less than INR10,000 and 15% of loans with ticket size INR10,000-INR25,000 were provided to borrowers aged below 25 years.

However, delinquencies in the STPL segment have also gone up as Covid-19 disrupted incomes and thereby, borrower's ability to repay the loan. Delinquency rate for STPLs in the 180+ days payment overdue bucket stood at 13.7% as of FY21, compared to 3.0% for overall personal loan segment.

Market Share of Personal Loans in India

Overall Personal Loans: Public sector banks and private banks dominate overall personal loans market with share of 43% and 37% respectively (by value). NBFCs have been catching up in the game since past few years and have captured 15% of the overall personal loans (by value). On the basis of number of active loans, NBFC leads the pack with a 43% share of the pie (by volume), followed by private sector banks at 27% and public sector banks in 26%.

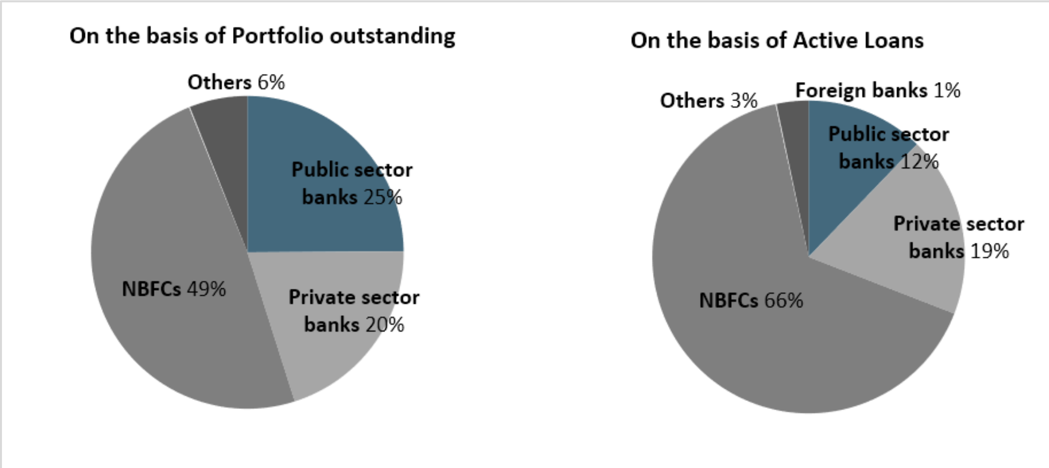
Lender-wise market share of Overall Personal Loans in India (FY21)



Source: CRIF High Mark

Small Ticket Personal Loans: NBFCs dominate small ticket personal loans market with share of 49% (by value) and 66% (by volume), followed by private sector banks and public sector banks. NBFCs have been aggressively pushing small, short-term unsecured loans to young consumers primarily driving the tremendous growth for small-ticket loans in the range of INR2,000-INR50,000. Another reason for a surge in small-ticket loans was that people now prefer spending on low-value transactions. Additionally, as technology promotes greater digital access, it helps lenders in locating, reaching and engaging with these new customers. Moreover, first-time borrowers such as Gen Z and millennials have virtually no credit history. As a result, these segments find it most challenging to procure large-ticket loans from conventional lending sources like banks and older NBFCs, which are wary of lending to applicants with zero-credit history because of their perceived higher risks.

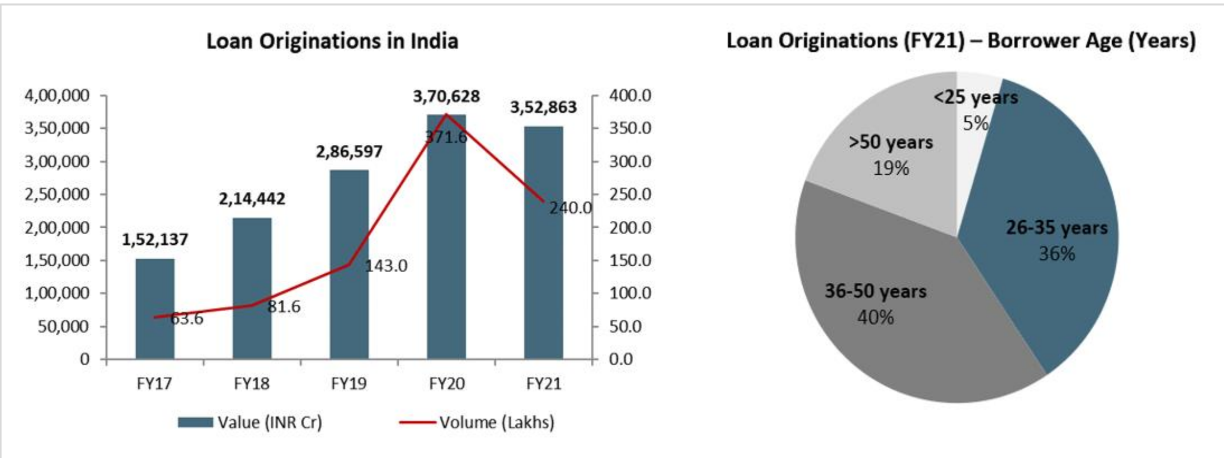
Lender-wise market share of Small Ticket Personal Loans in India (FY21)



Source: CRIF High Mark

Growth in Originations of Personal Loans

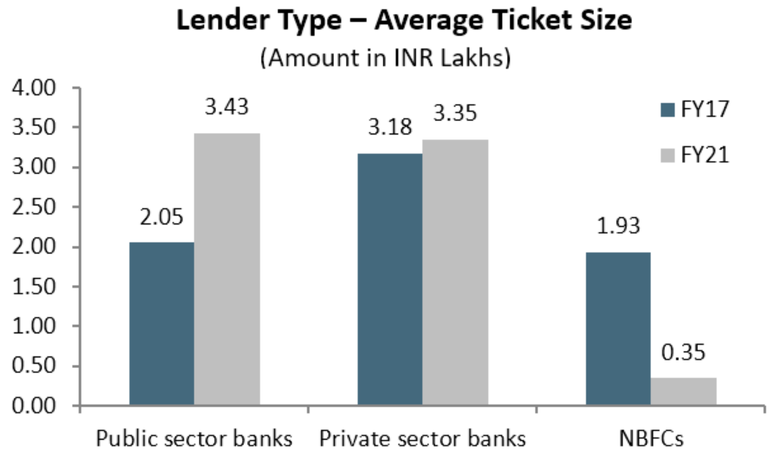
Loan origination is the process by which a borrower applies for a new loan, and a lender processes that application. The personal loan segment has witnessed loan origination of 2.3X growth in originations by value and 3.8X growth in originations by volume from FY17 to FY21 as depicted in the chart below. The total loan origination value stood at INR352,863cr in FY21 with number of loan originations of 240 lakh. The borrower's profile in loan origination pie chart below depicts that 40% of overall personal loan borrowers in FY21 are less than 35 years of age; balance 40% of overall personal loan borrowers in FY21 fall within the age bracket of 36-50 years.



Source: CRIF High Mark

Average Ticket Size of Personal Loans in India

Average ticket size of personal loans in India is shrinking. There was 40% reduction in average ticket size of personal loans from INR2.4lakh in FY17 to INR1.5lakh in FY21. Reduction in average ticket size of overall personal loans from FY17 to FY21 is led by NBFCs with 80% reduction in average ticket size. Average ticket size of NBFCs reduced steeply from INR1.93lakh in FY17 to INR0.35lakh in FY21, majorly due to increased STPL lending by NBFCs. The average ticket size of loans being taken in non-metro cities is smaller as compared to metro cities. Small ticket personal loan is expected to keep growing in the coming years as Fintechs, NBFCs and Banks focus on creating frictionless financial solutions that cater to the credit needs of the digitally savvy millennial customers.



Source: CRIF High Mark

Digitization in Personal loan lending

Digital lending is the issuance of a loan using information technology. Digital lending starts from an online application on the bank's website and ends with an automated loan issuance system. The latter may include several programs with the functions of an application form, document capture, electronic signature, credit analysis, loan administration, and other capabilities.

The pandemic has accelerated digital transformation across financial services and products. High internet penetration coupled with robust technological advancement has provided the required impetus to strong financial inclusion and growth. In 2022, the 'Buy Now Pay Later 'offering, which is revolutionizing access to credit, will see massive adoption, including uptake in the EMI product category. Many banks are using rule-based algorithms for underwriting, enabling credit assessment checks, enabling product offerings and increasing process efficiency. Digital lending in India, being a convenient, simplified and paperless method of availing loans is projected to witness an accelerated adoption across metro and non-metro cities with a precise focus on an underserved population.

The factors crucial to the growth of the digital lending and banking services to personal loan sector will be a better collaboration amongst banks/NBFC's and fintech and digital adoption. The partnership between banks/NBFC's and Fintechs will help scale the ability to provide personal loans starting from as low as INR1000 completely digitally along with the ability to also collect them digitally and seamlessly. The Digital Co-Lending Platform is an agile tech-driven multi-dimensional solution that provides an end-to-end solution for the complex accounting issues which are common under co-lending. Features such as dedicated escrow management and collections mechanism, makes the platform unique and best-in-class, delivering a more efficient loan management cycle. Many banks are targeting to partner with atleast NBFCs and to build co-lending loan book through the digital platform in the next two years.

15. ABBREVIATIONS

Abbreviations

AFC: Asset Finance Companies
BFIL: Bharat Financial Inclusion Ltd.
CAD: Current Account Deficit
CIC: Core Investment Companies
CIC-ND-SI: Systemically Important Core Investment Company
DFI: Development Finance Institutions
DMs: Developed Markets
EMI: Equated Monthly Instalment
EMs: Emerging Markets
ETFs: Exchange-Traded Fund
FOMC: Federal Open Market Committee
FSIAPL: Fitch Solutions India Advisory Pvt. Ltd.
GDP : Gross Domestic Product
GDS: Gold Deposit Scheme
GFCE : Government Final Consumption Expenditure
GFCF : Gross Fixed Capital Formation
GIFT-IFSC: Gujarat International Financial Services Centre
GLP: Gross Loan Portfolio
GMS: Gold Monetisation Scheme
GNI: Gross National Income
GST: Goods and Service Tax
GVA: Gross Value Added
HFC: Housing Finance Companies
IBE: International Bullion Exchange
IC: Investment Companies
ICC: Investment and credit companies
IDF- NBFC: Infrastructure Debt Fund – NBFCs
IFC: Infrastructure Finance Companies
IFSCA: International Financial Services Centres Authority
IGPC: India Gold Policy Centre
IIP: Index of Industrial Production
Ind-Ra : India Ratings and Research
KYC: Know Your Customer
LC: Loan Companies
LOLR: Lender Of Last Resort
LPA: Long Period Average
LTV: Loan to Value
MFI: Micro Finance Institutions
MFIN: Micro Finance Institutions Network
MT: Million Tonnes
NBFC - MFIs : NBFC - Microfinance Institutions
NBFC-AA: NBFC-Account Aggregator
NBFC-MFIs : Non-banking financial company-microfinance institutions
NBFC-P2P: NBFC–Peer to Peer Lending Platform
NBFCs - D : NBFCs-Deposit taking
NBFCs - ND : NBFCs-Non-Deposit taking
NBFCs : Non-Banking Financial Companies
NBFI: Non-banking Financial Institutions
NBFIs : Non-banking Financial Institutions
NOF: Net Owned Funds
NOFHC: NBFC-Non-Operative Financial Holding Company
NPA: Non-Performing Assets
OGL: Online Gold Loans
PFCE : Private Final Consumption Expenditure
PMI: Purchasing Managers' Index
PMJDY: Pradhan Mantri Jan Dhan Yojana
PPP : Purchasing Power Parity
PSL: Priority Sector Lending
RBI: Reserve Bank of India
R-GDS: Revamped Gold Deposit Scheme
R-GML: Revamped Gold Metal Loan Scheme
SEBI: Securities and Exchange Board of India
SFB: Small Finance Banks
SRO: Self-Regulatory Organization
TAT: Turnaround time
TLTRO: Targeted Long-Term Repo Operation
WGC: World Gold Council
WEO: World Economic Outlook

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "Industry Overview", "Forward Looking Statements", "Risk Factors", and "Financial Information" derived from our Reformatted Financial Statements on pages 49, 14, 16 and 112 respectively.

Unless otherwise indicated or unless the context otherwise requires, the financial information included herein is derived from our Reformatted Financial Statements for the three months period ended June 30, 2022 and financial year ended as on March 31, 2022, March 31, 2021 and March 31, 2020 prepared in accordance with the requirements of the SEBI NCS Regulations and the Companies Act set forth elsewhere in the Draft Prospectus. Our financial year ends on March 31 of each year and references to a particular financial year are to the twelve months ended March 31 of that year. In this section, any reference to "we", "us" "our" or "our Company" refers to Chemmanur Credits and Investments Limited.

Overview

We are, a non-deposit taking, non-banking financial company (base layer) registered with the RBI bearing registration no. N-16-00185 dated June 10, 2010 under Section 45-IA of the RBI Act primarily engaged in the gold loan sector lending money against the pledge of household gold jewellery **("Gold Loans")** in the state of Kerala, Tamil Nadu and Karnataka. We also provide Microfinance Loans, business and personal loans, money transfer services and distribution of third party insurance products. We have been engaged in the lending business for more than 11 years and are based in Kerala, India. As of September 30, 2022, we operated through 161 branches located across 3 states namely Kerala, Tamil Nadu & Karnataka managed through our registered office located at Thrissur, Kerala and we employ 881 persons in our business operations.

We are a part of Boby Chemmanur Group which is engaged in diverse range businesses and is based in Kerala, India. The group has retail gold jewellery showrooms in USA and Middle East apart from those in India. The Boby Chemmanur Group has received BIS certification for purity of gold. Our Promoter is Chemmanur Devassykutty Boby popularly known as Boby Chemmanur, the Chairman and Managing Director of our Company. Currently, we offer various Gold Loan schemes to suit the individual needs of our customers. Currently we offer Gold Loans for tenure ranging up to 180 days. The schemes differ in relation to interest rate chargeable, amount advanced per gram of gold, tenure, amount of loan.

For the three month period ended June 30, 2022, and financial year ended on March 31, 2022, March 31, 2021 and March 31, 2020, our Company held 0.84 tonnes, 0.87 tonnes, 0.87 tonnes, and 0.94 tonnes of gold jewellery respectively, as security for all Gold Loans.

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

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

Key Operational and Financial Parameters based on the Reformatted Financial Statements

The table below sets out the key operational and financial parameters of our Company for the three months period ended as of June 30, 2022, and financial year ended as on March 31, 2022 March 31, 2021 and March 31, 2020:

(₹ in lakh)

Particulars	Three months ended June 30, 2022	Financial Year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
Balance Sheet				
Net Fixed assets	1,539.54	1,400.48	1,474.26	1,607.88

Particulars	Three months ended June 30, 2022	Financial Year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
Current assets	35,837.44	36,302.67	34,749.21	31,185.24
Deferred tax assets (net)	47.36	46.55	36.65	8.36
Non-current assets	1,487.33	1,545.11	2,238.54	417.96
Total assets	38,911.67	39,294.81	38,498.66	33,932.22
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)				
Financial (borrowings, trade payables, and other financial liabilities)	17,652.66	17,416.76	18,528.04	17,010.13
Provisions	124.89	130.04	117.95	95.05
Deferred tax liabilities (net)	0.00	0.00	0.00	0.00
Other non-current liabilities	0.00	0.00	0.00	0.00
Current Liabilities (including maturities of long-term borrowings)				
Financial (borrowings, trade payables, and other financial liabilities)	11,484.44	12,103.15	10,064.25	8,356.98
Provisions	200.41	200.63	196.50	327.11
Current tax liabilities (net)	0.00	0.00	0.00	0.00
Other current liabilities	592.62	639.59	798.30	273.30
Equity (equity and other equity)	8,856.66	8,804.64	8,793.63	7,869.65
Total equity and liabilities	38,911.67	39,294.81	38,498.66	33,932.22
Profit and Loss				
Total revenue	1,820.04	7,332.65	7,473.55	7,201.04
Revenue from operations	1,792.24	7,188.74	7,357.99	7,075.92
Other income	27.80	143.91	115.56	125.12
Total Expenses	1,743.93	6,727.47	6,228.80	6,080.00
Total comprehensive income	0.00	0.00	0.00	0.00
Profit / loss	76.11	605.18	1,244.75	1,134.45
Other comprehensive income	0.00	0.00	0.00	0.00
Profit / loss after tax	52.01	431.02	923.97	850.32
Earnings per equity share: Basic; (Continuing operations)	0.09	0.72	1.54	1.42
Earnings per equity share: Diluted (Continuing operations)	0.09	0.72	1.54	1.42
Earnings per equity share: Basic (Discontinued operations)	0.00	0.00	0.00	0.00
Earnings per equity share: Diluted (Discontinued operations)	0.00	0.00	0.00	0.00
Earnings per equity share: Basic (Total Continuing and discontinued operations)	0.09	0.72	1.54	1.42
Earnings per equity share: Diluted (Total Continuing and discontinued operations)	0.09	0.72	1.54	1.42
Cash Flow				
Net cash generated from operating activities	2,454.29	4,094.35	627.98	(181.44)
Net cash used in / generated from investing activities	(147.03)	(241.78)	(96.53)	(100.20)
Net cash used in financing activities	(1,198.93)	(3,746.53)	(546.07)	518.17
Cash and cash equivalents	1,667.05	558.72	452.68	467.30
Balance as per statement of cash flows	1,667.05	558.72	452.68	467.30
Additional Information				
Net worth	8,856.65	8,804.64	8,793.62	7,869.65
Cash and Cash Equivalents	1,667.05	558.72	452.68	467.30
Current Investments	0.00	0.00	0.00	0.00
Assets Under Management	34,032.80	35,508.29	34,138.37	29,995.44
Off Balance Sheet Assets	0.00	0.00	0.00	0.00
Total Debts to Total assets	0.66	0.67	0.67	0.53
Debt Service Coverage Ratios	0.41	0.49	0.70	0.66

Particulars	Three months ended June 30, 2022	Financial Year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
Interest Income	1,752.36	6,794.80	7,079.93	6,593.45
Interest Expense	788.84	3,199.06	2,924.56	2,629.79
Interest service coverage ratio	1.10	1.19	1.43	1.43
Provisioning & Write-offs during the year/period	0.61	23.37	28.40	44.09
Bad debts to Account receivable ratio	0.12%	0.10%	0.11%	0.09%
Gross NPA (%)	0.94%	1.08%	0.68%	0.33%
Net NPA (%)	0.70%	0.86%	0.50%	0.18%
Tier I Capital Adequacy Ratio (%)	24.33%	23.23%	23.03%	23.44%
Tier II Capital Adequacy Ratio (%)	12.40%	11.85%	11.74%	11.95%

Debt Equity Ratio of the Company (as on June 30, 2022):-

Parameters	
Debt Equity Ratio before Issue of the Debt Securities	2.89
Debt Equity Ratio after Issue of the Debt Securities	4.02

Note 1: The debt equity ratio post issue is indicative and is on account of inflow of ₹ 10,000 lakh from the proposed public issue.

Note 2: The debt equity ratio pre-issue is calculated based on the Audited Financial Statements for the three months ended June 30, 2022.

Note 3: The following events occurred between July 1, 2022 – November 25, 2022

- i. *The Company from July 1, 2022 till November 25, 2022 have made the repayment of the term loans from Canara bank and State Bank of India amounting to ₹ 112.03 lakh and ₹ 12.01 lakh, respectively.*
- ii. *The Company from July 1, 2022 till November 25, 2022 has redeemed secured privately placed non-convertible debentures amounting to ₹ 2,286.80 lakh out of which ₹ 8.03 lakh pertains to non-convertible debentures which were earlier matured but remained unclaimed.*
- iii. *The Company from July 1, 2022 till November 25, 2022 has redeemed subordinated debt amounting to ₹ 1,478.05 lakh.*
- iv. *The Company has raised funds through issuance of secured, redeemable privately placed non-convertible debentures amounting to ₹ 116.20 lakh.*
- v. *The Company has raised funds through issuance of subordinated debt amounting to ₹ 2,557.70 lakh.*

Note 4

1) *Short term borrowings represent borrowings which are due within twelve months.*
2) *Long term borrowings represent debts other than short term borrowings, as defined above, including current maturities of long-term borrowings.*
3) *The figures disclosed above are based on Reformatted Financial Statements of the Company for three months ended June 30,2022, and for Financial years ended March 2022, March 2021 and March 2020.*
4) *Total Debts to Total assets = Short term borrowings + Long term borrowings including current maturity of long-term borrowings / Total Assets.*
5) *Debt Service Coverage Ratios = Earnings available For Debt Services/ Total Debt (Borrowings)*
6) *Interest service coverage ratio = Earnings before Interest and Taxes / Finance Cost*
7) *Bad debts to Account receivable ratio = Bad Debts written off / Trade Receivables*
8) *Debt / Equity Ratio= Total Debt (Borrowings) / Net worth.*

For details of the debt-equity ratio of our Company, see "*Capital Structure*" beginning on page 41.

Our Strengths

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

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

We are registered with RBI as non-deposit taking NBFC (base layer) having registration no. N-16-00185 dated June 10,

2010. We have been engaged in the Gold Loans business for over 11 years and we believe that we have been successfully meeting the expectations of our customers. Our Company is one of the growing Gold Loans companies in terms of branch expansion. We have network of 161 branches spread across 3 states namely Kerala, Tamil Nadu & Karnataka. We attribute our growth, in part, to our market penetration, particularly in areas less served by organised lending institutions.

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

Providing high-quality service to our customers

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

Access to a range of funding sources

Our Company predominantly access capital/ funding by means of term loans (including working capital term loans) and cash credit facilities from banks, issuances of redeemable non-convertible debentures on a private placement basis. Our Company has also issued subordinated debt which is considered as Tier II Capital of our Company. As of September 30, 2022, the total secured borrowings utilised by our Company aggregated to ₹ 6,454.64 lakh and unsecured borrowings utilised by our Company aggregated to ₹ 18,584.25 lakh, respectively. As on date of the Draft Prospectus, our Company has been assigned CRISIL BBB-/Stable rating by CRISIL Ratings for our bank facilities and proposed public issue of NCDs.

Experienced senior management team and a skilled workforce

The Promoter and Key Managerial Personnel have significant experience and in-depth industry knowledge and expertise. Also, our Company has hired experienced employees, to strengthen the credit appraisal and risk management systems, and to develop and implement credit policies. We believe that the in-depth industry knowledge and loyalty of our senior management team provide us with an added advantage. Our Promoter, Chemmanur Devassykutty Boby is a veteran in gold jewellery business and has led Chemmanur International group to grow into an international jewellery chain traversing different countries such as USA and Middle East. Our Chief Executive Officer, T K Thomas, is with the Company as CEO for the last 11 years and has been in gold loan NBFC sector for the last 16 years. Our Chief Financial Officer, Pramod M, has over 15 years of experience in financial services industry. Further, our Company has been successful in attracting, fostering and retaining the good talent.

Effective internal controls and risk management systems

We believe that we have effective internal controls and risk management systems that allow us to assess and monitor risks across our business lines. Our internal audit is carried out by a team of gold inspectors and internal auditors specially identified for the purpose based on a schedule fixed by the risk management team in our head office. Our Board has constituted various committees, including the Audit Committee, Asset Liability Management Committee and Risk Management Committee, to monitor and manage risks at various levels. For details of Committees, please refer to section titled '*Our Management*' on page 102. We place emphasis on risk management measures to maintain an appropriate balance between risk and return and have taken steps to implement comprehensive policies and procedures to identify, measure, monitor and manage risks. New loan schemes under loan products are launched as approved in meeting of the management team consisting of heads of departments. Such meetings are held as required and approvals are granted taking into account the lending policy approved by the Board. We believe that we have effective procedures for evaluating and managing the market, credit and other relevant risks.

Secured loan book and healthy asset quality

We provide finance which are secured against pledge of household gold jewellery in the case of Gold Loans and hypothecation of business assets in the case of small business loans. Hypothecation of stock of goods and other assets, including assets/ stock of goods acquired with the loan amount are provided as security for our small business loans. We believe this provides us with a cushion against possible defaults by the borrowers. We believe that our effective credit approval mechanisms, credit control processes, audit and risk management processes and our lending policy, audit policy and risk management policy help us maintain the quality of our loan portfolio. Our gross non-performing assets and net non-performing assets as a percentage of our AUM for the three months period ended as on June 30, 2022 stood at 0.94% and 0.70% and for financial year ended as on March 31, 2022 stood at 1.08% and 0.86% respectively.

Our Strategies

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

Expanding our geographical reach

We intend to continue to grow our loan portfolio by expanding our network through the addition of new branches. In order to optimize our expansion, we carefully assess potential markets by analyzing demographic, competitive and regulatory factors, site selection and availability, and growth potential. A good reach to customers is crucial for our business. The customers of our Company are retail customers, small businessmen, vendors, traders, farmers and salaried individuals, who for reasons of convenience, accessibility or necessity, avail Gold Loans by pledging their gold jewellery and ornaments with us rather than by taking loans from banks and other financial institutions. As on September 30, 2022, our Company has 161 branches located across 3 states i.e. Kerala, Tamil Nadu and Karnataka, in South India. Our strategy for branch expansion includes further strengthening our presence in South Indian states by providing higher accessibility to customers as well as leveraging our expertise and presence in South Indian states. We also seek to expand our business through branch expansion in non-southern states to expand our geographical reach in order to meet the growing demand and enhance our ability to reach out to new customers in these states .We expect to penetrate new markets and expand our customer base in rural and semi-urban markets where a large portion of the population has limited access to credit either because they do not meet the eligibility requirements of banks or financial institutions, or because credit is not available in a timely manner at reasonable rates of interest, or at all.

In-house training capabilities and strengthening recruitment process

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

Further growth of our Gold Loan business

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

Target new customer segments

The market for our Gold Loans was traditionally confined to lower and middle income groups, who viewed Gold Loans as an option of the last resort in case of emergency. We intend to undertake sustained marketing efforts to diminish the stigma attached to pledging gold jewellery in India. We have introduced new product variants to expand our customer base to include various groups of population. We intend to emphasize our Gold Loan products' key advantages of expediency and minimal documentation and alter the image of Gold Loans from an option of the last resort to an option of convenience.

Product diversification

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

Strengthen our operating processes and risk management systems

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

Loan-Book for three months period ended as on June 30, 2022 and financial years ended as on March 31, 2022; March 31, 2021 and March 31, 2020

The product-wise loan book of our Company for three months period ended as on June 30, 2022 and financial year ended as on March 31, 2022; March 31, 2021 and March 31, 2020 is as follows:

Particulars	Total Assets Under Management (₹ in lakhs) as of				% of Assets Under Management (%) as of			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Gold Loans	27,169.08	27,625.48	27,791.34	23,430.83	79.83%	77.80%	81.41%	78.11%
Microfinance Loans	2,110.23	3,063.61	2,639.14	3,133.03	6.20%	8.63%	7.73%	10.45%
Business Loans	4,186.99	3,871.09	3,276.94	3,234.93	12.30%	10.90%	9.60%	10.78%
Other Business*	566.50	947.83	430.95	196.65	1.66%	2.67%	1.26%	0.66%
Total	**34,032.80**	**35,508.01**	**34,138.37**	**29,995.44**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

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

Our Company's Business

Gold loans

Our core business is disbursement of Gold Loans, which are typically small ticket loans secured by the pledge of gold jewellery. For three months period ended as on June 30, 2022 and financial years ended as on March 31, 2022, March 31, 2021 and March 31, 2020, we had approximately 64,844, 65,068, 68,946 and 69,219 respectively Gold Loans accounts, aggregating to ₹ 27,169.08 lakh, ₹ 27,625.48 lakh, ₹ 27,791.34 lakh and ₹ 23,430.83 lakh which comprised 79.83%, 77.80%, 81.41% and 78.11% of our total assets under management respectively.

For three months period ended as on June 30, 2022 and financial year ended as on March 31, 2022, March 31, 2021 and March 31, 2020 income from interest on our Gold Loans constituted 72.66%,78.18%,77.11% and 69.25% of our total income, respectively. For the three months period ended as on June 30, 2022 and for the financial years ended as on March 31 2022, March 31, 2021 and March 31, 2020 the average loan amount advanced by us was ₹ 41,055, ₹ 40,589, ₹ 43,871 and ₹ 35,584 per loan transaction. For three months period ended as on June 30, 2022 and financial year ended as on March 31, 2022, March 31, 2021 and March 31, 2020, our Gold Loans portfolio yield (representing interest income on Gold Loans as a percentage of average outstanding of Gold Loans), were 19.31%, 20.69%, 22.50% and 22.83% per annum, respectively.

Loan disbursement process

Initial Evaluation and Loan Origination Process

The principal form of security that we accept is household gold jewellery. While these restrictions narrow the pool of assets that may be provided to us as security, we believe that it provides us with the key advantages. The amount that we finance against the pledged gold jewellery is typically based on a fixed rate per gram of gold content in the jewellery. We lend up to 75% of the value of jewellery (basis the category of gold loan scheme of the 22 carat gold price based on 30 days average price of 22 carat gold declared by India Bullion and Jewellers Association Limited, as per RBI guidelines). We appraise the jewellery collateral solely based on the gold content in the jewellery. Our Gold Loans are well collateralized because the actual value of the gold jewellery is higher than our appraised value of the gold jewellery when the loan is disbursed. As per our internal Gold Loan manual, we do not accept household gold jewellery below 22 carats as security for Gold Loans.

Before sanctioning the Gold Loan, the branch officials take precautions and obtain declarations to ensure that the applicant who is pledging the ornaments, is the owner of those ornaments and that the borrower is creditworthy. We conduct field checks to ensure the financial standing and repayment capacity of loan applicants for such loans that exceed ₹ 5 lakh, basis which a report is prepared. This is done by way of physical visits to the business/residential place of the customer before processing the loans. The area manager/regional managers further cross verify the particulars of these records. We also photograph customers with web-cameras installed in our branches at the time of each pledge. A unique customer number is provided to every customer. The customer's gold is checked for its authenticity by our team of appraisers. Further, a declaration of ownership of the gold jewellery is obtained from the borrower in all cases.

Loan Approval process

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

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

Sanction of loan

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

Branch Manager: up to ₹ 5,00,000
Area Manager: above ₹ 5,00,000 to ₹ 8,00,000
Zonal Manager: above ₹ 8,00,000 to ₹ 12,00,000
Head Office: above ₹ 12,00,000

<u>*Post disbursement process*</u>

Custody of gold collateral and Inventory Control

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

Collection and Recovery Processes

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

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

Our Auction Policy

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

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

Our Company normally categorizes those loan accounts in which pledged ornaments are not released within the loan tenure as overdue loans accounts, and the same will be put in the auction list. Ornaments pledged in such accounts will be sold by public auction as per the terms of the policy. Though normally the Company includes only those accounts which are overdue for auction, in a situation where the gold price is on downward trend and the realisation of the loan dues is difficult, our Company can start the auction procedures by giving proper prior notice to the customer even before the accounts are categorised as overdue. However, such steps will be initiated only after a decision to that effect is taken by the Board.

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

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

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

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

The auction shall be announced to the public by issue of advertisement in at least two daily newspapers (one in national and one in vernacular language) and shall be made well in advance before the auction. The auction list shall also be displayed at respective branch office(s).

Microfinance Loans

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

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

For three months period ended as on June 30, 2022 and financial years ended as on March 31, 2022, March 31, 2021 and

March 31, 2020, we had approximately 18,518, 23,686, 33,849 and 53,838, respectively Microfinance Loan accounts, aggregating to ₹ 2,110 lakh, ₹ 3,064 lakh, ₹ 2,639 lakh and ₹ 3,133 lakh which comprised 6.20%, 8.63%, 7.73% and 10.45% of our total assets under management respectively.

For three months period ended as on June 30, 2022 and financial year ended as on March 31, 2022, March 31, 2021 and March 31, 2020 income from interest on our Microfinance Loans constituted 8.30%, 5.39%, 7.88% and 9.38% of our total income, respectively. For the three months period ended as on June 30, 2022 and for the financial years ended as on March 31, 2022, March 31, 2021 and March 31, 2020 the average loan amount advanced by us was ₹ 0, ₹ 20,457, ₹ 15,202 and ₹ 10,539 per loan transaction. For three months period ended as on June 30, 2022 and financial year ended as on March 31, 2022, March 31, 2021 and March 31, 2020, our Microfinance Loans portfolio yield (representing interest income on Microfinance Loans as a percentage of average outstanding of Microfinance Loans), were 23.36%, 13.85%, 20.41% and 23.34% per annum, respectively.

Increase in Microfinance Loans

With the changes brought in by RBI in 'Microfinance Lending Framework', with effect from current Financial Year, we are authorised to increase lending under Microfinance schemes upto 25% of total assets as against 10% till last Financial Year. We can grant more loans to Microfinance borrowers through more number of branches in the coming years.

Microfinance Loan disbursement process

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

Business Loans

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

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

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

Our business loans typically cover loans provided against the hypothecation of business asset with the loan amount ranging from ₹ 25,000 to ₹ 1,50,000. The tenure of such business loan generally ranges from 50 weeks to 104 weeks. The interest charged is at 25% per annum at a diminishing rate.

For three months period ended June 30, 2022 and financial year ended as on March 31, 2022, March 31, 2021 and March 31, 2020, we had approximately 18,876, 16,539, 16,572, and 20,249, respectively Business Loan accounts, aggregating to ₹4,187 lakh, ₹ 3,871 lakh, ₹ 3,277 lakh and ₹ 3,235 lakh which comprised 12.30%, 10.90%, 9.60% and 10.78% of our total loan and advances respectively.

For three months period ended as on June 30, 2022 and financial year ended as on March 31, 2022, March 31, 2021 and March 31, 2020 revenues from our Business Loans constituted 12.88%, 8.10%, 9.08% and 12.55% of our total income, respectively. For the three months period ended as on June 30, 2022 and for the financial years ended as on March 31 2022, March 31, 2021 and March 31, 2020 the average loan amount advanced by us was ₹ 31,777, ₹ 34,320, ₹ 34,587 and ₹ 29,601 per loan transaction. For three months period ended as on June 30, 2022 and financial year ended as on March 31 2022, March 31, 2021 and March 31, 2020, our Business Loans portfolio yield (representing interest income on Business Loans as a percentage of average outstanding of Business Loans), were 23.28%, 16.62%, 20.83% and 26.54% per annum, respectively.

Loan Disbursement Process

Initial Evaluation and Loan Origination Process

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

Loan approval and Collection process

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

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

Other Business

(i) Personal Loan

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

(ii) Money Transfer Services

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

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

(iii) Insurance and micro-insurance distribution services

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

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

Branch Network

Our Company has established a presence in South India, with 161 branches located across 3 states, namely Kerala, Tamil Nadu & Karnataka as of September 30, 2022. The distribution of branches across India by region as of September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 is as set out in the following table:

State	As of			
	September 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Kerala	118	114	113	112
Tamil Nadu	28	23	18	14
Karnataka	15	10	Nil	Nil
Total	**161**	**147**	**131**	**126**

Marketing, Sales and Customer Care

Our Company undertakes publicity through media, both print and electronic to increase the visibility of our brand. Our media plans consider the visibility and reach of our brand within the desired budget. These advertisements are carried out across various states wherever our Company has presence. This helps individual branches to target the public and thereby generate business from the locality. We advertise more through digital/social media platform rather than print and electronic media.

The branches of our Company display the ombudsman scheme available for customers, the names and address of the nodal officer (Grievance Redressal Officer) along with the RBI official in respect of customer grievances for addressing customer complaints. Our grievance redressal mechanisms are further monitored by the 'Stakeholders Relationship Committee' of our Board.

Asset Quality

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

NPA Policy

Our Board adopted the policy on Non-Performing Assets as part of our lending policy ("**Lending Policy**") which was last reviewed on February 1, 2022. In terms of the Lending Policy, all gold loans outstanding beyond the loan validity are disposed of as per our Auction Policy. In order to undertake this, our Company has put in place a gold loan monitoring, follow-up and disposal mechanism. In the case of other loans regular follow up is done in person by field officers and their supervisors to recover overdue/NPA loans.

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

- Standard assets;
- Sub-standard assets;
- Doubtful assets; and
- Loss assets.

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

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

Note: In addition to above, depending upon the period for which the asset has remained doubtful, provision to the extent of 20% to 50% of the secured portion

For further details, please refer to *"Key Regulations and Policies"* on page 155.

Based on the RBI Master Directions for asset classification, details of the classification of our gross NPAs for significant classes of our assets as on June 30, 2022 and for Fiscals 2022, 2021 and 2020 are furnished below:

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

(₹ in lakh)

Asset Type	As on June 30, 2022	As on March 31		
		2022	2021	2020
Sub-standard	220.60	321.69	181.57	50.17
Doubtful	59.66	26.10	15.67	19.54
Loss	40.19	36.06	36.33	28.04
Gross NPA	320.45	383.85	233.57	97.75
Gross NPA% of Assets under management	0.94%	1.08%	0.68%	0.33%
Less Provisions	81.88	77.74	62.42	53.72
Net NPA	238.57	306.11	171.15	44.03
Net NPA% of Assets under management	0.70%	0.86%	0.50%	0.18%

Assets-Liabilities Management Policy

Our Board adopted the asset-liability management policy ("**ALM Policy**") vide board resolution dated September 29, 2022. Through this policy, our Company proposes to lay down broad guidelines in respect of interest rate and liquidity risks management systems in Company, which form part of the Asset-Liability Management (ALM) function. The initial focus of the ALM function would be to enforce the risk management discipline, i.e., managing business after assessing the risks involved. The organizational set up for liquidity risk management under the ALM Policy has been divided between (a) the Board of Directors, (ii) the Risk Management Committee, and (iii) the Asset-Liability Management Committee ("**ALCO**").

Funding Sources

We have expanded our sources of funds in order to reduce our funding costs, protect interest margins and maintain a diverse funding portfolio that will enable us to achieve funding stability and liquidity. Our sources of funding comprise term loan and cash credit/ / from banks, issuances of (i) redeemable non-convertible debentures; (ii) subordinated debt in addition to equity infused by the Promoter.

For details, please refer to sections titled *"Financial Information" and "Financial Indebtedness"* on pages 112 and 114, respectively.

Capital Adequacy and Leverage Ratio

As per the Master Directions, every NBFC-ND-NSI (NBFC-BL) including us is subject to the leverage ratio requirements and capital adequacy requirements prescribed by the RBI. Currently, we are required to maintain capital adequacy ratio consisting of Tier I and Tier II capital which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items. Further, we are required to maintain a minimum Tier I Capital of 12.00% and also the total of Tier II capital, at any point of time, shall not exceed one hundred percent of Tier I capital. We are required to maintain a Leverage ratio of not more than 7 times. Additionally, we are required to transfer up to 20% of our net profit to a reserve fund and make provisions of NPAs. We had Tier I and Tier II capital adequacy ratio of 36.72%, 35.08%, 34.76% and 35.39% on June 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 respectively. Where Tier I capital adequacy ratio stood at 24.33%, 23.23% 23.03% and 23.44% on June 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 respectively, against prescribed limit of 12% for NBFCs engaged in business of gold loans. We had leverage ratio of 3.40 times, 3.47 times 3.38 times and 3.29 times for the quarter ended June 30, 2022, Financial years ended March 31, 2022, March 31, 2021 and March 31, 2020. We have satisfied the minimum capital adequacy ratios prescribed by RBI for the three months period ended June 30, 2022 and financial years ended March 31, 2022, March 31, 2021 and March 31, 2020.

Risk Management

Risk Management Policy approved vide board resolution dated September 29, 2022 represents the standards of risk assessment to be followed by our Company as an NBFC, formulated in line with the RBI guidelines, and with the approval of the Board of Directors. Company's Risk management is a business facilitator by making more informed decisions with balanced risk-reward paradigm. Our Company follows a disciplined risk management process and has been taking business decisions, ensuring growth and a balanced approach on risk reward matrix. The policy lays down a framework for identifying, assessing, and measuring various elements of risk involved in the business and formulation of procedures and systems for mitigating such risks.

i. Credit risk

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

ii. Market risk

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

iii. Operational risk

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

iv. Liquidity risk

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

Internal Audit System

A tiered approach is undertaken by our internal audit team in accordance with audit policy approved vide board resolution dated September 29, 2022 to strengthen our risk management process. We have internal audit systems which consist of audit and inspection, for risk assessment and internal controls. The audit system comprises of accounts audit and gold appraisal. In accordance with our audit policy, all of our branches are subject to gold audit every 25 days and internal audit of Microfinance Loans, Business Loans and personal loans is conducted once in every three months.

Credit Rating

We have been provided CRISIL BBB- (Stable) rating by CRISIL Rating for our bank facilities of ₹ 2,500 lakh. We have also obtained CRISIL BBB- (Stable) from CRISIL Rating for public issue of NCDs of ₹ 10,000 lakh. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business.

Competition

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

Insurance Coverage

We maintain insurance coverage on all our assets located at our registered office, on all our movable/immovable assets including gold ornaments kept as security in branch premises owned by us against Burglary and special perils (such as fire and earthquakes). Our insurance policies are generally policies with a one year validity that we renew upon expiry.

Intellectual Property

The trademark/service mark and logo in connection with the "BOCHE, CONQUER THE WORLD WITH LOVE" logo is owned by our Promoter and is pending for registration in various classes including classes which pertain to our Company's business. There can be no assurance that our Promoter would be able to obtain registration of the aforesaid logo and trademarks under each or all of the classes. Once such trademark and/or logo is registered we intend to enter into an agreement with our Promoter for the use of such logo and/or trademark. We have obtained permission from our Promoter in writing to use the logo. For further details, see section titled "*Risk Factors*" on page 16.

Property

Our registered office is at Mangalodhayam Building, Round South, Thrissur – 680 001, Kerala, India which is being used by us on a leasehold basis. If these leases are not renewed on a timely basis or at all, we do not think that relocating would materially and adversely affect our operations and profitability.

Human Resource

As on September 30, 2022, we had 881 employees engaged in various business operations like sales, marketing, recovery, audit etc. We endeavour to nurture dedicated talent by providing required training. We groom our employees to take up challenges and to provide better customer service.

HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Brief background of our Company

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

Our Company is promoted by Chemmanur Devassykutty Boby. The promoter has expanded the family-run business of more than 150 years of retail gold jewellery. Chemmanur Devassykutty Boby, under the Boby Chemmanur group, has branches in USA and Middle East apart from those in India and has interests in various other fields such as Finance, Chits, Super Market, Real Estate, Builders and Developers, E-Commerce, Holiday Resorts, Holiday Timeshare/Vacation Ownership etc. The registered office of our Company is situated at Chemmanur Credits and Investments Limited, Mangalodhayam Building, Round South, Thrissur - 680001, Kerala, India.The liability of the members of our Company is limited. The Corporate Identification Number of our Company is U65923KL2008PLC023560.

Change in Registered Office of our Company

Date	Details of Registered Office
At incorporation	Building No.17/504-F4, Sarara Complex, Mavoor Road, Near New Bust Stand, Puthiyara, P.O. Kozhikode, Kerela – 673 001, India
March 19, 2012	Kozhikode to 4th Floor, West Fort Tower, West Fort Junction, Civil Lane, Thrissur – 680 004
May 25, 2013	Mangalodhayam Building, Round South, Thrissur – 680 001, Kerala, India

Main Objects of our Company

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

1. To carry on the business of lending or advancing money either upon or without security as a non-banking financial company as per RBI guidelines, to advance money either upon or without security to the weaker sections of society at preferential rate of interest or otherwise, including lending under microfinance schemes, to carry on the business of hire purchase by lending or advancing money upon or without security, and to carry on the business of money lending in accordance with the provisions of Kerala Money lenders Act, 1958, subject to all applicable rules and regulations.

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

3. To carry on and undertake the business of stock brokers, to undertake depository participant activities, to provide custodial and depository services of assets and securities, to collect dividends, bonuses, interests, income, rights, entitlements accruing on such assets and securities, to do the business of money transfer services, money changers, authorized dealers in foreign exchange or foreign securities, exchange houses etc. either directly or as agents, brokers or otherwise of other companies engaged in these businesses, to do fee based marketing activities for other third party products and services and to act as Business Correspondents and / or Direct Selling Agents of Banks and other Financial Institutions.

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

Key Milestones and Major Events

Financial Year	Key Milestones/Major Events
2010	Certificate of registration issued by RBI to act as non-deposit taking NBFC.
2012-13	Opened our 100th branch on August 24, 2012 (on first anniversary of opening of first branch)
2015-16	Expanded operation to Tamil Nadu
2016-17	Certificate of registration as Corporate Agency with IRDAI.
2021-22	Expanded operation to Karnataka (Third State)

Subsidiaries of our Company

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

Holding of our Company

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

Associate of our Company

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

Key terms of the Material Agreements

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

OUR MANAGEMENT

Board of Directors

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

As on the date of this Draft Prospectus, our Board comprises of 5 (Five) Directors, of which 1 (One) Director is Chairman & Managing Director and 4 (Four) Directors are Non-Executive Directors including 1(One) women Director and 2 (Two) Independent Directors.

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

Name, designation, and DIN	Age (in years)	Address	Date of Appointment	Other directorships
Chemmanur Devassykutty Boby **Designation**: Chairman & Managing Director **DIN**: 00046095	58	Chemmanur House, Avenue Road, VTC, Thrissur - 680005, Kerala India.	Since incorporation	• Boby Chemmanur Enterprises Private Limited
Lijo Moothedan **Designation**: Non-Executive Director **DIN**: 00877403	47	Moothedan House, Villa No. 47B/ 48, Hilite Spingdale Velliparamba, Kuttikka Ttoor Kozhikode 673008 Kerala India	Since incorporation	• C.D.B. 24 Karat International Jewellers Private Limited • C.D.B. 24 Karat Gold and Diamonds Private Limited • Chemmanur Gold Palace International Limited • Boby Chemmanur (No. 1) Chits Private Limited • Boby Chemmanur Enterprises Private Limited • Boby Chemmanur Entertainments Private Limited
Smitha Boby **Designation**: Non-Executive Director **DIN**: 00046059	51	270/AB/17, 45/46A, Hilite springdale Villa, VTC: Kuttikatoor PO: Velliparamba District Khozikode - 673 008, Kerala, India	September 2, 2022	Nil
Panamittath Madhavan Nair Rajagopal **Designation**: Independent Director **DIN**: 07177470	68	H No 17-153A Vaikhari, Ramankartha Road, Cheranellur Ernakulam 682034 Kerala India	March 25, 2015	Nil
Edathole Habeebul Rahiman **Designation**: Independent Director **DIN**: 06973269	67	Naduvattam Beypore Kozhikode 673015 Kerala India	March 24, 2017	Nil

Brief profile of the Directors of our Company

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

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

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

Panamittath Madhavan Nair Rajagopal is an Independent Director of the Company. He joined the Board of our Company in 2015 and he is associated with the Company for the past 7 years in that capacity. He is a practicing advocate in the High Court of Kerala and holds degree of Master of Business Administration from Vinayaka Missions University.

Edathole Habeebul Rahiman is the Independent Director of the Company. He holds the degree of Bachelor of Science – Agriculture from Kerala Agricultural University. He joined the Board of our Company in 2017, as Independent Director. Prior to joining the Company, he was a General Manager of Bank of Baroda.

Relationship between Directors

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

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

Remuneration of Directors

Details of remuneration paid during the six months period ended September 30, 2022 and for the Fiscals 2022, 2021 and 2020 by our Company:

(₹ in lakh)

Name of Director	Current year upto the half-year ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Chemmanur Devassykutty Boby	54	84	60	60
Jisso Baby*	-	-	11.15	15.58

**Ceased to be a Whole-time director of the Company w.e.f. March 13, 2021*

***Remuneration paid to the Directors for the six months period ended on September 30, 2022 and Fiscals 2022, 2021 and 2020 by our Subsidiaries and Associates*:**

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

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

The following table sets forth terms of remuneration to Chemmanur Devassykutty Boby, Chairman & Managing Director, with effect from April 1, 2021, subject to review every Financial Year based on the net profit for the respective year and in conformity with the relevant provisions of the Companies Act, as approved by the Board of Directors at their meeting held on September 6, 2021 and shareholder's resolution dated September 30, 2021. Though the shareholders has fixed remuneration of Rs.96,00,000 for the FY 2021-22 in the annual AGM dated September 30, 2021, due to inadequate profit during the FY 2021-22, the remuneration paid has been limited to Rs.84,00,000, which is maximum remuneration as per Section 197 of the Companies Act read with Schedule V of Companies Act, 2013.

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

Particulars	Remuneration
Salary	₹ 1,08,00,000
Bonus	NIL
Perquisites	NIL

Remuneration of Independent Directors

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

Our Company pays sitting fees of ₹ 25,000 per meeting to the Independent Directors for attending the meetings of the Board and Committees thereof. The Non-Executive Directors are not paid any sitting fees during the current year and the last three fiscals i.e. Fiscal 2022, 2021 and 2020.

There is no commission paid to any of the Directors during the current year and the last three fiscals i.e. Fiscal 2022, 2021 and 2020.

Confirmations

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

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

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

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

None of our Directors have been categorised as a wilful defaulter by the RBI, any government/regulatory authority and/or by any bank or financial institution. None of our Directors are in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

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

Borrowing Powers of the Board:

Pursuant to resolution passed by the shareholders of our Company on September 29, 2014 in accordance with provisions of 180(1)(c) and all other applicable provisions of the Companies Act and Articles of Association, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) by a sum not exceeding ₹ 1,00,000 lakh.

Interest of the Directors:

Except Chemmanur Devassykutty Boby, Smitha Boby and Lijo Moothedan, no other Directors are interested in the promotion of the Company. Chemmanur Devassykutty Boby, Smitha Boby and Lijo Moothedan were holding 1,96,000 shares 500 shares and 1,000 shares respectively as on the date of subscription of Memorandum of Association. Chemmanur Devassykutty Boby, Smitha Boby and Lijo Moothedan are holding 5,14,22,800 shares, 55,000 shares and 35,000 shares respectively as on September 30, 2022.

All the Directors of our Company, including our Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. All the Independent Directors of our Company are entitled to sitting fees for attending every meeting of the Board or a committee thereof.

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

All our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Draft Prospectus and statutory registers maintained by our Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made with them. Our Company's directors have not taken any loan from our Company.

As of the date of this Draft Prospectus, our Directors have not taken any loan from our Company. Except as disclosed in the Section "*Related Party Transactions*" on page 111 none of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

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

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

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

Except as disclosed hereinabove and the section titled *"Risk Factors"* on page 16, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as stated in the sections titled "*Related Party Transactions*" on page 111 and to the extent of compensation and commission if any, and their shareholding in our Company, our Directors do not have any other interest in our business.

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

Debenture holding of Directors:

Except as mentioned below, as on September 30, 2022, none of the Directors of our Company hold any Debentures issued by our Company under private placement:

Sr. No.	Name of the Director	Number of Debentures holding	Amount (₹)
1.	Chemmanur Devassykutty Boby	255	2,55,000

Details of change in Directors of our Company during last three years preceding the date of this Draft Prospectus:

Name, Designation and DIN	Date of Appointment	Date of Cessation, if applicable	Date of resignation, if applicable	Remarks
Jisso C Baby **Designation:** Whole Time Director **DIN:** 01622660	December 16, 2008	NA	March 13, 2021	Resignation
Edathole Habeebul Rahiman **Designation:** Independent Director **DIN:** 06973269	March 24, 2020	NA	NA	Re- appointment
Anna Boby **Designation:** Additional Director **DIN:** 08050266	February 19, 2021	NA	May 24, 2021	Resignation
Chemmanur Devassykutty Boby **Designation:** Chairman and Managing Director **DIN:** 00046095	October 1, 2022	NA	NA	Re- appointment as Managing Director
Smitha Boby **Designation:** Non-Executive Director **DIN:** 0046059	September 2, 2022	NA	NA	Appointment

Shareholding of Directors, including details of qualification shares held by Directors as on September 30, 2022:

As on September 30, 2022, none of our Directors hold any qualification shares in our company.

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

S. No.	Name of the Director	No. of Equity Shares	% of total shares of our Company
1.	Chemmanur Devassykutty Boby	5,14,22,800	85.70%
2.	Lijo Moothedan	35,000	0.06%
3	Smitha Boby	55,000	0.09%

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

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

Key Managerial Personnel and Senior Management of our Company:

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

T K Thomas is the Chief Executive Officer of the Company. He is an experienced Banker with more than 4 decades experience in the financial services industry. He has previously worked with Bank of Baroda. Before joining our Company as CEO he worked with a major NBFC as Vice President for five years. He is with the Company as CEO for the last 11 years and has been in Gold Loan NBFC sector for the last 16 years. He holds a Masters' degree in Business Administration (MBA) and he is certified associate of the Indian Institute of Bankers.

Pramod M is the Chief Financial Officer of the Company. He is a Chartered Accountant and holds a degree of Bachelor of commerce from Calicut University. He is an experience of 15 years in the financial services industry with comprehensive experience in the Gold Loan industry. He is with the company for last six years and has worked in reputed NBFC group such as Manappuram Finance Limited.

Anju Thomas is the Company Secretary/Compliance officer of the Company. She is a Company Secretary from 2015 batch and has 6 years of experience of working with certain well known NBFCs such Hedge Finance Limited. She is with the Company for almost three years now.

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

Corporate Governance

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

Details of various committees of the Board:

Audit Committee:

The Audit Committee was last reconstituted vide a resolution passed by the Board on March 18, 2021. As on the date of this Draft Prospectus, it comprises of:

Name	Designation on Committee	Designation on Board
Panamittath Madhavan Nair Rajagopal	Chairman	Independent Director
Edathole Habeebul Rahiman	Member	Independent Director
Lijo Moothedan	Member	Non-Executive Director

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

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was last reconstituted vide a resolution passed by the Board on June 30, 2021. As on the date of this Draft Prospectus, it comprises:

Name	Designation on Committee	Designation on Board
Edathole Habeebul Rahiman	Chairman	Independent Director
Panamittath Madhavan Nair Rajagopal	Member	Independent Director
Lijo Moothedan	Member	Non-Executive Director

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

Corporate Social Responsibility Committee ("CSR Committee")

The CSR Committee was last re-constituted vide a resolution passed by the Board on September 6, 2021. As on the date of this Draft Prospectus, it comprises:

Name	Designation on Committee	Designation on Board
Lijo Moothedan	Chairman	Non-Executive Director
Panamittath Madhavan Nair Rajagopal	Member	Independent Director
Edathole Habeebul Rahiman	Member	Independent Director

Stakeholders Relationship Committee

The Stakeholders Relationship Committee was last re-constituted vide a resolution passed by the Board on March 18, 2021. As on the date of this Draft Prospectus, it comprises:

Name	Designation on Committee	Designation on Board
Panamittath Madhavan Nair Rajagopal	Chairman	Independent Director
Edathole Habeebul Rahiman	Member	Independent Director
Chemmanur Devassykutty Boby	Member	Chairman & Managing Director
Lijo Moothedan	Member	Non-Executive Director

Risk Management Committee

The Risk Management Committee was last reconstituted vide a resolution passed by the Board on March 18, 2021. As on the date of this Draft Prospectus, it comprises of:

Name	Designation on Committee	Designation on Board
Edathole Habeebul Rahiman	Chairman	Independent Director
Panamittath Madhavan Nair Rajagopal	Member	Independent Director
Chemmanur Devassykutty Boby	Member	Chairman & Managing Director
Lijo Moothedan	Member	Non-Executive Director

Asset Liability Management Committee

The Asset Liability Management Committee was reconstituted vide a resolution passed by the Board on March 18, 2021.As on the date of this Draft Prospectus, it comprises of:

Name	Designation on Committee	Designation on Board
Lijo Moothedan	Chairman	Whole Time Director
T.K. Thomas	Member	Chief Executive Officer
Pramod. M	Member	Chief Financial Officer
Suresh S	Member	Head – Operations & Risk Management and Internal Auditor
Subi G Nair	Member	Head- Sales, Marketing & Recovery

Debenture Committee

The Debenture Committee was last reconstituted vide a resolution passed by the Board on March 18, 2021. As on the date of this Draft Prospectus, it comprises of:

Name	Designation on Committee	Designation on Board
Lijo Moothedan	Chairman	Director
T.K.Thomas	Member	Chief Executive Officer
Pramod. M	Member	Chief Financial Officer
Anju Thomas	Member	Company Secretary

OUR PROMOTER

The Promoter of our Company is:

Chemmanur Devassykutty Boby

Profile of the Promoter:

As on September 30, 2022, our Promoter holds 5,14,22,800 Equity Shares equivalent to 85.70% of the Equity Share capital of our Company.

Profile of our Promoter

<table>
<tr>
<td></td>
<td>Chemmanur Devassykutty Boby

PAN: ACFPB6597C

Date of Birth: May 26, 1964

Age: 58

Address: Chemmanur House, Avenue Road, VTC, Thrissur - 680005, Kerala India.

Educational qualifications: Honorary Doctorate Degree from World Record’s University</td>
</tr>
</table>

For more details regarding the Promoter, please see “Our Management” on page 102.

Our Promoter holds directorship in following entities other than our Company as on date of this Draft Prospectus:

S. No.	Name of the Company	Designation	Date of Appointment
1.	Boby Chemmanur Enterprises Private Limited	Director	October 9, 2020

Other ventures

Our Promoter has investments in our Company including the following entities:

1. C.D.B.24 Karat Gold And Diamonds Private Limited
2. C D B 24 Karat International Jewellers Private Limited
3. Boby Chemmanur (No.1) Chits Private Limited
4. Boby Chemmanur Airlines Private Limited
5. Boby Housing And Construction Private Limited
6. CD Boby Developers and Builders Private Limited
7. CDB Infrastructure Private Limited
8. BDC Realty And Infra Private Limited
9. DBC Real Estate Developers Private Limited
10. Chemmanur Fashion Jewellers, Sulthan Bathery
11. Chemmanur Fashion Jewellers, Manjeri
12. Boby Chemmanur International Jewellers, LLP
13. Boby Chemmanur International Developers LLP
14. Chemmanur Gold Palace International Limited
15. Boby Chemmanur Enterprises Private Limited
16. Bofast Logistics Limited

Other Confirmations:

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

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

No violation of securities laws has been committed by our Promoter in the past or is currently pending against it except as disclosed in section titled "*Outstanding Litigations*" on page 130.

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

Our Promoter has not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by it by any stock exchange in India or abroad.

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

Common pursuits of our Promoter

Our Promoter is not engaged in businesses similar to ours.

Interest of our Promoter in our Company

Except as stated under the chapter titled "*Financial Information*" beginning on page 112, and to the extent of their shareholding in our Company, our Promoter does not have any other interest in our Company's business.

Our Promoter does not intend to subscribe to this Issue.

Payment of benefit to our Promoter for three months ended as on June 30, 2022 and for last three financial years

Other than as disclosed under the *"Financial Information- Related Party Transactions" and "Our Management"*, available at page 112 and 102, respectively and the dividend that declared and paid by our Company, our Company has not made payments of any benefits to the Promoter during the three months ended as on June 30, 2022 and for last three financial year preceding the date of this Draft Prospectus.

Interest of our Promoter in property, land and construction

Our Promoter does not have any interest in any property acquired by our Company within two years preceding the date of filing of this Draft Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

RELATED PARTY TRANSACTIONS

For details of the related party transactions entered during the period ended as on June 30, 2022 and for the financial year ended March 31, 2022, 2021 and 2020 with regards to loans made or guarantees given or securities provided:

(₹ in lakh)

Name of related parties	Nature of transactions	For three months ended June 30, 2022	For Financial Year ended		
			March 2022	March 2021	March 2020
NIL	NIL	NIL	NIL	NIL	NIL

For further details please refer to '*Financial Information*' on page 112.

SECTION V - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

V.K.S. Narayan & Co.,
CHARTERED ACCOUNTANTS

Examination Report

Auditors' report on the reformatted statement of assets and liabilities for the three months ended June 30, 2022 and for the financial years ended March 31, 2022, 2021 and 2020, reformatted statements of profit and loss and reformatted cash flows statement for each of the three months ended June 30, 2022 and for the financial years ended March 31, 2022, 2021 and 2020 of Chemmanur Credits and Investments Limited (collectively, the "Reformatted Financial Statements")

The Board of Directors
Chemmanur Credits and Investments Limited
Mangalodhayam Building,
Round South,
Thrissur- 680001,
Kerala, India

Dear Sirs/ Madams,

1. We have examined the attached Reformatted Financial Statements of Chemmanur Credits and Investments Limited(the **"Company"** or the **"Issuer"**} for the three months ended June 30, 2022 andfor the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposeq issue of secured redeemable non-convertible debentures of face value of Rs. 1,000 each ("Issue **of NCDs"**). The Reformatted Financial Statements, which have been approved by the Debenture Committee of the Board of Directors of the Company at their meeting held on November 28, 2022, have been prepared by the Company in accordance with the requirements of:

   a} Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the **"Act"**);

   b} relevant provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the **"SEBI NCS Regulations"**) issued by the Securities and Exchange Board of India **("SEBI")**; and

   c} The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time (the **"Guidance Note"**).

2. The Management of the Company is responsible for the preparation of the Reformatted Financial Statements for the purpose of inclusion in the Draft Prospectus and Prospectus **("Offer Documents")** to be filed with SEBI, SSE Limited and Registrar of Companies, Kerala and Lakshadweep in connection with the Issue of NCDs. The Reformatted Financial Statements has been prepared by the Management of the Company on the basis of preparation stated in [Note 2.1] to the Reformatted Financial Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Financial Statements. The Management of the Company is also responsible for identifying and ensuring that the Company complies with the Act, the SEBI NCS Regulations and the Guidance Note.

3. We have examined such Reformatted Financial Statements taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 28, 2022 requesting us to carry out work on such Reformatted

Financial Statements in c9nnection with the Company's Issue of NCDs;

b) The Guidance Note also requires that we comply with'the ethical requirements of the Code of Ethics issued by the ICAI;

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Financial Statements; and

d) The requirements of Section 26 of the Act and the SEBI NCS Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI NCS Regulations and the Guidance Note in connection with the Issue of NCDs.

4. These Reformatted Financial Statements have been compiled by the Management of the Company from the audited financial statements of the Company for the three months ended June 30, 2022 and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 prepared in accordance with Generally Accepted Accounting Principles in India (referred to as **"IGAAP")** as prescribed under Section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on October 13, 2022, August 09, 2022, September 06, 2021 and December 01, 2020, respectively.

5. For the purpose of our examination, we have relied on the auditor's report issued by us, dated October 13, 2022 and August 09, 2022 and by Cheeran Varghese & Co, Chartered Accountants dated September 06/ 2021 and December 01, 2020 on the audited financial statements of the Company for the three months ended June 30, 2022 and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, respectively as referred in paragraph **4** above.

a. The audit report dated October 13, 2022 issued by us on the audited financials for the three months ended June 30, 2022, included the following:

Reservations and Qualifications

Nil

Emphasis of Matter

(i) We draw attention to following note regarding the implementation of matters relating to Prudential norms and asset classification clarified by RBI vide Circular 'RBl/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications''. Our opinion is not qualified in respect of this matter.

Note: Pursuant to RBI circular RBl/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications', the Company is in the process of implementing the process of asset classification for flagging borrower accounts as overdue as part of the day-end processes for the due date. The impact on provisioning on account of the change in asset classification process on loans other than Gold loans could not be ascertained on account of the inherent complexity. The company is in the process of making the necessary changes in the IT systems and software to comply with the said circular.

V.K.S. NARAYAN & Co. Shornur Road Thrissur - 12 CHARTERED ACCOUNTANTS

RBI has vide circular no QOR..STR.REC.85/21.04.048/2021-22 dated February 15, 2022 granted time till 30/09/2022 to put in place necessary system to implement the provisions set forth in paragraph 10 the above cited circular, REC.68/21.04.048/2021-22, daled November 12.

Other m·atters:

Claims against the Company not acknowledge as debts with reference to pending litigations.

(i) Income Tax demand for the A.V. 2012-13
Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2012-2013. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the income tax officer, ward1(2), Thrissur making an addition by disallowing various expenditures. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is 95.87 lakh.

(ii) Income Tax demand for the A.V. 2013-14
Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AV 2013-2014. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is 98.59 lakh.

(iii) Income Tax demand for the A.Y. 2014-15
Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AV 2014-2015. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is 126.55 lakh.

(iv) Income Tax demand for the A.Y. 2017-18
Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AV 2017-18. Appeal is filed by the company against the order under *sec* 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The total tax impact on the addition is 137.57 lakhs. Against this demand company paid 10% of total demand amounting to 13.76 lakhs and stay granted for the balance 90% of the demand till the disposal of the appeal by the commissioner of income tax(Appeals)

b. The audit report dated August 09, 2022 issued by us on the audited financial for the financial year ended March 31, 2022, included the following:

Reservations and Qualifications

Nil

Emphasis Of Matter

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(i) We draw attention tp following note of regarding outbreak of the COVID-19 pandemic and the consequential impact on business, which, as per the assessment of the management, has not significantly impacted the operations and financial position of the Company. Our opinion is not qualified in respect of this matter.

Note: The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as current contract terms, financial strength of partners, loan profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimate the CoJnpany expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

(ii) We draw attention to following note of regarding the implementation of matters relating to Prudential norms and asset classification clarified by RBI vide Circular 'RBl/2021-22/125 DO R/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications". Our opinion is not qualified in respect of this matter

Note: Pursuant to RBI circular RBl/2021-22/125 DO R/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications', the Company is in the process of implementing the process of asset classification for flagging borrower accounts as overdue as part of the day-end processes for the due date. The impact on provisioning on account of the change in asset classification process on loans other than Gold loans could not be ascertained on account of the inherent complexity. The company is in the process of making the necessary changes in the IT systems and software to comply with the said circular.

RBI has vide circular no DOR.STR.REC.85/21.04.048/2021-22 dated February 15, 2022 granted time till 30/09/2022 to put in place _necessary system to implement the provisions set forth in paragraph 10 the above cited circular, REC.68/21.04.048/2021-22, dated November 12.

Other matters:

(a) Claims against the Company not acknowledge as debts with reference to Rending litigations.

(i) Income Tax demand for the A.Y. 2012-13
Income tax appeal is pending with the commissioner of Income Tax {Appeals), Thrissur for the AY 2012-2013. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the income tax officer, ward1(2), Thrissur making an addition by disallowing various expenditures. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is'{ 95.87 lakh.

V.K.S. NARAYAN & Co. CHARTERED ACCOUNTANTS Shornur Road Thrissur - 12

(ii) Income Tax demand or the A.Y. 2013-14

Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2013-2014. Appeal is filed by the comp ny against th order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1{1), Thrissur making an addition by disallow-ing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is 98.59 lakh.

(iii) Income Tax demand for the A.Y. 2014-15

Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2014-2015. Appeal is filed by the company against the order under sec 143{3) of the Income Tax A t 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1{1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduc_ed the carry forward losses to the subsequent years. The total amount of addition is 126.55 lakh.

(iv) Income Tax demand for the A.Y. 2017-18

Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2017-18. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1{1), Thrissur making an addition by disallowing expenditure. The total tax impact on the addition is 137.57 lakhs. Against this demand company paid 10% of total demand amounting to 13.76 lakhs and stay granted for the balance 90% of the demand till the disposal of the appeal by the commissioner of income tax(Appeals)

c. The audit report dated September 06, 2021 issued by Cheeran Varghese & Co, Chartered Accountants on the audited financial statements for the financial year ended March 31, 2021, included the following:

Reservations and Qualifications

Nil

Emphasis Of Matter

(i) We draw attention to following note of regarding the treatment of interest on loan taken from Chairman and its impacts on financial statements of the company. Our opinion is not qualified in respect of this matter.

Note: Company has taken loan from Mr. Baby C.D, Director and Chairman of the Company and also issued debentures to him. Year-end balance of loan from Mr. Boby C.D and debentures issued is 57.00 Lakhs and 12.55 Lakhs respectively. He has also bought Subordinated Debts from other holders and year-end balance of such subordinated debt is 55.00 Lakhs There is an agreement executed on March 30th,4019 between Mr. Boby C.D and the Company containing terms and conditions governing loan availed by the Company from Mr. Baby C.D. As per this agreement Mr. Boby C.D has waived his right to receive interest on loan. Therefore, no interest is charged on loan accepted from Mr. Baby C.D during the year.

(ii) We draw attention to following note of regarding outbreak of the COVID-19 pandemic and the consequential lock-down restrictions imposed by the Government, which, as per the assessment of the management, has not significantly impacted the operations and financial position of the Company for the year ended March 31, 2020. Our opinion is not qualified in respect of this matter.

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Note: The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the e·cwnomic conditions because of this pandemic, the Company has used internal and external information such as current contract terms, financial strength of partners, loan profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ fror:n that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Other matters:

Claims against the Company not acknowledge as debts with reference to pending litigations.

(i) Income Tax demand for the A.Y. 2012-13
Income tax appeal is pending with the ·commissioner of Income Tax (Appeals), Thrissur for the AY 2012-2013. Appeal is filed by th company against the order under sec 143(3) of the Income Tax Act 1961, issued by the income tax officer, ward1(2), Thrissur making an addition by disallowing various expenditures. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is, 95.87 lakhs

(ii) Income Tax demand for the A.Y. 2013-14
Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2013-2014. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is, 98.59 lakhs.

(iii) Income Tax demand for the A.Y. 2014-15
Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2014-2015. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is, 126.55 Lakhs.

(iv) Income Tax demand for the A.Y. 2017-18
Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2017-18. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The total tax impact on the addition is, 137.57 lakhs.

d. The al[mt1e,:art dated December 01, 2020 issued by Cheeran Varghese & Co, Chartered Accountants on the audited financial statements for the financial year ended March 31, 2020, included the following:

Shornur Road Thrissur - 12 CHARTERED ACCOUNTANTS

Reservations and Qualifications

Nil

Emphasis Of Matter

(i) We draw attention to following note regarding the treatment of interest on loan taken from Chairman and its impacts on financial statements of the company. Our opinion is not qualified in respect of this matter.

Note: Company has taken loan from Mr. Boby C.D, Director and Chairman of the Company and also issued debentures to him. Year-end balance of loan from Mr. Boby C.D and debentures issued is " 20.43 Lakhs and 15.55 Lakhs respectively. He has also bought Subordinated Debts from other holders and year-end balance of such subordinated. debt is 55.00 Lakhs. There is an agreement executed on March 30th, 2019 between Mr. Boby C.D and the Company containing terms and conditions governing loan availed by the Company from Mr. Boby C.D. As per this agreement Mr. Boby C.D has waived his right to receive interest on loan. Therefore, no interest is charged on loan accepted from Mr. Boby C.D during the year.

(ii) We draw attention to following note of regarding outbreak of the COVIO-19 pandemic and the consequential lock-down restrictions imposed by the Government, which, as per the assessment of the management, has not significantly impacted the operations and financial position of the Company for the year ended March 31, 2020. Our opinion is not qualified in respect of this matter.

Note: Following the global outbreak of Coronavirus (COVID-19) pandemic, lock-down restrictions were imposed by the Government during the last week of the financial year ended March 31, 2020. However, as per the assessment of the management, there has been no significant impact on the operations and financial position of the Company for the year ended March 31, 2020.·

Other matters:

Claims against the Company _not acknowledge as debts with referenc to pending litigations.

(i) Service Tax and penalty Demanded for the AY 2012-13
The Assistant commissioner of Central Tax and Central Excise, Thrissur has issued an order demanding 8.75 lakhs as service tax including educational cess and secondary higher educational cess U/S 73(2) of the Finance Act 1994 for the AY 2012-13 and imposing penalty U/S 78 of the Finance Act amounting to 4.37 lakhs and 0.05 lakhs under section 77(2) of the Finance Act 1994. Appeal against the order has been filed with The Assistant commissioner of Central Tax and Central Excise. Company has made a pre-deposit of 2.76 lakhs. This has been settled through the Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019.

(i)Income Tax demand for the A.Y. 2012-13
Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AV 2012-2013. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the income tax officer, ward1(2), Thrissur making an addition by disallowing various expenditures. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is 95.87 lakhs

V.K.S. NARAYAN & Co. Shornur Road Thrissur - 12 CHARTERED ACCOUNTANTS

(ii) Income Tax demand for the A.Y. 2013-14

Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2013-2014. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is , 98.59 lakhs.

(iii) Income Tax demand for the A.Y. 2014-15

Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2014-2.015. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is , 126.55 Lakhs.

(iv) Income Tax demand for the A.Y. 2017-18

Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2017-18. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The total tax impact on the addition is 137.57 lakhs.

6. We have performed adequate tests and procedures which in our opinion were necessary for the purpose of issuing our examination report on the reformatted financial statements of the Company for the aforesaid periods. These procedures mainly involved comparison of the attached Reformatted Financial Statements with the Company's audited financial statements for financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 and regrouping and reclassification as per schedule III of Companies Act 2013 and requirements of SEBI NCS Regulations.

7. Based on our examination and according to the statements and explanations given to us, we report that the Reformatted Financial Statements are prepared, in all material aspects, on the basis described in Note 2.1 to the Reformatted Financial Statements taking into consideration the requirements of Act and SEBI NCS Regulations.

8. The Reformatted Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

V.K.S. NARAYAN & Co.
Shornur Road
Thrissur - 12
CHARTERED ACCOUNTANTS

11. Our report is intended solely for use of the management of the Company for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited, and Registrar of Companies, Kerala and Lakshadweep in connection with the Issue of NCDs and is not be used, referred to, or distributed for any other purpose except with our prior consent.

For V.K.S. Narayan & Co,
Chartered Accountants
Firm Registration No: 002399S
UDIN:22204136BEKUDC2133

V. Sajith
Partner
Membership No: 204136

Place: Thrissur
Date: 29-11-2022

Reformatted Statement of Assets and Liabilities
CHEMMANUR CREDITS AND INVESTMENTS LIMITED

(Rs. in Lakhs)

Particulars	Note	As at			
		June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Equity and Liabilities					
Shareholders' funds					
(a)Share Capital	1	6,000.00	6,000.00	6,000.00	6,000.00
(b) Reserves & Surplus	2	2856.65	2,804.64	2,793.62	1,869.65
(c) Money Received against Share Warrants		0.00	0.00	0.00	0.00
Share Application Money pending allotment		0.00	0.00	0.00	0.00
Non-current liabilites					
(a) Long-term borrowings	3	15390.46	15,200.19	16,476.58	15,533.27
(b) Deferred tax liabilities (net)		0.00	0.00	0.00	0.00
(c) Other Long term liabilities	4	2262.20	2,216.57	2,051.46	1,476.86
(d) Long-term Provisions	5	124.89	130.04	117.95	95.05
Current Liabilities					
(a) Short-term Borrowings	6	10176.75	11,024.25	9,491.48	8,051.78
(b) Trade payable		0.00	0.00	0.00	0.00
(c) Other Current Liabilities	7	1900.31	1,718.49	1,371.07	578.50
(d) Short-term Provisions	8	200.41	200.63	196.50	327.11
Total		**38,911.67**	**39,294.81**	**38,498.66**	**33,932.22**
Assets					
Non-current assets					
(a) Plant, Property and Equipments					
Tangible Assets	9(A)	1519.37	1,378.43	1,444.15	1,569.07
Intangible Assets	9(B)	20.17	22.05	30.11	38.81
Intangible assets under development		0.00	0.00	0.00	0.00
Capital work-in-progress	10	58.36	109.59	20.62	40.64
(b) Non-Current Investments		0.00	0.00	0.00	0.00
(c) Deferred Tax Assests (net)	11	47.36	46.55	36.65	8.36
(d) Long-Term Loans and Advances	12	950.3	970.47	1,823.18	712.78
(e) Other Non-Current Assets	13	478.67	465.05	394.74	377.32
Current Assets					
(a) Current Investments		0.00	0.00	0.00	0.00
(b) Inventories		0.00	0.00	0.00	0.00
(c) Trade Receivables		0.00	0.00	0.00	0.00
(d) Cash and Bank equivalents	14	1667.05	558.72	452.68	467.30
(e) Short-Term Loans and Advances	15	33082.5	34,537.82	32,315.19	29,282.66
(f) Other Current Assets	16	1087.89	1,206.13	1,981.34	1,435.28
Total		**38,911.67**	**39,294.81**	**38,498.66**	**33,932.22**
Contingent Liabilities	17				

The accompanying statement of Reformatted Significant Accounting Policies and Notes to Reformatted Financial Statements shall form an integralpart of this statement

As per our report attached

For V.K.S. NARAYAN & Co
Chartered Accountants
Firm Registration No : 0(002399S

V. SAJITH
PARTNER
M. No:204136
UDIN: 22204136BEKUDC2133

Place : THRISSUR,
Date : 28/11/2022

For and on behalf of Debenture Committee
Chemmanur Credits and Investments Limited

Lijo Moothedan
Director
DIN: 00877403

Annexure - II : Reformatted Statements of Profit and Loss

CHEMMANUR CREDITS AND INVESTMENTS LIMITED

(Rs. in Lakhs)

Particulars	Note	For the period ended			
		June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Income					
Revenue from Operations	18	1792.24	7,188.74	7,357.99	7,075.92
Other Income	19	27.80	143.91	115.56	125.12
Total Income		**1820.04**	**7,332.65**	**7,473.55**	**7,201.04**
Expenses:					
Employee Benefits Expense	20	548.66	2,067.89	1,921.66	2,032.91
Finance Costs	21	790.72	3,237.23	2,964.45	2,667.80
Depreciation and Amortization Expense	22	58.82	264.44	268.44	262.70
Other Expenses	23	345.73	1,157.91	1,074.25	1,116.59
Total Expenses		**1,743.93**	**6,727.47**	**6,228.80**	**6,080.00**
Profit / (Loss) before exceptional and extraordinary items and tax		**76.11**	**605.18**	**1,244.75**	**1,121.04**
Exceptional & Extraordinary items	24	0.00	0.00	0.00	(13.41)
Profit/(Loss) before tax		**76.11**	**605.18**	**1,244.75**	**1,134.45**
Tax Expense:					
Current Tax		24.91	183.51	349.06	311.15
Deferred Tax		(0.81)	(9.90)	(28.28)	(29.55)
Tax Paid for Earlier Years		0.00	0.55	0.00	2.53
Profit /(Loss) for the period from continuing operations		**52.01**	**431.02**	**923.97**	**850.32**
Profit/(loss) from discontinuing operations		0.00	0.00	0.00	0.00
Tax expense of discontinuing operations		0.00	0.00	0.00	0.00
Profit/(loss) from Discontinuing operations (after tax)		**0.00**	**0.00**	**0.00**	**0.00**
Profit /(Loss) for the period		**52.01**	**431.02**	**923.97**	**850.32**
Earnings per equity share:	25				
(1) Basic		**0.09**	**0.72**	**1.54**	**1.42**
(2) Diluted		**0.09**	**0.72**	**1.54**	**1.42**

As per our report attached

For V.K.S. NARAYAN & Co
Chartered Accountants
Firm Registration No : 002399S

V. SAJITH
PARTNER
M. No:204136
UDIN: 22204136BEKUDC2133

Place : THRISSUR,
Date : 28/11/2022

For and on behalf of Debenture Committee
Chemmanur Credits and Investments Limited

Lijo Moothedan
Director
DIN: 00877403

Annexure - III: Reformatted Cash Flow Statement

CHEMMANUR CREDITS AND INVESTMENTS LIMITED

(Rs. in Lakhs)

Particulars	For the period ended			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
A. Cash flow from operating activities				
Operating Profit/(Loss) for the year	76.11	605.18	1,244.75	1,134.45
Adjustments for:				
Depreciation and amortisation	58.82	264.44	268.44	262.70
Provision for Non Performing Assets	0.61	18.37	28.40	8.21
Provision for cash loss	0.00	5.00	0.00	0.00
Loss on Sale of Fixed Asset	0.51	7.39	4.00	3.4
Interest (Net)	788.84	3,153.83	2,902.54	2,652.90
Provision For Gratuity	(5.98)	21.18	23.39	60.36
Provision no longer needed written back	(3.04)	0.00	0.00	0.00
Excess provision for NPA reversed	0.00	0.00	0.00	13.41
Operating profit / (loss) before working capital changes	915.87	4,075.39	4,471.52	4,108.61
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Long Term Loans and Advances	20.17	852.70	(1,110.40)	(712.78)
Short Term Loans and Advances	1,455.33	(2,222.63)	(3,032.54)	(2,539.12)
Other current assets (Excluding of Income Tax refundable)	130.74	949.28	(546.05)	(208.43)
Other Non current assets	(13.62)	(70.30)	(17.43)	(30.73)
	2,508.49	3,584.44	(234.90)	617.55
Adjustments for increase / (decrease) in operating liabilities:				
Other current & Non current liabilities	227.44	512.53	1,371.17	(288.92)
Short Term Borrowing (Cash Credit)	(247.14)	383.84	4.52	(21.11)
Cash generated from operations	**2,488.79**	**4,480.81**	**1,140.79**	**307.52**
Net income tax (paid) / refunds	(34.50)	386.46	512.81	488.96
Net cash flow from / (used in) operating activities (A)	**2,454.29**	**4,094.35**	**627.98**	**(181.44)**
B. Cash flow from investing activities				
Interest received from Bank	0.00	45.23	22.01	0.42
Capital Work in Progress	51.23	(88.97)	20.02	(40.64)
Proceeds From Sale of Fixed Assets	0.38	3.42	2.10	1.02
Purchase of Fixed Assets	(198.64)	(201.46)	(140.66)	(61.00)
Net cash flow from / (used in) investing activities (B)	**(147.03)**	**(241.78)**	**(96.53)**	**(100.20)**
C. Cash flow from financing activities				
Interim/ final Dividend Paid	0.00	(420.00)	0.00	(240.00)
Dividend Distribution Tax	0.00	0.00	0.00	(49.33)
Proceeds from Issue of Debentures	189.5	1,558.00	1,923.00	2,541.51
Repayment of Debentures	(876.53)	(3,278.00)	(2,979.93)	(2,246.28)
Proceeds from Issue of Unsecured Subordinated Debt	882.95	2,494.40	3,553.75	4,408.20
Repayment of Unsecured Subordinated Debt	(494.30)	(1,676.60)	(362.90)	(1,266.15)
Proceeds from/(Repayment) of Loan from Director	0.00	(57.00)	36.57	0.00
Interest Paid on Debentures &Subordinated Debt	(724.86)	(3,049.04)	(2,828.53)	(2,385.32)
Proceeds From Term Loan	0.00	1,000.00	250.00	0.00
Repayment of Term Loan	(111.71)	(168.28)	(42.01)	0.00
Interest Paid on Term Loan	(26.44)	(62.22)	(18.43)	0.00
Interest paid on Bank Overdraft	(37.54)	(87.79)	(77.59)	(244.46)
Net cash flow from / (used in) financing activities (C)	**(1,198.93)**	**(3,746.53)**	**(546.07)**	**518.17**
Net increase /(decrease) in Cash and cash equivalents (A+B+C)	**1,108.33**	**106.04**	**(14.62)**	**236.53**
Cash and cash equivalents at the beginning of the year	558.72	452.68	467.30	230.77
Cash and cash equivalents at the end of the year	**1,667.05**	**558.72**	**452.68**	**467.30**
Components of cash and cash equivalents				
(a) Cash on hand	649.53	279.10	119.67	114.08
(c) Balances with banks:				
(i) In current accounts and FD with banks	1017.52	279.62	333.01	353.22
	1,667.05	**558.72**	**452.68**	**467.30**

Note

As per our report attached

For and on behalf of Debenture Committee
Chemmanur Credits and Investments Limited

For V.K.S. NARAYAN & Co
Chartered Accountants
Firm Registration No : 002399S

V. SAJITH
PARTNER
M. No:204136
UDIN: 22204136BEKUDC2133

Lijo Moothedan
Director
DIN: 00877403

Place : THRISSUR,
Date : 28/11/2022

Annexure - IV: Statement of Reformatted Siginifcant Accounting Policies

Note

1 **Background**

Chemmanur Credits and Investments Limited is a Public Limited Company domiciled in India and incorporated under the provisions of The Companies Act 1956. The Company is a Non-Systemically Important Non-Deposit Taking Non-Banking Financial Company Registered under section 45IA of RBI Act, 1934. The Company is a professionally managed financial institution with all the key operational posts starting from its Branch Managers to senior positions being held by senior professionals who held key positions in major public sector banks and other leading finance companies. Performance of the company had also shown remarkable improvement over the years.

2 **Statement of Significant Accounting Policies adopted by the Company in the preparation of Reformatted Financial Statements**

2.1 **Basis of accounting and preparation of Reformatted financial statements**

The reformatted statement of assets and liabilities of the Company as at June 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 and reformatted statement of profit and loss and the reformatted statement of cash flows and the summary of significant accounting policies and explanatory notes for the three months period ended June 30, 2022 and fianancial years ended March 31, 2022, March 31, 2021 and March 31, 2020 (together referred as "Reformatted Financial Statements" have been extracted by the Management from the audited financial statements of the Company for the three months period ended June 30, 2022 and financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 ("Audited Financial Statements").

The Reformatted Financial Statements have been prepared by the management in connection with the proposed listing of secured redeemable non-convertible debentures of the Company with BSE Limited (‘the stock exchange’), in accordance with the requirements of:
a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the “Act”);
b) relevant provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the “SEBI NCS Regulations”) issued by the Securities and Exchange Board of India (“SEBI”); and
c) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time (the “Guidance Note”).

The reformatted Financial Statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects with Accounting Standards notified under The Companies (Accounting Standards) Rules, 2021 (2006 as applicable) and the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Reserve Bank of India as applicable to a Non-Systemically Important Non-Deposit Taking NBFC . The Financial Statements have been prepared on an accrual basis and under the historical cost convention except for interest on non-performing assets which are recognized on realization basis. The Accounting Policies adopted in the preparation of refromatted Financial Statements are consistent with those of previous year.

The preparation of reformatted financial statements in conformity with Indian GAAP requires the Management to make judgments, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. The estimates and assumptions used in the financial statements are based upon the Management's evaluation of the relevant facts and circumstances as on the date of financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. 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.

The Company has complied with the requirements of Schedule III of Companies Act 2013 for the preparation and presentation of its reformatted financial statement. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current Period/year.

2.2 **Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation. The cost includes purchase consideration, financing costs till commencement of commercial production and other directly attributable costs incurred to bring an Asset to its working condition for its intended use. Subsidy received towards specific assets is reduced from the cost of property, plant and equipment. Property, plant and equipment taken on Finance Lease are capitalized. The costs of Assets not ready for use as at the Balance Sheet date are disclosed under Capital Work-In-Progress

Depreciation on Property, Plant and Equipment

Depreciation on Property plant and equipment is calculated on straight line basis using the rates arrived at based on the useful lives prescribed under Schedule II to the Companies Act, 2013. The company has used the following life to provide depreciation on its fixed assets.

Asset	Useful Life
Furniture & Fittings	10 Years
Electrical Fittings	10 Years
Computer	3 Years
Plant and Equipment	15 Years
Vehicles	8 Years
Strong Room-RCC Frame Structure	60 Years

2.3 Intangible Asset

Intangible Assets are recorded at the consideration paid for acquisition less accumulated amortization and accumulated impairment, if any. Intangible assets are amortized over their estimated useful life subject to a maximum period of 10 years on straight line basis, commencing from the date the asset is available to the company for its use.

Expenditure for acquisition and implementation of software system is recognized as part of the intangible asset and amortized on straight line basis over a period of 10 years being the maximum period available for writing off of intangible asset.

2.4 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred. Interest on debenture ceases to accrue on the due date of put option.

2.5 Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken in to account, if available. If no such transactions can be identified, an appropriation valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.6 Leases

Leases where the lessor effectively retains substantially all risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments in respect of non-cancellable leases are recognized as an expense in the profit and loss account on a straight-line basis over the lease term.

2.7 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Quoted current investments for each category is valued at cost or market value whichever is lower. Unquoted investments in the units of mutual fund in the nature of current investment are valued at the net asset value declared by the mutual fund in respect of each particular scheme. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

2.8 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. In a situation where management believes that the recovery of interest is uncertain due to change in the price of the gold or otherwise, the Company recognizes income on such loans only to the extent it is confident of recovering interest from its customers through sale of underlying security or otherwise.

Interest income on loans given is recognized under the internal rate of return method. Such interests, where installments are overdue in respect of non-performing asset are recognized on realization basis as in accordance with the guidelines issued by Reserve Bank of India for Non-Banking Financial Companies. Any such income recognized and remaining unrealized after the installments become overdue with respect to nonperforming asset is reversed.

Revenue from fee-based activities is recognized as and when services are rendered.

Interest on deposit is recognized on a time proportion basis taking in to account the amount outstanding and the rate applicable.

2.9 Employee Benefits

Short term Employee Benefits

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

Long term Employee Benefits

Defined contribution plans:
Defined contribution plan is Provident Fund scheme administered by Government for all eligible employees. The company's contribution to defined contribution plan is recognized in the Statement of Profit & Loss in the financial year to which they relate.

Defined benefit plans:

The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined every year by consulting actuary using Projected Unit Credit Method. Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred

2.10 Foreign currency transaction

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.
Exchange differences on restatement/settlement of all other monetary items are recognized in the Statement of Profit and Loss.

2.11 Taxes on Income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the income-tax Act, 1961 enacted in India.

Deferred tax charge or credit reflects the tax effects of timing difference between accounting income and taxable income for the period. The deferred tax charge of credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized, only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

Deferred Tax Assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

2.12 Provisions and Contingent Liabilities

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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Provision policy for gold loan and other loan portfolios: Company provides for non-performing loans and advances as mentioned in Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. Provision for standard assets is made at 0.25% as mentioned in Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and shown in the balance sheet as 'Contingent Provisions for standard asset'.
Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

2.13 Segment Reporting

The Company primarily operates in the business of "Gold Loan" and its operations are in India. Since the Company has not operated in any other reportable segments, as per AS 17 'Segment Reporting', no segment reporting is applicable.

2.14 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.15 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.16 Debenture Redemption Reserve

No Debenture Redemption Reserve is required to be created for privately placed debentures of Non-Banking Finance Companies

2.17 Cash Flow Statement

Company has prepared cash flow statement using the Indirect Method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

2.18 Surplus on auction of pledged gold

The Company has a policy of refund of any surplus that arises on auction of gold ornaments pledged as security in the case of defaulted loan accounts in accordance with the terms of the agreement with the customers.

2.19 Dividend

Dividends on shares are recorded as liability on the date of approval by the shareholders.

Annexure - V: Notes to Reformatted Financial Statements

1 **Share Capital** (Rs. in Lakhs)

a.

Particulars	As at			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Authorised Capital:				
Equity shares of Rs.10 each	8,000.00	8,000.00	8,000.00	8,000.00
Preference Shares of Rs.1000 each	2,000.00	2,000.00	2,000.00	2,000.00
	10,000.00	10,000.00	10,000.00	10,000.00
Issued, Subscribed and Paid- Up Capital				
Equity shares of Rs.10 each	6,000.00	6,000.00	6,000.00	6,000.00
	6,000.00	6,000.00	6,000.00	6,000.00
Total	**6,000.00**	**6,000.00**	**6,000.00**	**6,000.00**

b. **The reconciliation of the number of shares outstanding and the amount of share capital** (Rs. in Lakhs)

Particulars	As at June 30, 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	6,00,00,000	6,000.00	6,00,00,000	6,000.00	6,00,00,000	6,000.00	6,00,00,000	6,000.00
Add: Shares Issued during the year	-	-	-	-	-	-	-	-
Less: Shares bought back	-	-	-	-	-	-	-	-
Shares outstanding at the end of the year	**6,00,00,000**	**6,000**	**6,00,00,000**	**6,000.00**	**6,00,00,000**	**6,000.00**	**6,00,00,000**	**6,000.00**

c. **Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholder	No. of Shares As at			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Equity Shares:				
C.D. Boby	5,13,92,800	5,13,82,800	5,12,92,800	5,11,32,800
Chemmanur Gold Palace International Limited	70,00,000	70,00,000	70,00,000	70,00,000

d. **Details of shareholders holding more than 5% shares in the Company**

Name of Shareholder	% of Shares As at			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Shareholding by				
C.D. Boby	85.65%	85.64%	85.49%	85.22%
Chemmanur Gold Palace International Limited	11.67%	11.67%	11.67%	11.67%

e. **Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid up by way of bonus shares and shares bought back.**

Particulars	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Equity Shares	-	-	-	-
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-
Shares bought back	-	-	-	-

f. **Rights attached to each class of equity shares**

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

g. **Shareholding of Promoters**

		June 30, 2022		March 31, 2022		March 31, 2021		March 31, 2020	
Sl No	**Promoter's Name**	**No. of shares**	**% of total shares**	**No. of shares**	**% of total shares**	**No. of shares**	**% of total shares**	**No. of shares**	**% of total shares**
1	C.D. BOBY	51392800	85.65%	51382800	85.64%	51292800	85.49%	51132800	85.22%
2	JOSE CHAKKAPPAN	55000	0.09%	55000	0.09%	55000	0.09%	55000	0.09%
3	JISSO C BABY	35000	0.06%	35000	0.06%	35000	0.06%	35000	0.06%
4	DEENA LIJO	30000	0.05%	30000	0.05%	30000	0.05%	30000	0.05%
5	LIJO MOOTHEDAN	35000	0.06%	35000	0.06%	35000	0.06%	35000	0.06%
6	SMITHA BOBY	55000	0.09%	55000	0.09%	55000	0.09%	55000	0.09%

2 Reserve and Surplus (Rs. in Lakhs)

Particular	As at			
	June 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Opening Balance	830.17	743.97	559.18	389.12
(+) Current Year Transfer *	10.40	86.20	184.79	170.06
(-) Written Back in Current period	0.00	0.00	0.00	0.00
Closing Balance	**840.57**	**830.17**	**743.97**	**559.18**
Surplus/(Deficit) in Profit and Loss A/c				
Opening Balance	1974.47	2,049.65	1,310.47	919.54
Add: (Net Loss)/Net Profit for the current period	52.01	431.02	923.97	850.32
Less: Dividend	0.00	420.00	0.00	240.00
Less: Dividend Distribution Tax	0.00	0.00	0.00	49.33
Less: Transfer to other reserve - Reserve Fund	10.40	86.20	184.79	170.06
Closing Balance	**2,016.08**	**1,974.47**	**2,049.65**	**1,310.47**
Total	**2,856.65**	**2,804.64**	**2,793.62**	**1,869.65**

* Statutory Reserve represents the Reserve Fund created under Section 45-IC of the Reserve Bank of India Act, 1934. Amount representing 20% of Net Profit is transferred to the Fund for the year/ period. No appropriation was made from the Reserve Fund during the year/period.

3 Long-term borrowings (Rs. in Lakhs)

Particular	Non current			
	As at			
	June 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
I Secured:				
Non-convertible Debentures - Private placement	606.11	657.74	1,807.83	2,489.34
Canara Bank Term Loan	664.00	664.00	0.00	0.00
II. Unsecured				
Subordinated Debt	14,120.35	13,878.45	14,611.75	13,023.50
Loan From Director	0.00	0.00	57.00	20.43
Total Long Term Borrowings	**15,390.46**	**15,200.19**	**16,476.58**	**15,533.27**

3.1 Secured Redeemable Privately placed NCD (Rs. in Lakhs)

NCD Series	As at			
	June 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Secured Redeemable Privately placed NCD	606.11	657.74	1,807.83	2,489.34
Grand Total	**606.11**	**657.74**	**1,807.83**	**2,489.34**

For details relating to series, allotment, interest rate and redemption period please refer note 6.2.1

*Secured by paripassu floating charge on Current Assets, Book Debts and Loans & Advances

3.2 Subordinate Debt (Rs. in Lakhs)

Subordinate Debt	As at			
	June 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Subordinate debt	14,120.35	13,878.45	14,611.75	13,023.50
Grand Total	**14,120.35**	**13,878.45**	**14,611.75**	**13,023.50**

For details relating to series, allotment, interest rate and redemption period please refer note 6.3.1

4 Long term liabilities

(Rs. in Lakhs)

Particulars	As at			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Interest accrued but not due on long term borrowings	2262.20	2,216.57	2,051.46	1,476.86
Total	**2262.20**	**2,216.57**	**2,051.46**	**1,476.86**

5 Long term provisions

(Rs. in Lakhs)

Particulars	As at			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Provision for Gratuity	124.89	130.04	117.95	95.05
Total	**124.89**	**130.04**	**117.95**	**95.05**

6 Short-term Borrowings

(Rs. in Lakhs)

Particulars	As at			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Loans Repayable on Demand				
Secured				
SBI Cash Credit Account	2307.93	2,492.93	2,501.60	2,497.07
SBI Term Loan	12.01	39.72	207.99	0.00
Canara Bank Term Loan	252.00	336.00	0.00	0.00
DLB Cash Credit Account	330.37	392.51	0.00	0.00
Others:				
Secured				
Non-convertible Debentures - Private placement	3681.47	4,299.69	4,881.21	5,301.69
Unpaid matured NCD	46.97	64.15	52.53	7.47
	3,728.44	4,363.84	4,933.74	5,309.16
Unsecured				
Subordinated Debt	3416.00	3,227.70	1,799.05	211.05
Unpaid matured Subordinated Debt	130.00	171.55	49.10	34.50
	3,546.00	3,399.25	1,848.15	245.55
Total Short Term Borrowings	**10,176.75**	**11,024.25**	**9,491.48**	**8,051.78**

6.1 Current Maturities of Long Term Borrowing

(Rs. in Lakhs)

Particulars	As at			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Non-convertible Debentures	3,728.44	4,363.84	4933.74	5309.16
Subordinate Debt	3,546.00	3,399.25	1848.15	245.55
Total Current Maturity of Long Term Debt	**7,274.44**	**7,763.09**	**6781.89**	**5554.71**

6.2 Current Maturity of Secured NCD - Privately placed

(Rs. in Lakhs)

Particulars	As at			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Non-convertible Debentures	3,728.44	4,363.84	4933.74	5309.16

For details relating to series, allotment, interest rate and redemption period please refer note 6.2.1

*Secured by paripassu floating charge on Current Assets, Book Debts and Loans & Advances

6.3 Current Maturity of unsecured subordinate Debt - Privately placed

(Rs. in Lakhs)

Particulars	As at			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Unsecured Subordiante Debt	3,546.00	3,399.25	1848.15	245.55

For details relating to series, allotment, interest rate and redemption period please refer note 6.3.1

7 Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Current Maturities of Long-term Borrowings				
Interest accrued on debentures	160.71	169.83	210.82	185.44
Interest accrued on Subordinated Debt	1,146.98	909.07	361.95	96.44
Interest Accrued on SBI Cash Credit	-	-	0.00	23.32
Statutory Dues Payable	24.43	62.17	66.52	54.75
Employee Related Payables	22.97	9.80	146.69	24.23
Retention Payable	13.78	7.86	5.67	5.29
Rent Payable	55.95	50.36	47.68	29.07
Payable For Expenses	13.91	14.36	20.13	9.39
Others	461.58	495.04	511.61	150.57
Total	**1,900.31**	**1,718.49**	**1,371.07**	**578.50**

8 Short-term provisions

(Rs. in Lakhs)

Particulars	As at			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Others				
Provision for suit filed	8.00	8.00	8.00	8.00
Provisions for taxation	0.00	0.00	28.33	187.84
Contingent Provision for Standard Assets	84.28	87.81	84.76	74.74
Provision for Non Performing Assets	81.88	77.74	62.42	44.03
Provision for Gratuity	21.25	22.08	12.99	12.50
Provision for Cash Theft	5.00	5.00	0.00	0.00
Provision at the close of the year	**200.41**	**200.63**	**196.50**	**327.11**

9 Fixed Assets

(Rs. in Lakhs)

Type of Assets	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Gross Block				
Tangible Assets				
Furniture & Fittings	2,267.99	2,099.64	1,972.99	1,894.46
Plant & Machinery	670.76	647.40	610.72	586.55
Computer	168.31	163.00	143.82	138.73
Electrical Fittings	154.03	153.98	153.13	149.79
Motor Vehicle	21.93	21.93	21.93	8.43
RCC Frame Structure	534.12	534.12	536.73	536.73
Total	**3,817.14**	**3,620.07**	**3,439.32**	**3,314.69**
Intangible Assets				
Intangible Assets	87.00	87.00	87.00	87.00
Total	**87.00**	**87.00**	**87.00**	**87.00**
TOTAL	**3,904.14**	**3,707.07**	**3,526.32**	**3,401.69**
Accumulated Depreciation				
Furniture & Fittings	1,621.23	1,583.19	1,398.10	1,206.27
Plant & Machinery	275.17	265.41	231.76	197.67
Computer	131.61	128.28	124.07	125.09
Electrical Fittings	126.14	123.44	108.74	93.79
Motor Vehicle	11.62	11.22	9.61	8.01
RCC Frame Structure	132.00	130.10	122.88	114.79
Total	**2,297.77**	**2,241.64**	**1,995.16**	**1,745.62**
Intangible Assets				
Intangible Assets	66.83	64.95	56.89	48.19
Total	**66.83**	**64.95**	**56.89**	**48.19**
TOTAL	**2,364.60**	**2,306.59**	**2,052.05**	**1,793.81**

A. Net Tangible Assets				
Furniture & Fittings	646.76	516.45	574.89	688.19
Plant & Machinery	395.59	381.99	378.96	388.88
Computer	36.70	34.72	19.74	13.64
Electrical Fittings	27.89	30.54	44.39	56.00
Motor Vehicle	10.31	10.71	12.32	0.42
RCC Frame Structure	402.12	404.02	413.85	421.94
Total	**1,519.37**	**1,378.43**	**1,444.15**	**1,569.07**
B. Intangible Assets				
Intangible Assets	20.17	22.05	30.11	38.81
Total	**20.17**	**22.05**	**30.11**	**38.81**
TOTAL	**1,539.54**	**1,400.48**	**1,474.26**	**1,607.88**

10 Capital work-in-progress (Rs. in Lakhs)

Particulars	As at			
	June 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Work in Progress	58.36	109.59	20.62	40.64
Total	**58.36**	**109.59**	**20.62**	**40.64**

11 Deferred Tax Asset (Net) (Rs. in Lakhs)

Particulars	As at			
	June 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Deferred tax liabilities				
Depreciation	15.21	13.08	(5.89)	(24.99)
Deferred tax asset				
Provision for substandard asset	0.00	0.00	13.73	9.69
Provision for Gratuity	32.15	33.47	28.81	23.66
Net Deferred Tax Asset/(Liabities)	**47.36**	**46.55**	**36.65**	**8.36**

12 Long-term loans and advances (Rs. in Lakhs)

Particulars	As at			
	June 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Other Loans and Advances				
a) Security Deposit				
b) Loans and advances to related parties				
c) Loans and advances to Others				
Secured and considered good				
GSL	950.30	970.47	1,823.18	712.78
Total	**950.30**	**970.47**	**1,823.18**	**712.78**

13 Other Non Current Asset (Rs. in Lakhs)

Particulars	As at			
	June 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
a) Security Deposit				
Unsecured considered good				
Rental deposits	468.10	454.48	384.17	366.75
Other Security Deposits	10.57	10.57	10.57	10.57
Total	**478.67**	**465.05**	**394.74**	**377.32**

14 Cash and Cash Equivalents (Rs. in Lakhs)

Particulars	As at			
	June 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Cash and Bank Balances				
Balances with banks:	1017.52	279.62	333.01	353.22
Cash on hand	649.53	279.10	119.67	114.08
Total	**1,667.05**	**558.72**	**452.68**	**467.30**

15 **Short term Loans & Advances** (Rs. in Lakhs)

Particulars	As at			
	June 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
(i) Loans and advances to related parties				
(ii) Loans and advances to others				
Secured and considered good				
Gold Loan	27169.08	27,625.48	27,791.34	23,430.83
GSL Account	3236.69	2,900.62	1,453.76	2,522.15
Unsecured and considered good				
Micro Finance Loan	2110.23	3,063.61	2,639.14	3,133.03
Consumption loans	380.20	533.12	430.95	196.65
Insta Loan	186.30	414.99	0.00	0.00
Loan and advances due by				
a) Directors	-	-	-	-
b) Other Offices of the company either severally or jointly with any other persons	-	-	-	-
c) firms or private companies respectively in which any director is a partner or a director or a member	-	-	-	-
Total	**33,082.50**	**34,537.82**	**32,315.19**	**29,282.66**

16 **Other Current Assets** (Rs. in Lakhs)

Particulars	As at			
	June 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Interest Accrued on Loan Portfolio	825.09	924.89	1,879.27	1,290.59
Prepaid Expenses	2.29	9.15	9.27	7.18
Other Advances & Receivables	73.95	98.02	90.28	137.51
Tds Receivable	0.00	0.00	2.52	0.00
Income tax refundable	186.56	174.07	0.00	0.00
Total	**1,087.89**	**1,206.13**	**1,981.34**	**1,435.28**

17 **Contingent Liabilities** (Rs. in Lakhs)

Particulars	As at			
	June 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Claims against the Company not acknowledged as debts	137.57	137.57	137.57	137.57
Total	**137.57**	**137.57**	**137.57**	**137.57**

18 Revenue from operations

(Rs. in Lakhs)

Particulars	For the period ended June 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income				
- Gold loans	1,322.49	5,732.67	5,762.46	4,986.82
- Micro Finance	151.08	395.05	589.00	675.75
-SBL Loan	0.00	0.00	0.00	0.06
-GSL	234.46	593.86	678.25	903.38
-Consumption Loans	26.20	59.47	50.22	27.45
Insta Loan	18.12	13.74	0.00	0.00
Revenue From other services				
- Commission etc.	7.39	242.82	168.16	302.31
- Service Charge,Documentation Fee etc.	32.50	151.13	109.90	180.15
Total Revenue from Operations	**1,792.24**	**7,188.74**	**7,357.99**	**7,075.92**

19 Other income

(Rs. in Lakhs)

Particulars	For the period ended June 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on Bank and other deposits	0.00	45.23	22.01	0.42
Rental Income	22.88	91.53	91.53	122.03
Auction Charges Recovered	0.11	0.50	0.06	0.69
Auction loss Recovery	0.04	0.07	0.00	0.06
Bad Debt Recovered	0.27	6.16	0.99	0.30
Provision written back	0.00	0.00	0.97	0.00
Interest on refund of income tax	0.00	0.00	0.00	1.62
Creditors Written off	0.00	0.42	0.00	0.00
Gratuity Writtenback	1.46	0.00	0.00	0.00
Provision no longer needed written back	3.04	0.00	0.00	0.00
Total	**27.80**	**143.91**	**115.56**	**125.12**

20 Employee benefits expense

(Rs. in Lakhs)

Particulars	For the period ended June 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Wages and Bonus	486.48	1,827.78	1,648.45	1,672.28
Contribution to Provident Fund and ESI	19.86	78.34	71.19	68.33
Incentive	41.89	127.66	161.47	218.55
Gratuity	0.00	32.87	39.64	72.67
Staff welfare expenses	0.43	1.24	0.91	1.08
Total	**548.66**	**2,067.89**	**1,921.66**	**2,032.91**

21 Finance costs (Rs. in Lakhs)

Particulars	For the period ended June 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest				
- on Debentures	121.36	690.82	840.85	813.65
- on Subordinate Bonds	603.50	2,348.15	1,969.92	1,556.85
- on SBI Cash Credit	30.75	79.91	77.59	244.46
- on SBI Term Loan	0.27	8.37	18.43	0.00
- on Canara Bank Loan	26.17	53.85	0.00	0.00
- on DLB Cash Credit	6.79	7.89	0.00	0.00
- on NCD Application Money	0.00	10.07	17.76	14.82
Other borrowing cost				
- Bank Charges	1.88	17.57	17.16	12.48
-Loan Processing Fee	0.00	5.13	13.57	0.00
- Interest on Short fall of Advance tax	0.00	0.00	8.33	23.53
- Commission paid	0.00	15.47	0.84	2.01
Total	**790.72**	**3,237.23**	**2,964.45**	**2,667.80**

22 Depreciations and amortization expense (Rs. in Lakhs)

Particulars	For the period ended June 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of Tangible Assets	56.94	256.38	259.74	253.98
Amortization of Intangible Assets	1.88	8.06	8.70	8.72
Total	**58.82**	**264.44**	**268.44**	**262.70**

23 Operating & Other expenses (Rs. in Lakhs)

Particulars	For the period ended June 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Electricity	18.55	64.32	65.49	70.53
AMC Charges	7.66	15.29	23.84	22.84
Software Maintenance	3.85	19.51	15.07	8.37
Rent	176.09	622.02	582.49	558.85
Rates and Taxes	1.33	8.45	5.95	10.17
Insurance	5.90	6.44	6.32	5.12
Repairs and Maintenance	10.04	26.08	32.82	36.19
Advertising and Sales Promotion	1.52	13.13	12.74	17.38
Office Expenses	36.81	101.26	88.51	101.35
Travelling and conveyance	39.56	98.46	71.64	96.94
Communication Costs	15.45	61.42	57.04	62.41
Printing and Stationery	7.90	24.13	21.80	24.98
Payment to Auditors	2.00	4.20	4.20	4.20
Legal and Professional fees	15.30	28.00	24.06	20.56
Security Charges	1.36	8.05	9.36	8.99
Loss on sale of asset	0.51	7.39	4.00	3.39
Miscellaneous Expenses	1.29	3.09	2.06	4.55
Provision for Standard Asset & NPA	0.61	18.37	28.40	8.21
Provision for Cash Missing	0.00	5.00	0.00	0.00
CSR Expense	0.00	23.30	18.46	15.68
Bad debt written off	0.00	0.00	0.00	35.88
Total	**345.73**	**1,157.91**	**1,074.25**	**1,116.59**

24 Exceptional & Extraordinary items (Rs. in Lakhs)

Particulars	For the period ended June 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Excess NPA provision reversed	0.00	0.00	0.00	(13.41)
Total	**0.00**	**0.00**	**0.00**	**(13.41)**

25 Earnings Per Share

(Rs. in Lakhs)

Particulars		Before Extra ordinary Item				After extraordinary items			
		June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
(a) Basic									
Profit after tax (in Lakh)	A	52.01	431.02	923.97	850.32	52.01	431.02	923.97	850.32
Weighted Average Number of Shares Outstanding	B	60000000	60000000	60000000	60000000	60000000	60000000	60000000	60000000
Basic EPS (Rs)	**A/B**	**0.09**	**0.72**	**1.54**	**1.42**	**0.09**	**0.72**	**1.54**	**1.42**
(b) Diluted									
Profit after tax (in Lakh)	A	52.01	431.02	923.97	850.32	52.01	431.02	923.97	850.32
Weighted average number of shares outstanding	B	60000000	60000000	60000000	60000000	60000000	60000000	60000000	60000000
Diluted EPS (Rs)	**A/B**	**0.09**	**0.72**	**1.54**	**1.42**	**0.09**	**0.72**	**1.54**	**1.42**
Face value per share (10)		10	10	10	10	10	10	10	10

26 Analytical Ratios

				30-06-2022			31-03-2022			31-03-2021			31-03-2020		
Sl No.	Ratio	Numerator	Denominator	FPE 30th June 2022	FYE 31st March 2022	% Variance	FYE 31st March 2022	FYE 31st March 2021	% Variance	FYE 31st March 2021	FYE 31st March 2020	% Variance	FYE 31st March 2020	FYE 31st March 2019	% Variance
1	Current Ratio	Current Asset	Current Liability	2.92	2.80	4.29%	2.80	3.14	-10.83%	3.14	3.48	-9.77%	3.48	2.51	38.65%
2	Debt Service Coverage Ratio	Earnings Available for debt services	Debt Service	0.41	0.49	-16.33%	0.49	0.70	-30.00%	0.70	0.66	6.06%	0.66	0.52	26.92%
3	Capital Turnover Ratio	Turnover	Average Working Capital	0.08	0.31	-74.19%	0.31	0.32	-3.13%	0.32	0.32	0.00%	0.32	0.41	-21.95%
4	Net Profit Ratio	Net Profit	Turnover	0.03	0.06	-50.00%	0.06	0.12	-50.00%	0.12	0.12	0.00%	0.12	0.11	9.09%
5	Return Capital Employed(Pre-Tax)	EBIT	Capital Employed	0.02	0.10	-80.00%	0.10	0.11	-9.09%	0.11	0.11	0.00%	0.11	0.12	-8.33%
6	Return on Equity	(PAT-Pref. Dividend)	Net Worth	0.01	0.05	-80.00%	0.05	0.11	-54.55%	0.11	0.11	0.00%	0.11	0.11	0.00%

7	Cash Ratio	Cash & Cash Equivalents	Current Liability	0.14	0.04	250.00%	0.04	0.04	0.00%	0.04	0.05	-20.00%	0.05	0.02	150.00%
8	Debt Ratio	Total Outside Liability	Net Worth	3.36	3.43	-2.04%	3.43	3.34	2.69%	3.34	3.26	2.45%	3.26	3.08	5.84%
9	Debt To Total Asset Ratio	Total Outside Liability	Total Assets	0.76	0.77	-1.30%	0.77	0.76	1.32%	0.76	0.76	0.00%	0.76	0.74	2.70%
10	Interest Coverage Ratio	EBIT	Interest	1.10	1.19	-7.56%	1.19	1.43	-16.78%	1.43	1.43	0.00%	1.43	1.43	0.00%
11	Tier I capital	Tier I capital	Risk Weighted Assets	24.33%	23.23%	4.35%	23.23%	23.03%	0.00%	23.03%	23.44%	0.00%	23.44%	24.23%	-4.17%
12	Tier II capital	Tier II capital	Risk Weighted Assets	12.40%	11.85%	0.00%	11.85%	11.74%	0.00%	11.74%	11.95%	0.00%	11.95%	12.34%	0.00%
13	CRAR	Tier I Capital+ Tier II capital	Risk Weighted Assets	36.72%	35.08%	5.71%	35.08%	34.76%	0.00%	34.76%	35.39%	0.00%	35.39%	36.57%	-5.41%

27 Micro, Medium and Small Enterprises:

Based on and to the extent of the information received by the company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act) and relied upon by the auditors, there are no amounts due to MSME . The relevant particulars as at the year-end as required under the MSMED Act are furnished here below:

Particulars	As at			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
(a) Principal amount due and remaining unpaid to suppliers as at the year end	0.00	0.00	0.00	0.00
(b) Interest accrued and due to suppliers on the above amount as at the year end	0.00	0.00	0.00	0.00
(c) Interest paid to suppliers in terms of section 16 of the MSMED Act	0.00	0.00	0.00	0.00
(d) Payment made to suppliers (other than interest) beyond the appointed day, during the year	0.00	0.00	0.00	0.00
(e) Interest paid to suppliers (other than section 16 of the MSMED Act)	0.00	0.00	0.00	0.00
(f) Interest due and payable to suppliers for payments already made (for the period of delay, if any)	0.00	0.00	0.00	0.00
(g) Interest accrued and remaining unpaid at the year end	0.00	0.00	0.00	0.00
(h) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	0.00	0.00	0.00	0.00
Total	**0.00**	**0.00**	**0.00**	**0.00**

28 Applicability of kerala Money - Lenders Act 1958

(i) As on 30th June 2022 & 31st March 2022

The Honourable Supreme Court, in the case of Nedumpilly Finance Company Ltd v State of Kerala & ORS, has ruled that the Kerala Moneylenders Act 1958 is not applicable for NBFCs registered under the RBI.

(ii) As on 31st March 2021 & As on 31st March 2020

The Applicability of The Kerala Money-Lenders Act, 1958 to Non-Banking Financial Companies is pending before Honorable Supreme Court of India.

29 Notes on Non-Convertible Debentures (NCDs) issued under Private Placement.

(A) Details of rate of interest and maturity pattern from the date of the balance sheet are as under:

(i) As on 30th June 2022 **(Rs. in Lakhs)**

Redeemable at par within	<=13.5%	>13.5%<=14.5%	>14.5%<=16.1%	>16.1%<=30%	Total
Long-term Borrowings					
Above 4 years	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
3-4 years	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
2-3years	**140.20**	**0.00**	**0.00**	**0.00**	**140.20**
1-2 years	**465.90**	**0.00**	**0.00**	**0.01**	**465.91**
Total	**606.10**	**0.00**	**0.00**	**0.01**	**606.11**
Current maturities of Long-term Borrowings					
Less than one year	**3,723.65**	**0.37**	**0.09**	**4.33**	**3,728.44**
Total	**3,723.65**	**0.37**	**0.09**	**4.33**	**3,728.44**
Grand Total	**4,329.75**	**0.37**	**0.09**	**4.34**	**4,334.55**

(ii) As on 31st March 2022 **(Rs. in Lakhs)**

Redeemable at par within	<=13.5%	>13.5%<=14.5%	>14.5%<=16.1%	>16.1%<=30%	Total
Long-term Borrowings					
2-3years	150.50	0.00	0.00	0.00	150.50
1-2 years	507.18	0.00	0.00	0.06	507.24
Total	**657.68**	**0.00**	**0.00**	**0.06**	**657.74**
Current maturities of Long-term Borrowings					
Less than one year	4,357.73	0.41	0.10	5.60	4363.84
Total	**4,357.73**	**0.41**	**0.10**	**5.60**	**4363.84**
Grand Total	**5,015.41**	**0.41**	**0.10**	**5.66**	**5021.58**

(iii) As on 31st March 2021 **(Rs. in Lakhs)**

Redeemable at par within	<=13.5%	>13.5%<=14.5%	>14.5%<=16.1%	>16.1%<=30%	Total
Long-term Borrowings					
Above 4 years	0.00	0.00	0.00	0.00	0.00
3-4 years	0.00	0.00	0.00	0.00	0.00
2-3years	312.47	0.00	0.00	0.06	312.53
1-2 years	1494.71	0.00	0.00	0.59	1495.30
Total	**1807.18**	**0.00**	**0.00**	**0.65**	**1807.83**
Current maturities of Long-term Borrowings					
Less than one year	4,923.02	0.44	5.20	5.09	4,933.74
Total	**4,923.02**	**0.44**	**5.20**	**5.09**	**4,933.74**
Grand Total	**6,730.20**	**0.44**	**5.20**	**5.74**	**6,741.57**

(iv) As on 31st March 2020 **(Rs. in Lakhs)**

Redeemable at par within	<=13.5%	>13.3%<=14.5%	>14.5%<=16.1%	>16.1%<=30%	Total
Above 4 years	0.00	0.00	0.00	0.00	0.00

3-4 years	0.00	0.00	0.00	0.06	0.06
2-3years	691.67	0.00	0.00	0.59	692.26
1-2 years	1796.94	0.00	0.00	0.09	1797.02
Total	**2488.61**	**0.00**	**0.00**	**0.74**	**2489.34**
Current maturities of Long-term Borrowings					
Less than one year	5,270.04	3.60	5.21	30.31	5,309.16
Total	**5,270.04**	**3.60**	**5.21**	**30.31**	**5,309.16**
Grand Total	**7,758.65**	**3.60**	**5.21**	**31.05**	**7,798.50**

(b) Non-Convertible Debentures series wise outstanding balance as on Balance sheet date

(Rs. in Lakhs)

Particulars	**June 30, 2022**	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
NCD 2012/04	0.00	0.00	0.00	0.03
NCD 2012/05	3.87	5.06	5.17	5.28
NCD 2012/06	44.17	47.82	114.30	189.06
NCD 2012/07	320.95	424.97	715.63	902.67
NCD 2012/08	90.58	105.59	194.28	333.71
NCD 2012/09	917.67	1103.44	1340.54	1487.10
NCD 2013/10	173.46	189.16	193.26	193.26
NCD 14/XIB	0.00	0.00	0.00	70.00
NCD 2015/XII	10.00	10.00	82.80	342.15
NCD 2015/XIII	0.00	0.00	0.00	150.00
NCD 2015/XIV	0.00	0.00	0.00	100.00
NCD 2015/XIIIA	10.00	10.00	136.00	166.00
NCD 2015/XIIIC	0.00	0.00	15.00	15.00
NCD 2015/XIIID	0.00	0.00	51.00	61.50
NCD 2015/XIIIE	10.00	41.44	219.89	309.39
NCD 2016/XVA	0.00	25.00	25.00	45.00
NCD 2016/XVB	45.00	55.00	67.00	67.00
NCD 2016/XVC	56.00	56.00	56.00	88.50
NCD 2016/XVD	0.00	0.00	0.00	100.00
NCD 2016/XVE	50.00	50.00	60.00	75.00
NCD 2016/XVF	46.00	63.25	116.55	142.05
NCD 2017/XVIB	10.00	27.25	27.25	43.25
NCD 2017/XVIC	25.10	25.10	33.60	50.80
NCD 2017/XVID	64.50	74.50	80.50	107.50
NCD 2017/XVIE	23.50	23.50	28.50	28.50
NCD 2018-19/17A	15.00	15.00	15.00	25.00
NCD 2018-19/17B	0.00	0.00	18.00	25.00
NCD 2018-19/17C	0.00	0.00	70.00	134.25
NCD 2019-20/18A	320.00	320.00	374.00	565.50
NCD 2019-20/18B	57.00	57.00	87.00	238.50
NCD 2019-20/18B2	0.00	0.00	0.00	225.00
19-20 –DEMAT - XIII	0.00	0.00	0.00	259.51
19-20 –DEMAT - XIV	0.00	0.00	35.00	35.00

19-20 –DEMAT - XV	0.00	0.00	20.50	20.50
19-20 –DEMAT - XVI	47.10	47.10	47.10	47.10
19-20 –DEMAT - XVII	13.00	13.00	13.00	13.00
19-20 –DEMAT - XVIII	0.00	0.00	150.00	150.00
19-20 –DEMAT - XIX	0.00	0.00	50.00	50.00
19-20 –DEMAT - XX	0.00	0.00	0.00	351.70
19-20 –DEMAT - XXI	0.00	0.00	18.00	18.00
19-20 –DEMAT - XXII	0.00	0.00	31.50	31.50
19-20 –DEMAT - XXIII	29.00	29.00	29.00	29.00
19-20 –DEMAT - XXIV	32.70	32.70	32.70	32.70
19-20 –DEMAT - XXV	0.00	0.00	150.00	150.00
19-20 –DEMAT -XXVI	0.00	0.00	0.00	209.00
19-20 –DEMAT -XXVII	0.00	0.00	84.50	84.50
19-20 –DEMAT - XXVIII	0.00	0.00	6.00	6.00
19-20 –DEMAT - XXIX	15.00	15.00	15.00	15.00
19-20 –DEMAT - XXX	10.00	10.00	10.00	10.00
20-21- DEMAT -I	0.00	0.00	115.35	0.00
20-21- DEMAT -II	0.00	20.00	20.00	0.00
20-21- DEMAT -III	0.00	27.00	27.00	0.00
20-21- DEMAT -IV	23.50	23.50	23.50	0.00
20-21- DEMAT-V	0.00	0.00	167.00	0.00
20-21 DEMAT-VI	0.00	41.75	41.75	0.00
20-21 - DEMAT- VII	0.00	30.00	30.00	0.00
20-21 –DEMAT - VIII	29.00	29.00	29.00	0.00
20-21–DEMAT – IX	6.00	6.00	6.00	0.00
20-21- DEMAT -X	0.00	0.00	299.20	0.00
20-21- DEMAT -XI	0.00	0.00	10.00	0.00
20-21- DEMAT -XII	39.00	39.00	39.00	0.00
20-21- DEMAT –XIII	17.00	17.00	17.00	0.00
20-21- DEMAT -XIV	37.00	37.00	37.00	0.00
20-21- DEMAT -XV	10.00	10.00	10.00	0.00
20-21 DEMAT-XVI	0.00	0.00	235.05	0.00
20-21 DEMAT-XVII	4.00	4.00	4.00	0.00
20-21 DEMAT-XVIII	10.00	10.00	10.00	0.00
20-21 DEMAT-XIX	20.00	20.00	20.00	0.00
20-21 DEMAT-XX	7.45	7.45	7.45	0.00
20-21 DEMAT-XXI	0.00	0.00	95.00	0.00
20-21 DEMAT-XXII	94.00	94.00	94.00	0.00
20-21 DEMAT -XXIII	100.00	100.00	100.00	0.00
20-21 DEMAT-XXIV	0.00	0.00	413.70	0.00
20-21 DEMAT-XXV	25.00	25.00	25.00	0.00
20-21 DEMAT-XXVI	35.00	35.00	35.00	0.00
20-21 DEMAT-XXVII	12.00	12.00	12.00	0.00
21-22 DEMAT-I	0.00	287.50	0.00	0.00
21-22 DEMAT-II	0.00	34.00	0.00	0.00

21-22 DEMAT-III	19.50	19.50	0.00	0.00
21-22 DEMAT-IV	10.00	10.00	0.00	0.00
21-22 DEMAT-V	21.50	21.50	0.00	0.00
21-22 DEMAT-VI	7.00	7.00	0.00	0.00
21-22 DEMAT-VII	372.50	372.50	0.00	0.00
21-22 DEMAT-VIII	72.50	72.50	0.00	0.00
21-22 DEMAT-IX	27.50	27.50	0.00	0.00
21-22 DEMAT-X	8.00	8.00	0.00	0.00
21-22 DEMAT-XI	67.00	67.00	0.00	0.00
21-22 DEMAT-XII	10.00	10.00	0.00	0.00
21-22 DEMAT-XIII	128.00	128.00	0.00	0.00
21-22 DEMAT-XIV	10.00	10.00	0.00	0.00
21-22 DEMAT-XV	10.00	10.00	0.00	0.00
21-22 DEMAT-XVI	7.00	7.00	0.00	0.00
21-22 DEMAT-XVII	5.00	5.00	0.00	0.00
21-22 DEMAT -XVIII	149.00	149.00	0.00	0.00
21-22 DEMAT- XIX	23.00	23.00	0.00	0.00
21-22 DEMAT- XX	17.00	17.00	0.00	0.00
21-22 DEMAT- XXI	15.00	15.00	0.00	0.00
21-22 DEMAT-XXII	14.00	14.00	0.00	0.00
21-22 DEMAT-XXIII	86.00	86.00	0.00	0.00
21-22 DEMAT -XXIV	135.00	135.00	0.00	0.00
21-22 DEMAT -XXV	11.00	11.00	0.00	0.00
21-22 DEMAT-XXVI	11.00	11.00	0.00	0.00
22-23 DEMAT-I	67.50	0.00	0.00	0.00
22-23 DEMAT-II	5.00	0.00	0.00	0.00
22-23 DEMAT-III	13.00	0.00	0.00	0.00
22-23 DEMAT-IV	7.20	0.00	0.00	0.00
22-23 DEMAT-V	69.50	0.00	0.00	0.00
22-23 DEMAT-VI	16.30	0.00	0.00	0.00
22-23 DEMAT-VII	11.00	0.00	0.00	0.00
Total	**4334.55**	**5021.58**	**6741.57**	**7798.50**
NCD Matured but not paid included in the above	46.97	64.15	52.53	7.47

30 Notes on Subordinated Debt Certificates

Details of rate of interest and maturity pattern from the date of the balance sheet are as under

(i) As on 30th June 2022 **(Rs. in Lakhs)**

Redeemable at par within	<=13.5%	>13.5%<=14.5%	>14.5%<=16.1%	>16.1%<=30%	Total
Long-term Borrowings					
Above 5 years	719.25	0.00	0.00	0.00	719.25
4-5 Years	2,746.15	0.00	0.00	0.00	2,746.15
3-4 years	4,114.05	0.00	324.50	0.50	4,439.05
2-3 Years	3,174.80	0.00	625.60	33.20	3,833.60
1-2 years	2,377.30	0.00	5.00	0.00	2,382.30
Total	**13,131.55**	**0.00**	**955.10**	**33.70**	**14,120.35**
Current maturities of Long-term Borrowings					
Less than one years	3,542.60	1.00	2.40	0.00	3546.00
Total	**3,542.60**	**1.00**	**2.40**	**0.00**	**3546.00**
Grand Total	**16,674.15**	**1.00**	**957.50**	**33.70**	**17,666.35**

(ii) As on 31st March 2022 **(Rs. in Lakhs)**

Redeemable at par within	<=13.5%	>13.5%<=14.5%	>14.5%<=16.1%	>16.1%<=30%	Total
Long-term Borrowings					
Above 5 years	854.60	0.00	0.00	0.00	854.60
4-5 Years	2,676.30	0.00	0.00	0.00	2,676.30
3-4 years	3,889.60	0.00	531.85	8.70	4,430.15
2-3 Years	2,871.45	0.00	418.25	25.00	3,314.70
1-2 years	2,597.70	0.00	5.00	0.00	2,602.70
Total	**12,889.65**	**0.00**	**955.10**	**33.70**	**13,878.45**
Current maturities of Long-term Borrowings					
Less than one years	3,390.90	1.00	7.35	0.00	3,399.25
Total	**3,390.90**	**1.00**	**7.35**	**0.00**	**3,399.25**
Grand Total	**16,280.55**	**1.00**	**962.45**	**33.70**	**17,277.70**

(iii) As on 31st March 2021 **(Rs. in Lakhs)**

Redeemable at par within	<=13.5%	>13.5%<=14.5%	>14.5%<=16.1%	>16.1%<=30%	Total
Long-term Borrowings					
Above 5 years	1,039.00	0.00	0.00	0.00	1,039.00
4-5 Years	3,887.10	0.00	531.85	8.70	4,427.65
3-4 years	2,871.45	0.00	418.25	25.00	3,314.70
2-3 Years	2,597.70	0.00	5.00	0.00	2,602.70
1-2 years	3,227.70	0.00	0.00	0.00	3,227.70
Total	**13,622.95**	**0.00**	**955.10**	**33.70**	**14,611.75**
Current maturities of Long-term Borrowings					
Less than one years	1,837.70	1.00	9.45	0.00	1,848.15
Total	**1,837.70**	**1.00**	**9.45**	**0.00**	**1,848.15**
Grand Total	**15,460.65**	**1.00**	**964.55**	**33.70**	**16,459.90**

(iv) As on 31st March 2020 **(Rs. in Lakhs)**

Redeemable at par within	<=13.5%	>13.3%<=14.5%	>14.5%<=16.1%	>16.1%<=30%	Total
Long-term borrowings					
Above 5 years	1,517.65	0.00	531.85	38.70	2,088.20
4-5 Years	2,871.45	0.00	418.25	25.00	3,314.70
3-4 years	2,597.70	0.00	5.00	0.00	2,602.70
2-3 Years	3,227.70	0.00	0.00	0.00	3,227.70
1-2 years	1,790.20	0.00	0.00	0.00	1,790.20
Total	**12,004.70**	**0.00**	**955.10**	**63.70**	**13,023.50**
Current maturities of Long-term borrowings					
Less than one years	220.65	1.50	23.40	0	245.55
Total	**220.65**	**1.50**	**23.40**	**0.00**	**245.55**
Grand Total	**12,225.35**	**1.50**	**978.50**	**63.70**	**13,269.05**

31 Long term Borrowings (Term Loan)

(Rs. in Lakhs)

Particulars	June 30, 2022			March 31, 2022			March 31, 2021			March 31, 2020		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
Canara Bank	252.00	664.00	**916.00**	336.00	664.00	**1,000.00**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
State Bank of India	12.01	0.00	**12.01**	39.72	0.00	**39.72**	207.99	0.00	**207.99**	0.00	0.00	**0.00**
TOTAL	**264.01**	**664.00**	**928.01**	**375.72**	**664**	**1,039.72**	**207.99**	**0.00**	**207.99**	**0.00**	**0.00**	**0.00**

32 Disclosure as per AS-15

(Rs. in Lakhs)

Particulars	For the period ended June 30, 2022	For the period ended March 31, 2022	For the period ended March 31, 2021	For the period ended March 31, 2020
Contribution to Employee's Provident Fund	11.70	45.10	38.97	32.72
Contribution to Employee's State Insurance	8.16	32.01	30.19	33.90
Contribution to Employee's Group Insurance	0.00	1.23	2.03	1.72
Total	**19.86**	**78.34**	**71.19**	**68.34**

33 Defined Benefit Plan Disclosure as per AS-15

A) Key Assumptions	As on 30 June 2022	As on 31 March 2022	As on 31 March 2021	As on 31 March 2020
Mortality Table	Indian Assured Lives Mortality [2012-14] Ultimate	Indian Assured Lives Mortality [2012-14] Ultimate	Indian Assured Lives Mortality [2012-14] Ultimate	Indian Assured Lives Mortality [2012-14] Ultimate
Attrition Rate	30.00%	30.00%	30.00%	30.00%
Less than or equal to 4 years	5.00%	5.00%	5.00%	5.00%
Above 4 Year				
Discount Rate	7.40% p.a	6.96% p.a	6.57% p.a	6.44% p.a
Rate of increase in compensation level	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.
Rate of Return on Plan Assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Expected Average Remaining Working Lives of Employees (years)	8.58	8.64	8.73	7.99

Reconciliation of opening and closing balances of the present value of the defined benefit obligation and plan assets:

(Rs. in Lakhs)

Particulars	As on 30 June 2022	As on 31 March 2022	As on 31 March 2021	As on 31 March 2020
A) Changes in Present Value Obligations				
Present Value of Obligation at the beginning of the period	152.12	130.94	107.55	47.19
Interest Cost	2.61	8.21	6.4	3.08
Past Service Cost (Non-Vested)	0.00	0.00	0.00	0.00
Past Service Cost (Vested)	0.00	0.00	0.00	0.00
Current Service Cost	6.83	27.24	24.39	28.62
Benefits Paid	(4.52)	(11.69)	(16.25)	(12.31)
Actuarial (Gain)/Loss	(10.90)	(2.58)	8.85	40.97
Defined Benefit Plan at the end of the Year	**146.14**	**152.12**	**130.94**	**107.55**

B) Changes in the Fair Value of Plan Assets	As on 30 June 2022	As on 31 March 2022	As on 31 March 2021	As on 31 March 2020
Fair Value of the Plan Assets at the beginning of the Period	0.00	0.00	0.00	0.00
Acquisition Adjustments	0.00	0.00	0.00	0.00
Expected Return on Plan Assets	0.00	0.00	0.00	0.00
Contributions	0.00	0.00	0.00	0.00
Benefits Paid	0.00	0.00	0.00	0.00
Actuarial Gain/(Loss) on Plan Assets	0.00	0.00	0.00	0.00
Fair Value of Plan Assets at the end of the Period	**0.00**	**0.00**	**0.00**	**0.00**

C) Fair Value of Plan Assets	As on 30 June 2022	As on 31 March 2022	As on 31 March 2021	As on 31 March 2020
Fair Value of Plan Assets at the Beginning of the Period	0.00	0.00	0.00	0.00
Acquisition Adjustments	0.00	0.00	0.00	0.00
Actual Return on Plan Assets	0.00	0.00	0.00	0.00
Contributions	0.00	0.00	0.00	0.00
Benefits Paid	0.00	0.00	0.00	0.00
Fair Value of Plan Assets at the end of the period	0.00	0.00	0.00	0.00
Present Value of Obligations at the end of the Period	146.14	152.12	130.94	107.55
Funded Status	**(146.14)**	**(152.12)**	**(130.94)**	**(107.55)**

D) Actuarial Gain/(Loss) Recognized	As on 30 June 2022	As on 31 March 2022	As on 31 March 2021	As on 31 March 2020
Actuarial Gain/(Loss) for the Period – Obligation	10.90	2.58	(8.85)	(40.97)
Actuarial Gain/(Loss) for the Period – Plan Assets	0.00	0.00	0.00	0.00
Total Gain/(Loss) For the Period	10.90	2.58	(8.85)	(40.97)
Actuarial Gain/(Loss) recognized in the Period	10.90	2.58	(8.85)	(40.97)
Unrecognized actuarial gains/(Losses) at the end of the period	**0.00**	**0.00**	**0.00**	**0.00**

E) The Amounts to be Recognised in Balance Sheet and Statement of Profit and Loss	As on 30 June 2022	As on 31 March 2022	As on 31 March 2021	As on 31 March 2020
Defined benefit Obligation	146.14	152.12	130.94	107.55
Fair Value of Planned assets	0.00	0.00	0.00	0.00
Funded status-(surplus)/deficit	146.14	152.12	130.94	107.55
Unrecognised past service (cost)/credit	0.00	0.00	0.00	0.00
Liability /(Asset) recognised in balance sheet	146.14	152.12	130.94	107.55

F) Expense Recognized in the Statement of Profit and Loss	As on 30 June 2022	As on 31 March 2022	As on 31 March 2021	As on 31 March 2020
Current Service Cost	6.83	27.24	24.39	28.62
Past Service Cost	0.00	0.00	0.00	0.00
Interest Cost	2.61	8.21	6.40	3.08
Expected Return on Plan Asset	0.00	0.00	0.00	0.00
Curtailment Cost /(Credit)	0.00	0.00	0.00	0.00
Settlement Cost /(Credit)	0.00	0.00	0.00	0.00
Net Actuarial (Gain)/Loss Recognized in the period	(10.90)	(2.58)	8.85	40.97
Expenses Recognized in the statement of Profit and Loss	**(1.46)**	**32.87**	**39.64**	**72.67**

G) Movements in Liability Recognized in the Balance sheet	As on 30 June 2022	As on 31 March 2022	As on 31 March 2021	As on 31 March 2020
Opening Net Liability	152.12	130.94	107.55	47.19
Expenses as above	(1.46)	32.87	39.64	72.67
Contributions / Benefits Paid	(4.52)	(11.69)	(16.25)	(12.31)
Closing Net Liability	**146.14**	**152.12**	**130.94**	**107.55**

ii. Note on provision for gratuity

Particulars	As on 30 June 2022	As on 31 March 2022	As on 31 March 2021	As on 31 March 2020
Short Term Liability Value (current)	21.25	22.08	12.99	12.50
Long Term Liability value (Non-current)	124.89	130.04	117.95	95.05
Total value of the obligation	**146.14**	**152.12**	**130.94**	**107.55**

34 Provision for Standard and Non-Performing Assets as per Prudential Norms.

a) Total – Gold and Other Loans

(i) Gross Loan Outstanding (Rs. in Lakhs)

Particulars	30-06-2022	31-03-2022	31-03-2021	31-03-2020
Standard Assets	33,712.35	35,124.44	33,904.80	29,897.69
Sub Standard Asset	220.6	321.69	181.57	50.17
Doubtful Asset	59.66	26.10	15.67	19.54
Loss Asset	40.19	36.06	36.33	28.04
Grand Total - All Loans	**34,032.80**	**35,508.29**	**34,138.37**	**29,995.44**

(ii) Provision For Assets (Rs. in Lakhs)

Particulars	30-06-2022	31-03-2022	31-03-2021	31-03-2020
Standard Assets	84.28	87.81	84.76	74.74
Sub Standard Asset	22.06	32.17	18.16	5.02
Doubtful Asset	19.63	9.51	7.93	10.98
Loss Asset	40.19	36.06	36.33	28.04
Grand Total - All Loans	**166.16**	**165.55**	**147.18**	**118.78**

(iii) Net Loan Outstanding (Rs. in Lakhs)

Particulars	30-06-2022	31-03-2022	31-03-2021	31-03-2020
Standard Assets	33,628.07	35,036.63	33,820.04	29,822.94
Sub Standard Asset	198.54	289.52	163.41	45.15
Doubtful Asset	40.03	16.59	7.74	8.56
Loss Asset	0.00	0.00	0.00	0.00
Grand Total - All Loans	**33,866.64**	**35,342.74**	**33,991.19**	**29,876.65**

b) Gross and Net Non-performing Asset

(Rs. in Lakhs)

Particulars	30-06-2022	31-03-2022	31-03-2021	31-03-2020
Gross Non performing Asset	320.45	383.85	233.57	97.75
Less: Provision for Non-performing Asset	(81.88)	(77.74)	(62.42)	(44.04)
Net Non-performing Asset	238.57	306.11	171.15	53.71

35 Capital to Risk Asset Ratio [CRAR]

(Rs. in Lakhs)

Particulars	30-06-2022	31-03-2022	31-03-2021	31-03-2020
Tier I Capital	8,789.13	8,736.04	8,726.86	7,822.48
Tier II Capital	4,479.28	4,455.81	4,447.76	3,985.98
Total	**13,268.41**	**13,191.85**	**13,174.62**	**11,808.46**
Risk Weighted Assets	36,129.61	37,600.46	37,900.83	33,367.76
CRAR	36.72%	35.08%	34.76%	35.39%
CRAR - Tier I capital	24.33%	23.23%	23.03%	23.44%
CRAR - Tier II capital	12.40%	11.85%	11.74%	11.95%

Calculation of Tier I Capital

(Rs. in Lakhs)

Particulars	30-06-2022	31-03-2022	31-03-2021	31-03-2020
Paid Up Share Capital	6,000.00	6,000.00	6,000.00	6,000.00
Capital Reserve	0.00	0.00	0.00	0.00
Statutory Reserve	840.57	830.17	743.97	559.18
General Reserve	0.00	0.00	0.00	0.00
Profit & Loss Account	2,016.08	1,974.47	2,049.65	1,310.47
Total	**8,856.65**	**8,804.64**	**8,793.62**	**7,869.65**
Less:				
Intangible Asset	20.17	22.05	30.11	38.81
Deferred Tax Asset	47.36	46.55	36.65	8.36
Total	**67.53**	**68.60**	**66.76**	**47.17**
Tier I Capital	**8,789.12**	**8,736.04**	**8,726.86**	**7,822.48**

Calculation of Tier II Capital

(Rs. in Lakhs)

Particulars	30-06-2022	31-03-2022	31-03-2021	31-03-2020
Subordinate Debt	4395.00	4,368.00	4,363.00	3911.24
Provision for standard assets	84.28	87.81	84.76	74.74
Tier II Capital	**4,479.28**	**4,455.81**	**4,447.76**	**3,985.98**

Calculation of Risk Weighted Assets (Rs. in Lakhs)

Weighted risk assets - On Balance Sheet items	30-06-2022			31-03-2022			31-03-2021			31-03-2020		
	Value of Asset	% of Weight	Risk Weighted Asset	Value of Asset	% of Weight	Risk Weighted Asset	Value of Asset	% of Weight	Risk Weighted Asset	Value of Asset	% of Weight	Risk Weighted Asset
1. On-Balance Sheet Assets												
(i) Cash and bank balances including fixed deposits and certificates of deposits with banks	1,667.05	0%	0	558.72	0%	0	452.68	0%	0	467.30	0%	0
(ii) Investments												
a. Approved Securities	0	0%	0	0	0%	0	0	0%	0	0	0%	0
b. Bonds of public sector banks	0	20%	0	0	20%	0	0	20%	0	0	20%	0
c. Fixed deposits / certificates of deposits /bonds of public financial institutions	0	100%	0	0	100%	0	0	100%	0	0	100%	0
d. Shares of all companies and debentures / bonds/ commercial papers of all companies and units of all mutual funds	0	100%	0	0	100%	0	0	100%	0	0	100%	0
(iii) Current Assets												
a. Stock on hire (net book value)	0	100%	0	0	100%	0	0	100%	0	0	100%	0
b. Intercorporate loans / deposits	0	100%	0	0	100%	0	0	100%	0	0	100%	0
c. Loans and advances fully secured against deposits held by the company itself	0	0%	0	0	0%	0	0	0%	0	0	0%	0
d. Loans to staff	0	0%	0	0	0%	0	0	0%	0	0	0%	0
e. Other secured loans and advances considered good (Net of Provision)	30,264.20	100%	30,264.20	30,386.79	100%	30,386.79	30,940.89	100%	30,940.89	26,561.02	100%	26,561.02
f. Bills purchased / discounted	0	100%	0	0	100%	0	0	100%	0	0	100%	0
g. Others :												
Advances	0	100%	0	0	100%	0	0	100%	0	0	100%	0
Other current & non current assets	1,566.56	100%	1,566.56	1,671.18	100%	1,671.18	2,376.08	100%	2,376.08	1,812.60	100%	1,812.60
Other Loans and advance(Net of provision)	2,652.13	100%	2,652.13	3,985.48	100%	3,985.48	3,050.31	100%	3,050.31	3,315.63	100%	3,315.63
(iv) Fixed Assets (net of depreciation)												
a. Assets leased out (net book value)	0	100%	0	0	100%	0	0	100%	0	0	100%	0
b. Premises	0	100%	0	0	100%	0	0	100%	0	0	100%	0
c. Furniture & Fittings	646.76	100%	646.76	516.45	100%	516.45	574.89	100%	574.89	688.19	100%	688.19
d. Other Fixed Assets	872.61	100%	872.61	861.98	100%	861.98	869.27	100%	869.27	880.88	100%	880.88
(v) Other Assets												
a. Income tax deducted at source(Net of provision)	186.56	0%	0	226.8	0%	0	130.23	0%	0	126.85	0%	0
b. Advance tax paid	0	0%	0	125	0%	0	135.4	0%	0	20.00	0%	0
c. Interest due on Government Securities	0	0%	0	0	0%	0	0	0%	0	0	0%	0
d. Deferred Tax Asset	47.36	0%	0	46.55	0%	0	36.65	0%	0	8.36	0%	0
e. Intangible Asset	20.17	0%	0	22.05	0%	0	30.11	0%	0	38.81	0%	0
f. Capital Work In Progress	58.36	100%	58.36	109.59	100%	109.59	20.62	100%	20.62	40.64	100%	40.64
2. Off Balance Sheet Items												
(i) Credit Against the Company not acknowledged as debt	137.57	50%	69	137.57	50%	69	137.57	50%	69	137.57	50%	69
Total	**38,119.33**		**36,129.62**	**38,648.16**		**37,600.47**	**38,754.70**		**37,901.06**	**34,097.85**		**33,367.96**

36 Loan to Asset Value

(Rs. in Lakhs)

Particulars	30-06-2022	31-03-2022	31-03-2021	31-03-2020
Gold Loan	27,169.08	27,625.48	27,791.34	23,430.83
Total Assets	38,911.67	39,294.81	38,470.38	33,932.23
% of Gold Loan to total Assets	**69.82%**	**70.30%**	**72.24%**	**69.05%**

37 Leverage Ratio

(Rs. in Lakhs)

Particulars	30-06-2022	31-03-2022	31-03-2021	31-03-2020
Total Liabilities	38,911.67	39,294.81	38,498.67	33932.23
Less: Share Capital	6,000.00	6,000.00	6,000.00	6,000.00
Less: Reserves & Surplus	2,856.65	2,804.64	2,793.63	1869.65
Less: Provision	200.41	200.62	196.5	327.11
Total Outside Liabilities (A)	**29,854.61**	**30,289.55**	**29,508.54**	**25,735.47**
Share Capital	6,000.00	6,000.00	6,000.00	6,000.00
Reserves and Surplus	2,856.65	2,804.64	2,793.63	1,869.65
Less: Differed revenue expenditure	2.29	9.15	9.27	7.18
Less: Intangible Asset	20.17	22.05	30.11	38.81
Less: Deferred Tax Asset	47.36	46.55	36.65	8.36
Total Owned Funds (B)	**8,786.83**	**8,726.89**	**8,717.60**	**7,815.30**
Leverage Ratio (A) / (B)	**3.40**	**3.47**	**3.38**	**3.29**

38 Additional disclosures as required by circular no DNBS.CC.PD.No.356/03.10.01/2013-2014 dated September 16, 2013 issued by the Reserve Bank of India:

Auction of Gold ornaments pledged as security in the defaulted loan accounts

(i) As on 30th June 2022

(Rs. in Lakhs)

Number of Loan Accounts	Principal Amount outstanding at the dates of auction (Rs in Lakhs)	Interest Amount outstanding at the dates of auction (Rs in Lakhs)	Total (Rs in Lakhs)	Value fetched (Rs in Lakhs)	Surplus (Rs in Lakhs)	Deficit (Rs in Lakhs)
208	46.44	12.98	59.42	60.94	3.46	1.59

(ii) As on 31 st March 2022

(Rs. in Lakhs)

Number of Loan Accounts	Principal Amount outstanding at the dates of auction (Rs in Lakhs)	Interest Amount outstanding at the dates of auction (Rs in Lakhs)	Total (Rs in Lakhs)	Value fetched (Rs in Lakhs)	Surplus (Rs in Lakhs)	Deficit (Rs in Lakhs)
4687	2,821.48	1019.31	3,840.79	3,452.23	7.61	396.17

(iii) As on 31 st March 2021

(Rs. in Lakhs)

Number of Loan Accounts	Principal Amount outstanding at the dates of auction (Rs in Lakhs)	Interest Amount outstanding at the dates of auction (Rs in Lakhs)	Total (Rs in Lakhs)	Value fetched (Rs in Lakhs)	Surplus (Rs in Lakhs)	Deficit (Rs in Lakhs)
104	20.45	5.91	26.36	27.43	2.37	1.30

(iv) As on 31 st March 2020

(Rs. in Lakhs)

Number of Loan Accounts	Principal Amount outstanding at the dates of auction (Rs in Lakhs)	Interest Amount outstanding at the dates of auction (Rs in Lakhs)	Total (Rs in Lakhs)	Value fetched (Rs in Lakhs)
1,645	313.81	141.34	455.15	450.13

39 Pending Litigations on the Financial position of the Company

(i) Claims against the Company not acknowledge as debts for the financial period of three months ended on june 2022, financial year ended on march 2022, march 2021 and march 2020

(i)Income Tax demand for the A.Y. 2012-13
Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2012-2013. Appeal is filed by the company against the order under sec 143(3) of the Income Tax act 1961, issued by the income tax officer, ward1(2), Thrissur making an addition by disallowing various expenditures. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is Rs: 95.87 Lakhs
(ii)Income Tax demand for the A.Y. 2013-14
Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2013-2014. Appeal is filed by the company against the order under sec 143(3) of the Income Tax act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is Rs: 98.59 Lakhs
(iii)Income Tax demand for the A.Y. 2014-15
Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2014-2015. Appeal is filed by the company against the order under sec 143(3) of the Income Tax act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is Rs: 126.55 Lakhs.
(iv)Income Tax demand for the A.Y. 2017-18
Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2017-18. Appeal is filed by the company against the order under sec 143(3) of the Income Tax act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The total tax impact on the addition is Rs: 137.57 Lakhs. Against this demand company paid 10% of total demand amounting to Rs: 13.76 Lakhs and stay granted for the balance 90% of the demand till the disposal of the appeal by the commissioner of income tax(Appeals)

(ii) Case filed against the company

(i) As on 30th June 2022

Sr.No	Statute	Nature of Due	Year to which it pertains	Amount (in Rs Lakhs)	Amount Deposited(in Rs Lakhs)	Forum where dispute is pending
1	Civil Case	GL Receivable (Party filed to stop Auction of Gold)	2019	1.70	0.00	Munsiff Magistrate court, Mavelikkara (OS.97/2019, I.A.619/2019)
2	Consumer case	Claim for additional interest on NCD	2020	0.08	0.00	CC100/2020 Consumer Dispute redressal forum, EKM.
3	Civil Case(Succession case)	As per court decision CCIL hold the investments (5 NCD's 20.50 Lakh each). Dispute between claimants of investments(ie Nominee Vs Other claimants) CCIL included as Respondent in this case.	2020	102.50	0.00	SUB COURT, VADAKARA -(SOP.3/2020)

(ii) As on 31 st March 2022

Sr.No	Statute	Nature of Due	Year to which it pertains	Amount (in Rs Lakhs)	Amount Deposited(in Rs Lakhs)	Forum where dispute is pending
1	Civil Case	GL Receivable (Party filed to stop Auction of Gold)	2019	1.70	0.00	MUNSIFF'S MAGISTRATE COURT, MAVELIKKARA (OS.97/2019, I.A.619/2019)
2	Consumer case	Claim for additional interest on NCD	2020	0.08	0.00	CC100/2020 CONSUMER DISPUTE REDRESSAL FORUM, ERNAKULAM.
3	Civil Case(Succession case)	As per court decision CCIL hold the investments (5 NCD's 20.50 Lakh each). Dispute between claimants of investments(ie Nominee Vs Other claimants) CCIL included as Respondent in this case.	2020	102.50	0.00	SUB COURT, VADAKARA -(SOP.3/2020)

(iii) As on 31 st March 2021

Sr.No	Statute	Nature of Due	Year to which it pertains	Amount (in Rs Lakhs)	Amount Deposited(in Rs Lakhs)	Forum where dispute is pending
1	Civil Case	GL Receivable (Party filed to stop Auction of Gold)	2015	3.18	0.00	ADDL.MUNSIFF COURT,TRIVANDRUM, (Case No.O.S.1300/2015 I.A.5247/201)
2	Civil Case	GL Receivable (Party filed to stop Auction of Gold)	2019	1.70	0.00	MUNSIFF'S MAGISTRATE COURT, MAVELIKKARA (OS.97/2019, I.A.619/2019)
3	Consumer case	Claim for additional interest on NCD	2020	0.91	0.00	CC100/2020 CONSUMER DISPUTE REDRESSAL FORUM, ERNAKULAM.

(iv) As on 31 st March 2020

Sr.No	Statute	Nature of Due	Year to which it pertains	Amount (in Rs Lakhs)	Amount Deposited(in Rs Lakhs)	Forum where dispute is pending
1	Civil Case	GL Receivable (Party filed to stop Auction of Gold)	2015	3.18	0.00	ADDL.MUNSIFF COURT/RCC,TRIVANDRUM, (Case No.O.S.1300/2015 I.A.5247/201)
2	Civil Case	GL Receivable (Party filed to stop Auction of Gold)	2019	1.70	0.00	MUNSIFF'S COURT, MAVELIKKARA (OS.97/2019, I.A.619/2019)
3	Consumer case	Claim for additional interest on NCD	2020	0.91	0.00	CC100/2020 CONSUMER DISPUTE REDRESSAL FORUM, ERNAKULAM.

(iii) Case filed by the company

(i) As on 30th June 2022

Sr.No	Statute	Nature of Due	Year to which it pertains	Amount in Rs Lakhs	Amount Deposited in Rs Lakhs	Forum where dispute is pending
1	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shaji Joseph	2016	0.11	0.00	Judicial First Class Magistrate Court (CC.4722/16)
2	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shaji Joseph	2017	0.11	0.00	Judicial First Class Magistrate Court -3, THRISSUR(CC.150/17)
3	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shaji Joseph	2017	0.11	0.00	Judicial First Class Magistrate Court -1, THRISSUR(CC.435/17)
4	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shaji Joseph	2017	0.11	0.00	Judicial First Class Magistrate Court -2, THRISSUR(CC.1316/17)
5	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shaji Joseph	2017	0.11	0.00	Judicial First Class Magistrate Court -1, THRISSUR(CC.689/17)
6	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shaji Joseph	2017	0.11	0.00	Judicial First Class Magistrate Court -1, THRISSUR(CC.690/17)
7	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shaji Joseph	2017	0.11	0.00	Judicial First Class Magistrate Court -3, THRISSUR(CC.720/17)
8	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shaji Joseph	2017	0.12	0.00	Judicial First Class Magistrate Court - MUVATTUPUZHA(CC.1927/17)
9	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shiju	2017	1.00	0.00	CC.660/2017,JFCM-II COURT, THRISSUR
10	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shiju	2017	1.00	0.00	CC.1012/2017,JFCM-II COURT, THRISSUR

11	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shiju	2017	1.00	0.00	CC.1364/2017,JFCM-I COURT, THRISSUR
12	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Somasekharan Nair	2017	2.00	0.00	CC.1011/2017,JFCM-II COURT, THRISSUR
13	Civil Case	Civil suit filed against Mrs.Deepa P G and Mrs. Beenu Shiju	2019	5.00	0.00	OS 367/2019 MUNSIFF'S MAGISTRATE COURT, PERUMBAVOOR
14	Criminal case	Private Complaint, under Sec.408,418,420 r/w 34 of IPC. Later as per court direction police filed FIR 107/2018 in CC-275/2019 against Ajesh, Mukesh	2019	14.41	0.00	Judicial First Class Magistrate Court, PONNANI
15	Consumer Complain	Claim for deficiency of service against Insurance Company (United India Insurance Co.Ltd)-Fidelity Claim	2021	14.41	0.00	CONSUMER DISPUTE REDRESSAL COMMISSION,THRISSUR
16	Criminal case	Private complaint under Sec.406, 420 r/w 34 of IPC against Jayasree, Chandu and Sujith Chandran	2019	8.00	0.00	CC-291/2019 Judicial First Class Magistrate Court -1, PALAKKAD
17	Criminal case	Private Complaint, under Sec.406,420 r/w 34 of IPC .Kerala Police-Cherpulassery Police station,FIR No.114/2021 in CC 483/2021 against Rajitha and Sajith	2021	3.14	0.00	Judicial First Class Magistrate Court, OTTAPALAM

(ii) As on 31 st March 2022

Sr.No	Statute	Nature of Due	Year to which it pertains	Amount in Rs Lakhs	Amount Deposited in Rs Lakhs	Forum where dispute is pending
1	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shaji Joseph	2016	0.11	0.00	JUDICIAL FIRST CLASS MAGISTRATE COURT-3, THRISSUR(CC.4722/16)
2	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shaji Joseph	2017	0.11	0.00	JUDICIAL FIRST CLASS MAGISTRATE COURT-3, THRISSUR(CC.150/17)
3	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shaji Joseph	2017	0.11	0.00	JUDICIAL FIRST CLASS MAGISTRATE COURT-1, THRISSUR(CC.435/17)
4	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shaji Joseph	2017	0.11	0.00	JUDICIAL FIRST CLASS MAGISTRATE COURT-2, THRISSUR(CC.1316/17)
5	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shaji Joseph	2017	0.11	0.00	JUDICIAL FIRST CLASS MAGISTRATE COURT-1, THRISSUR(CC.689/17)
6	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shaji Joseph	2017	0.11	0.00	JUDICIAL FIRST CLASS MAGISTRATE COURT-1, THRISSUR(CC.690/17)
7	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shaji Joseph	2017	0.11	0.00	JUDICIAL FIRST CLASS MAGISTRATE COURT-3, THRISSUR(CC.720/17)

8	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shaji Joseph	2017	0.12	0.00	JUDICIAL FIRST CLASS MAGISTRATE COURT-MUVATTUPUZHA(CC.1927/17)
9	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shiju	2017	1.00	0.00	CC.660/2017,JFCM-II COURT, THRISSUR
10	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shiju	2017	1.00	0.00	CC.1012/2017,JFCM-II COURT, THRISSUR
11	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shiju	2017	1.00	0.00	CC.1364/2017,JFCM-I COURT, THRISSUR
12	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Somasekharan Nair	2017	2.00	0.00	CC.1011/2017,JFCM-II COURT, THRISSUR
13	Civil Case	Civil suit filed against Mrs.Deepa P G and Mrs. Beenu Shiju	2019	5.00	0.00	OS 367/2019 MUNSIFF'S MAGISTRATE COURT, PERUMBAVOOR
14	Criminal case	Private Complaint, under Sec.408,418,420 r/w 34 of IPC. Later as per court direction police filed FIR 107/2018 in CC-275/2019 against Ajesh, Mukesh	2019	14.41	0.00	JUDICIAL FIRST CLASS MAGISTRATE COURT, PONNANI
15	Consumer Complain	Claim for deficiency of service against Insurance Company (United India Insurance Co.Ltd)-Fidelity Claim	2021	14.41	0.00	CONSUMER DISPUTE REDRESSAL COMMISSION,THRISSUR
16	Criminal case	Private complaint under Sec.406, 420 r/w 34 of IPC against Jayasree, Chandu and Sujith Chandran	2019	8.00	0.00	CC-291/2019 JUDICIAL FIRST CLASS MAGISTRATE COURT-1, PALAKKAD

(iii) As on 31 st March 2021

Sr.No	**Statute**	**Nature of Due**	**Year to which it pertains**	**Amount in Rs Lakhs**	**Amount Deposited in Rs Lakhs**	**Forum where dispute is pending**
1	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shiju	2017	1.00	0.00	CC.660/2017,JFCM-II COURT, THRISSUR
2		CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shiju	2017	1.00	0.00	CC.1012/2017,JFCM-II COURT, THRISSUR
3		CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shiju	2017	1.00	0.00	CC.1364/2017,JFCM-I COURT, THRISSUR
4		CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Somasekharan Nair	2017	2.00	0.00	CC.1011/2017,JFCM-II COURT, THRISSUR
5	Civil Case	Civil suit filed against Mrs.Deepa P G and Mrs. Beenu Shiju	2019	5.00	0.00	OS 367/2019 MUNSIFF'S MAGISTRATE COURT, PERUMBAVOOR

(iv) As on 31 st March 2020

Sr.No	Statute	Nature of dues	Year to which it pertains	Amount in Rs Lakhs	Amount Deposited in Rs Lakhs	Forum where dispute is pending
1	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shiju	2017	1.00	0.00	CC.660/2017,JFCM-II COURT, THRISSUR
2	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shiju	2017	1.00	0.00	CC.1012/2017,JFCM-II COURT, THRISSUR
3	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Shiju	2017	1.00	0.00	CC.1364/2017,JFCM-I COURT, THRISSUR
4	Criminal case under NI Act.	CCIL (Cheque return case under sec 138 of NI Act) Against Mr.Somasekharan Nair	2017	1.00	0.00	CC.1011/2017,JFCM-II COURT, THRISSUR
5	Civil Case	Civil suit filed against Mrs.Deepa P G and Mrs. Beenu Shiju	2019	5.00	0.00	OS 367/2019 MUNSIFF'S COURT, PERUMBAVOOR

40 Corporate Social Responsibility

(Rs. in Lakhs)

Particulars	30-06-2022	31-03-2022	31-03-2021	31-03-2020
(i) Amount required to be spent by the company during the year	19.99	23.25	18.46	15.68
(ii) Amount of expenditure incurred	0.00	23.30	18.46	15.68
(iii) Shortfall at the end of the year	NA	0.00	0.00	0.00
(iv) Total of previous years shortfall	NA	0.00	0.00	0.00
(v) Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	0.00	0.00	18.46	0.00
(vi) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	NA	NA	NA	NA

41 Disclosure of related party's transaction in accordance with Accounting Standard (AS-18) "Related Party Disclosures". To comply with the disclosure requirements of Companies (Accounting Standard) Rules 2021, the following transactions with related parties are shown as per AS 18 Related Party Disclosures

Relationship	Sl.No	As on 30-06-2022	Sl.No	As on 31-03-2022	Sl.No	As on 31-03-2021	Sl.No	As on 31-03-2020
Associates	1	CDB 24 Karat Gold and diamonds Private limited.	1	CDB 24 Karat Gold and diamonds Private limited.	1	CDB 24 Karat Gold and diamonds Private limited.	1	CDB 24 Karat Gold and diamonds Private limited.
	2	CDB 24 Karat International Jewellers Private Limited.	2	CDB 24 Karat International Jewellers (Manjeri) Pvt. Ltd	2	CDB 24 Karat International Jewellers (Manjeri) Pvt. Ltd	2	CDB 24 Karat International Jewellers (Manjeri) Pvt. Ltd
	3	Chemmanur Gold Palace International Ltd	3	Chemmanur Gold Palace International Ltd		CDB 24 Karat International Jewellers Private Limited.	3	CDB 24 Karat International Jewellers Private Limited.
	4	Boby Chemmanur (No.1) Chits Private Ltd	4	Boby Chemmanur (No.1) Chits Private Ltd	4	Chemmanur Gold Palace International Ltd	4	Chemmanur Gold Palace International Ltd
	5	Boby Housing and Construction Private Limited	5	Boby Housing and Construction Private Limited	5	Boby Chemmanur (No.1) Chits Private Ltd	5	Boby Chemmanur (No.1) Chits Private Ltd
	6	CD Boby Developers and Builders Private Ltd	6	CD Boby Developers and Builders Private Ltd	6	Boby Housing and Construction Private Limited	6	Boby Housing and Construction Private Limited
	7	CDB Infrastructure Private Limited	7	CDB Infrastructure Private Limited	7	CD Boby Developers and Builders Private Ltd	7	CD Boby Developers and Builders Private Ltd
	8	BDC Realty and Infra Private Limited	8	BDC Realty and Infra Private Limited	8	CDB Infrastructure Private Limited	8	CDB Infrastructure Private Limited
	9	DBC Real Estate Developers Private Ltd.	9	DBC Real Estate Developers Private Ltd.	9	BDC Realty and Infra Private Limited	9	BDC Realty and Infra Private Limited
	10	Boby Chemmanur Nidhi Limited	10	Boby Chemmanur Nidhi Limited	10	DBC Real Estate Developers Private Ltd.	10	DBC Real Estate Developers Private Ltd.
	11	Boby Chemmanur International Developers LLP	11	Boby Chemmanur International Developers LLP	11	Boby Chemmanur Nidhi Limited	11	Boby Chemmanur Nidhi Limited
	12	Boby Bazar Private Limited	12	Boby Bazar Private Limited	12	Boby Chemmanur International Developers LLP	12	Boby Chemmanur International Developers LLP
	13	Phygicart e-Commerce Private Limited	13	Phygicart e-Commerce Private Limited	13	Boby Bazar Private Limited	13	Boby Bazar Private Limited
	14	Chemmanur International Jewellers	14	Chemmanur International Jewellers	14	Phygicart e-Commerce Private Limited	14	Phygicart e-Commerce Private Limited
	15	Chemmanur Bose Jewellers	15	Chemmanur Bose Jewellers	15	Chemmanur International Jewellers	15	Chemmanur International Jewellers
	16	Chemmanur Fashion Jewellers, Manjery	16	Chemmanur Fashion Jewellers, Manjery	16	Chemmanur Bose Jewellers	16	Chemmanur Bose Jewellers
	17	Chemmanur Fashion Jewellers, Sulthan bathery	17	Chemmanur Fashion Jewellers, Sulthan bathery	17	Chemmanur Fashion Jewellers, Manjery	17	Chemmanur Fashion Jewellers, Manjery
	18	Chemmanur International Holidays and Resorts Ltd	18	Chemmanur International Holidays and Resorts Ltd	18	Chemmanur Fashion Jewellers, Sulthan bathery	18	Chemmanur Fashion Jewellers, Sulthan bathery
	19	Boby Chemmanur Entertainments Private Limited	19	Boby Chemmanur Entertainments Private Limited	19	Chemmanur International Holidays and Resorts Private Ltd	19	Chemmanur International Holidays and Resorts Private Ltd
	20	Boby Chemmanur Enterprises private Limited	20	Boby Chemmanur Enterprises private Limited	20	Boby Chemmanur Entertainments Private Limited	20	Boby Chemmanur Entertainments Private Limited
	21	Chemmanur International Jewellers LLP	21	Chemmanur International Jewellers LLP				
	22	Chemmanur International Info Solutions Pvt. Ltd.	22	Chemmanur International Info Solutions Pvt. Ltd.				
	23	Boby Chemmanur Airlines Private Ltd	23	Boby Chemmanur Airlines Private Ltd				
	24	Pushyaragam Jewellers (Koyilandy) Pvt. Ltd	24	Pushyaragam Jewellers (Koyilandy) Pvt. Ltd				
	25	Edavannappara Gold & Diamonds LLP						
	26	Boche Enterprises LLP						
	27	Gold Class Meat Factory LLP						
Key Management Personnel	1	Mr.Boby.C.D (Chairman & MD)	1	Mr.Boby.C.D (Chairman & MD)	1	Mr.Boby.C.D (Chairman & MD)	1	Mr.Boby.C.D (Chairman & MD)
	2	Mrs.Anju Thomas (CS)	2	Mrs.Anju Thomas (CS)	2	Mrs.Anju Thomas (CS)	2	Mrs.Anju Thomas (CS)
	3	Mr. Pramod.M (CFO)	3	Mr. Pramod.M (CFO)	3	Mr.Jisso C Baby (WTD)	3	Mr.Jisso C Baby (WTD)
					4	Mr. Pramod.M (CFO)	4	Mr. Pramod.M (CFO)
Relatives of Key Management Personnel	1	Mrs. Smitha Boby	1	Mrs. Smitha Boby	1	Mrs. Smitha Boby	1	Mrs. Smitha Boby
	2	Mrs. Bymi Joffi	2	Mrs. Bymi Joffi	2	Mrs. Bymi Joffi	2	Mrs. Bymi Joffi
	3	Mrs.Maithri K.M	3	Mrs.Maithri K.M	3	Mrs.Maithri K.M		

(b) Related Party transactions during the year/period

Particulars	Associates				Key Management Personnel				Relatives of Key Management Personnel			
	FPE June 2022	FYE March 2022	FYE March 2021	FYE March 2020	FPE June 2022	FYE March 2022	FYE March 2021	FYE March 2020	FPE June 2022	FYE March 2022	FYE March 2021	FYE March 2020
Loan taken and Repaid made												
Loan Repaid to Mr.Boby.C.D (Chairman & MD)	0.00	0.00	0.00	0.00	0.00	57.00	20.43	0.00	0.00	0.00	0.00	0.00
Loan taken from Mr.Boby.C.D (Chairman & MD)	0.00	0.00	0.00	0.00	0.00	0.00	57.00	0.00	0.00	0.00	0.00	0.00
Interest Paid												
Boby.C.D (NCD and SD purchased from other Investors)	0.00	0.00	0.00	0.00	0.20	4.98	9.43	6.72	0.00	0.00	0.00	0.00
Bymi Joffy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.62	0.58
Maithri K.M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.40	1.47	0.63	0.00
Non Convertible Debentures/Subordinated debt repayment												
Boby.C.D	0.00	0.00	0.00	0.00	0.00	60.00	3.00	0.00	0.00	0.00	0.00	0.00
Maithri K.M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.50	0.00	0.00	0.00
Rent Paid												
Boby.C.D	0.00	0.00	0.00	0.00	0.00	1.10	1.01	1.10	0.00	0.00	0.00	0.00
Commission Received												
Boby Chemmanur (No.1) Chits Private Ltd	0.00	0.04	0.16	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Chemmanur International Holiday and Resorts Pvt Ltd	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Chit Collection Received												
Boby Chemmanur (No.1) Chits Private Ltd	0.20	1.90	3.80	46.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Chit Collection Repaid												
Boby Chemmanur (No.1) Chits Private Ltd	0.20	1.90	3.80	46.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Remuneration to chairman												
Boby.C.D	0.00	0.00	0.00	0.00	27.00	84.00	60.00	60.00	0.00	0.00	0.00	0.00
Remuneration to Whole time Director												
Jisso C Baby(Note: Ceased to be a related party as on 31-03-2021)	0.00	0.00	0.00	0.00	0.00	0.00	11.15	15.58	0.00	0.00	0.00	0.00
Remuneration to Company secretary												
Anju Thomas	0.00	0.00	0.00	0.00	2.00	8.56	7.68	3.45	0.00	0.00	0.00	0.00
Remuneration to Chief Financial Officer												
Pramod .M	0.00	0.00	0.00	0.00	3.79	15.32	13.50	14.22	0.00	0.00	0.00	0.00
Rent Received												
Chemmanur Gold Palace International Limited	15.25	91.53	91.53	122.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase												
Boby Bazar Pvt Ltd	0.04	0.51	0.84	1.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Phygicart e-Commerce Private Limited	0.00	0.00	0.00	1.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NCD Issued												
Maithri K.M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.50	9.95	0.00

(c) Related party Balances as at the end of the year/period

(Rs. in Lakhs)

Particulars	Associates				Key Management Personnel				Relatives of Key Management Personnel			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Amounts due to related parties												
Mr.Boby.C.D (Chairman & MD)												
Non Convertible Debenture	0.00	0.00	0.00	0.00	10.55	10.55	12.55	15..55	0.00	0.00	0.00	0.00
Subordinated Debt	0.00	0.00	0.00	0.00	5.00	5.00	55.00	55.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	57.00	20.43	0.00	0.00	0.00	0.00
Maithri K.M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.95	16.45	9.95	0.00
Phygicart e- Commerce Private Limited	0.41	0.41	0.41	0.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amounts due from related parties												
Chemmanur International Holidays and Resorts Private Ltd	0.00	0.00	0.23	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Chemmanur Gold Palace International Limited	16.47	32.95	25.28	65.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Boby Chemmanur (No.1) Chits Private Ltd	0.02	0.02	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(d) Guarantees provided by related parties for the financial period of three months ended on june 2022, financial year ended on march 2022, march 2021 and march 2020

(i) 784.91 cents(in march 2022-784.91 cents, in march 2021-767.92, in march 2020 - 784.62)of land in Thrissur Taluk, Ollukkara SRO in the name of M/s. C.D Boby Developers and Builders Pvt Ltd offered as collateral for cash credit from State Bank of India

(ii) 5.93 cents of land in Thrissur Taluk, Ollukkara SRO in the name of Boby Housing and Constructions Pvt. Ltd offered as collateral for cash credit from State Bank of India

(iii)10.23 Cents of Land and building thereon comprised in Sy No 205/4P of Aranattukara Village, Thrissur Taluk, Ayyanthole SRO, Thrissur District in the Name of C D Boby offered as collateral for cash credit from State Bank of India.

42 Securities Offered for Loans

A. The sanction of the Common Covid Emergency Credit Line (CCECL) limit in addition to the existing Cash credit facilities availed by the company from State Bank Of India

(i) For the financial period of three months ended on june 2022 and financial year ended on march 2022

1. Primary Security

Hypothecation of loan receivables to the extent of Rs 48.00 crs(both present & future) of the company.

2. Collateral Security

a) Immovable Property

(i).784.91 Cents Of Land In Sy No. 147/197/7 ,983/1P ,985/1 ,986/1p, 987/1p ,985/1p ,147/197/8 ,147/197/3 ,984/1p, In Ollukkara Village, ThrissurTaluk, ollukkara SRO In The Name Of M/S C.D Boby Developers And Builders Pvt Ltd

(ii) 5.93 Cents Of Land In Sy No.984/3p In Ollukkara Village, ThrissurTaluk, Ollukkara SRO In The Name Of Boby Housing And Constructions Pvt Ltd

(iii) 25.26 Cents of Land and building admeasuring 278.81 sq M thereon comprised in Sy No 205/4P of Aranattukara Village, Thrissur Taluk, Ayyanthole SRO, Thrissur District. In the name of C D Boby

3. Third Party Guarantees

A. Personal Guarantees of

1.Sri. C.D. Boby
2. Sri. LijoMoothedan
3. Sri. Jisso C Baby

B. Corporate guarantees of

1.M/S. C.D Boby Developers and Builders Pvt Ltd
2. M/S. Boby Housing And Construction Pvt Ltd

Rate of Interest: 10.75 % Per annum

(ii) For the financial year ended on March 2021

1. Primary Security

Hypothecation of loan receivables to the extent of Rs 48.00 crs(both present & future) of the company.

2. Collateral Security

a) Immovable Property

(i).767.92 Cents Of Land In Sy No. 147/197/7 ,983/1P ,985/1 ,986/1p, 987/1p ,985/1p ,147/197/8 ,147/197/3 ,984/1p, In Ollukkara Village, ThrissurTaluk, ollukkara SRO In The Name Of M/S C.D Boby Developers And Builders Pvt Ltd

(ii) 5.93 Cents Of Land In Sy No.984/3p In Ollukkara Village, ThrissurTaluk, Ollukkara SRO In The Name Of Boby Housing And Constructions Pvt Ltd

(iii) 25.26 Cents of Land and building admeasuring 278.81 sq M thereon comprised in Sy No 205/4P of Aranattukara Village, Thrissur Taluk, Ayyanthole SRO, Thrissur District. In the name of C D Boby

3. Third Party Guarantees

A. Personal Guarantees of

1.Sri. C.D. Boby
2. Sri. LijoMoothedan
3. Sri. Jisso C Baby

B. Corporate guarantees of

1.M/S. C.D Boby Developers and Builders Pvt Ltd
2. M/S. Boby Housing And Construction Pvt Ltd

Rate of Interest: 10.75 % Per annum

(iii) For the financial year ended on march 2020

1. Primary Security

Hypothecation of loan receivables to the extent of Rs 48.00 crs(both present & future) of the company.

2. Collateral Security

a) Immovable Property

(i).784.62 Cents Of Land In Sy No. 147/197/7 ,983/1P ,985/1 ,986/1p, 987/1p ,985/1p ,147/197/8 ,147/197/3 ,984/1p, In Ollukkara Village, ThrissurTaluk, ollukkara SRO In The Name Of M/S C.D Boby Developers And Builders Pvt Ltd

(ii) 5.93 Cents Of Land In Sy No.984/3p In Ollukkara Village, ThrissurTaluk, Ollukkara SRO In The Name Of Boby Housing And Constructions Pvt Ltd

(iii) 25.26 Cents of Land and building admeasuring 278.81 sq M thereon comprised in Sy No 205/4P of Aranattukara Village, Thrissur Taluk, Ayyanthole SRO, Thrissur District. In the name of C D Boby

3. Third Party Guarantees

A. Personal Guarantees of

1.Sri. C.D. Boby
2. Sri. LijoMoothedan
3. Sri. Jisso C Baby

B. Corporate guarantees of

1.M/S. C.D Boby Developers and Builders Pvt Ltd

2. M/S. Boby Housing And Construction Pvt Ltd

Rate of Interest: 10.75 % Per annum

B. Sanction of Term Loan from Canara Bank

For the financial period of three months ended on june 2022 and financial year ended on march 2022

1. Primary Security

Exclusive charge by hypothecation of loan receivables (Standard Asset) of specific branches of the company with 25% margin

2. Collateral Security

(i) EM over 28.29 cents (11.45 are) of land comprised in Re sy no: 101 1B 2 of Thazhekode Village , District Kozhikode (Mukkam) in the name of Mr C D Boby realizable valued Rs 0.87 Crore (85% of value of vacant land).

(ii) EM over flat no. G2 & G3, Hema apartments with undivided share on the land , Comprised in Re sy no.: 190 extent in 3.357 cents (UDS of land) of Kasaba village, District - Kozhikode in the name of Mr C D Boby, Valued Rs 0.85 Crore.

(iii) EM over15.15 ares of land and Residential building comprised in Re sy : 120/1. (120/14 as per T.P A/c 4967, 120/13 (as per T.P A/c 4966) of Kuttikkattoor village, desm Velliparamba, District Kozhikode in the name of Mr C D Boby , Smt. Smitha Boby and Anna Boby , Valued Rs 3.52 Crore.

3**.** Third Party Guarantees

A. Personal Guarantees of

1.Sri. C.D. Boby
2. Sri. LijoMoothedan
3. Mrs. Smitha Boby

Interest Rate at 10.80% per annum

C. Sanction of cash credit from Dhanlaxmi Bank

For the financial period of three months ended on june 2022 and financial year ended on march 2022

1. Primary Security
Exclusive charge on entire loan receivables of 5 branches of the company (mentioned below) with 25% margin and minimum security coverage of 1.5 times at all times during the currency of loan (DP to be computed on receivables that are not overdue for 90 days and above)

2. Collateral Security
(i) EM of 2.5399 hectares (627.5 cents) of Land in sy No : 147/161/2 and 1225/P of Ollukkara village, Mullakkara Desom, Thrissur taluk, Thrissur District in the name of DBC Real Estate Developers Pvt Ltd.

(ii) EM of 11.2 cents of residential plot with 750 Sqft residential building U/Sy No. 985/1P in Ollukara village, Thrissur taluk and District in the name of BDC Realty and Infra (P) Ltd.

3. Third Party Guarantees
A. Personal Guarantees of
1.Sri. C.D. Boby
2. Sri. LijoMoothedan
B. Corporate guarantees of
1.M/S. DBC Real Estate Developers Pvt Ltd
2. M/S. BDC Realty and Infra Pvt Ltd

Interest Rate at 10.10% per annum

43 Instances of Fraud and misappropriation

(i) As on 30th June 2022

a) Spurious Gold

The company has observed instances of spurious gold being offered as collateral and has taken the necessary steps for recovery. The total loan disbursed against such collateral and the amount recovered as on June 30, 2022 and the balance amounts to be recovered are as below:

(Rs. in Lakhs)

No of Cases	Loan Amount	Value of Spurious portion of Gold	Amount Recovered	Amount to be Recovered
26	27.29	16.22	16.15	0.07

b) Provision for Cash embezzlement

During the previous year there have been certain instances of fraud on the Company by some employees at branches where misappropriations / cash embezzlements were observed. The fraud was identified by the management and immediate action was taken to recover the misappropriated amount. Out of the misappropriated cash amounting to Rs 5.00 Lakhs, Rs 2.70 lakhs was recovered by the company as on the date of this report. A provision has been created in the books in the financial year 2021-22 of Rs 5.00 lakhs which the company has continued to maintain as on June 30, 2022.

(ii) As on 31 st March 2022

a) Cash embezzlement

During the year there have been certain instances of fraud on the Company by some employees at branches where misappropriations / cash embezzlements were observed. The fraud was identified by the management and immediate action was taken to recover the misappropriated amount. Out of the misappropriated cash amounting to Rs 5 Lakhs, Rs 1.70 lakhs was recovered by the company as on the date of this report. A provision has been created in the books as on March 31, 2022 for Rs 5 lakhs.

b) Spurious Gold

The company has observed instances of spurious gold being offered as collateral and has taken the necessary steps for recovery. The total loan disbursed against such collateral and the amount recovered as on March 31, 2022 and the balance amounts to be recovered are as below:

(Rs. in Lakhs)

No of Cases	Loan Amount	Spurious portion of Gold	Amount Recovered	Amount to be Recovered
40	22.28	15.11	15.11	Nil

44 Loan from director

(i) As on 31 st March 2022

During the year Company has repaid loan of amount ₹ 57 lakhs to Mr. Boby C.D, Director and Chairman of the Company. An agreement was executed on March 30th,2019 between Mr. Boby C.D and the Company containing terms and conditions governing loan availed by the Company from Mr. Boby C.D. As per this agreement Mr. Boby C.D has waived his right to receive interest on loan. Therefore, no interest is charged on loan accepted from Mr. Boby C.D during the year

(ii) As on 31 st March 2021

Company has taken loan from Mr. Boby C.D, Director and Chairman of the Company and also issued debentures to him. Year-end balance of loan from Mr. Boby C.D and debentures issued is ₹57.00 lakhs and ₹12.55 lakhs respectively. He has also bought Subordinated Debts from other holders and year-end balance of such subordinated debt is ₹55.00 lakhs. There is an agreement executed on March 30th,2019 between Mr. Boby C.D and the Company containing terms and conditions governing loan availed by the Company from Mr. Boby C.D. As per this agreement Mr. Boby C.D has waived his right to receive interest on loan. Therefore, no interest is charged on loan accepted from Mr. Boby C.D during the year.

(iii) As on 31 st March 2020

Company has taken loan from Mr. Boby C.D, Director and Chairman of the Company and also issued debentures to him. Year-end balance of loan from Mr. Boby C.D and debentures issued is ₹20.43 lakhs and ₹15.55 lakhs respectively. He has also bought Subordinated Debts from other holders and year-end balance of such subordinated debt is ₹55.00 lakhs. There is an agreement executed on March 30th, 2019 between Mr. Boby C.D and the Company containing terms and conditions governing loan availed by the Company from Mr. Boby C.D. As per this agreement Mr. Boby C.D has waived his right to receive interest on loan. Therefore, no interest is charged on loan accepted from Mr. Boby C.D during the year.

45 Other Matters

a) The Company has not traded or invested in Crypto currency or Virtual currency during the period ended June 30, 2022 , financial year ended on march 31, 2022 , on march 31, 2021 and on march 31, 2020.

b) No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the period ended on June 30, 2022 , financial year ended on march 31, 2022 , on march 31, 2021 and on march 31, 2020.

c) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the period ended on June 30, 2022, financial year ended on March 31, 2022 ,on March 31, 2021 and on march 31, 2020.

d) The company does not have any transactions with struck off companies for the period ended on June 30, 2022 ,financial year ended on March 31, 2022 , on March 31, 2021 and on march 31, 2020.

46 implementation of matters relating to Prudential norms and asset classification- For the Financial period ended on June 30 , 2022 and for Financial year ended on march 31, 2022.

Pursuant to RBI circular RBI/2021-22/125 DO R/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications', the Company is in the process of implementing the process of asset classification for flagging borrower accounts as overdue as part of the day-end processes for the due date. The impact on provisioning on account of the change in asset classification process on loans other than Gold loans could not be ascertained on account of the inherent complexity. The company is in the process of making the necessary changes in the IT systems and software to comply with the said circular.

RBI has vide circular no DOR.STR.REC.85/21.04.048/2021-22 dated February 15, 2022 granted time till 30/09/2022 to put in place necessary system to implement the provisions set forth in paragraph 10 the above cited circular, REC.68/21.04.048/2021-22, dated November 12.

47 Impact of COVID-19- For the financial year ended on march 31, 2022, march 31, 2021 and march 31, 2020.

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as current contract terms, financial strength of partners, loan profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

48 Liquidity Risk

I. Funding concentration based on significant counter party (both deposits and borrowings)

SL	No of significant counter parties	As on 30th June 2022			As on 31st March 2022			As on 31st March 2021		
		Amount (in crore)	% of Total Deposits	% of Total Liabilities	Amount (in crore)	% of Total Deposits	% of Total Liabilities	Amount (in crore)	% of Total Deposits	% of Total Liabilities
1	NIL	NA	NA	NA	NA	NA	NA	NA	NA	NA

II. Top 20 large deposits : Not Applicable

III. Top 10 Borrowings

(Rs. in Crores)

SL	Name of parties/holders	Nature	As on 30th June 2022		As on 31st March 2022		As on 31st March 2021		As on 31st March 2020	
			Amount (in Rs crore)	% of Total borrowings	Amount (in Rs crore)	% of Total borrowings	Amount (in Rs crore)	% of Total borrowings	Amount (in Rs crore)	% of Total borrowings
1	The State bank of India	Cash credit	23.08	9.03%	24.93	9.51%	25.02	9.63%	24.97	9.74%
2	The State bank of India	Term loan	0.12	0.05%	0.40	0.15%	2.08	0.80%	0.00	0.00%
3	The Canara Bank	Term loan	9.16	3.58%	10.00	3.81%	0.00	0.00%	0.00	0.00%
4	The Dhanlaxmi Bank	Cash credit	3.3	1.29%	3.93	1.50%	0.00	0.00%	0.00	0.00%
5	Mr. Perviz Farrok Kaka	Non Convertible Debenture	2.25	0.88%	2.25	0.86%	3.50	1.35%	5.05	2.14%
6	Mr. Homi Farrok Kaka		1	0.39%	1.00	0.38%	3.50	1.35%	4.90	2.08%
7	Ms.Shilpy N Shancar		0	0.00%	0.00	0.00%	0.00	0.00%	2.25	0.95%
8	Mr. Siyaf M.V	Subordinated Debt	0.97	0.38%	0.97	0.37%	0.85	0.33%	0.78	0.33%
9	Mr. John Abraham		0.93	0.36%	0.93	0.35%	1.00	0.38%	1.05	0.45%
10	Mr. Siyak M V		0.77	0.30%	0.77	0.29%	0.75	0.29%	0.75	0.32%
11	Ms.Chithra K.S		0.7	0.27%	0.00	0.00%	0.00	0.00%	0.00	0.00%
12	Mr.Muralidarar K R		0.69	0.27%	0.69	0.26%	0.00	0.00%	0.00	0.00%
13	M/s Bently Hotels		0	0.00%	0.00	0.00%	0.65	0.25%	0.65	0.28%
14	Mr. Simpson Pennamma Chacko		0	0.00%	0.57	0.22%	0.57	0.22%	0.58	0.25%
15	Ms. Swapna Sibu		0	0.00%	0.00	0.00%	0.00	0.00%	0.56	0.24%
TOTAL			**42.97**		**46.44**		**37.92**		**41.54**	

IV. Funding Concentration based on significant instrument/product

(Rs. in Crores)

SL	Name of the instrument/product	As on 30th June 2022		As on 31st March 2022		As on 31st March 2021		As on 31st March 2020	
		Amount (in Rs crore)	% of Total Liabilities	Amount (in Rs crore)	% of Total Liabilities	Amount (in Rs crore)	% of Total Liabilities	Amount (in Rs crore)	% of Total Liabilities
1	Non convertible Debentures (Privately placed)	43.35	14.58%	50.22	16.65%	67.42	22.94%	77.99	30.41%
2	Subordinated Debts	176.66	59.42%	172.78	57.29%	164.6	56.00%	132.69	51.75%
3	Bank Borrowings	35.66	12.00%	39.25	13.01%	27.67	9.41%	24.97	9.74%
TOTAL		**255.67**		**262.25**		**259.69**		**235.65**	

V. Stock Ratio:

(Rs. in Crores)

Particulars	30-06-2022		31-03-2022		31-03-2021		31-03-2020	
	Amount (In Rs Crore)	Other Short Term Liabilities As % of	Amount (In Rs Crore)	Other Short Term Liabilities As % of	Amount (In Rs Crore)	Other Short Term Liabilities As % of	Amount (In Rs Crore)	Other Short Term Liabilities As % of
Public Fund	255.67	7.43%	262.24	6.55%	259.68	5.28%	235.65	2.45%
Total Liabilities	297.3	6.39%	301.59	5.70%	293.91	4.67%	256.4	2.26%
Total Assets	389.12	4.88%	392.95	4.37%	384.99	3.56%	339.32	1.70%
TOTAL	**942.09**		**956.78**		**938.58**		**831.37**	
Other Short term liabilities	19.00		17.18		13.71		5.78	

VI. Institutional set-up for liquidity risk management:

1) The Asset Liability Management Committee (ALCO) is supervising the liquidity risk management of the company. This committee comprises of following.

Name	Designation on Committee	Designation on Board
Lijo Moothedan	Chairman	Director
T.K. Thomas	Member	Chief Executive Officer
Pramod. M	Member	Chief Financial Officer
Suresh S	Member	Head – Operations& RM and Internal Auditor
Subi G Nair	Member	Head- Sales, Marketing & Recovery

The Overall functions of ALCO are the following:

a. Monitoring the market risk levels of the company by ensuring adherence to various the risk-limits set by the Board;

b. Articulating the current interest rate view and a view on future direction of interestrate movements and base its decisions for future business strategy on this view as also

c. Deciding the business strategy of the company both - on the assets and liabilitiessides, consistent with the interest rate view, budget and pre-determined riskmanagement

i. determining the desired maturity profile and mix of the assets and liabilities;

ii. product pricing for both - assets as well as liabilities side;

iii. deciding the funding strategy i.e. the source and mix of liabilities or sale ofassets; the proportion of fixed vs floating rate funds, wholesale ys retail fund, money market

iv. reviewing the results of and progress in implementation of the decisions madein the previous meetings

2) The Risk Management Committee of the Board overlooks the activities of the Asset Liability Management Committee (ALCO).

Name	Designation on Committee	Designation on Board
E. Habeebul Rahiman	Chairman	Independent Director
P.M. Rajagopal	Member	Independent Director
Chemmanur Devassykutty Boby	Member	Managing Director
Lijo Moothedan	Member	Non-Executive Director

The Overall functions of Risk Management Committe are the following:

a. to overlook the activities and functions of ALCO;

b. In addition, the committee reviews the business strategy of the Company both on the assets side and the liabilities side, consistent with the interest rate view, budget and

i. Determining the desired maturity profile and mix of the assets and liabilities.

ii. Product pricing for both assets side as well as liabilities side.

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Schedule to the Balance Sheet of a Non-Banking Financial Company

(As required in terms of Paragraph 19 of Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016).

(i) As on 30th June 2022

(Rs. in Lakhs)

	Particulars		
	Liability Side :	**Amount Outstanding**	**Amount Overdue**
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	4,509.35	Nil
	: Unsecured - Subordinate Debt	21,061.44	Nil
	(other than falling within the meaning of public deposit)		
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	Nil	Nil
	(d) Inter – corporate loans and borrowings	Nil	Nil
	(e) Commercial Paper	Nil	Nil
	(f) public deposit	Nil	Nil
	(g) Other Loans (Specify nature)	Nil	Nil
2	Breakup of (i)(f) above (outstanding public deposit inclusive in interest accrued thereon but not paid)		
	(a) in the form of unsecured debentures	Nil	Nil
	(b) in the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	Nil	Nil
	(c) other public Deposits	Nil	Nil
	*See note 1 below		
	Asset Side:	**Amount Outstanding**	
3	Break-up of Loans and Advances including bills receivables[other than those included in (4) below]:		
	(a) Secured	31,356.07	
	(b) Unsecured	2,676.73	
4	Break-up of Leased Assets and stock on hire and other assets counting toward AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease	Nil	
	(b) Operating Lease		
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Asset on Hire	Nil	
	(b) Repossessed Assets		

	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	Nil	
	(b) Loans other than (a) above		
5	Break up of Investments :		
	Current Investments:	Nil	
	1. Quoted:	Nil	
	(i) Shares (a) Equity		
	(b) Preference		
	(ii) Debentures and Subordinate Debt	Nil	
	(iii) Units of mutual funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (specify)	Nil	
	2. Unquoted:		
	(i) Shares (a) Equity	Nil	
	(b) Preference	Nil	
	(ii) Debentures and Subordinate Debt	Nil	
	(iii) Units of mutual funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (specify)	Nil	
	Long Term Investments		
	1. Quoted:		
	(i) Shares (a) Equity	Nil	
	(b) Preference	Nil	
	(ii) Debentures and Subordinate Debt	Nil	
	(iii) Units of mutual funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (specify)	Nil	
	2. Unquoted:		
	(i) Shares (a) Equity	Nil	
	(b) Preference	Nil	
	(ii) Debentures and Subordinate Debt	Nil	
	(iii) Units of mutual funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (specify)	Nil	

6	Borrower group-wise classification of assets financed as in (3) and (4) above :			
	(see note 2 below)			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	31,214.50	2,652.14	33,866.64
	Total	**31,214.50**	**2,652.14**	**33,866.64**

7	Investor group-wise classification of all investments(current and long term) in shares and securities (both quoted and unquoted);(see note 3 below)		
	Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Relate Parties		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
	2. Other than related parties	Nil	Nil
	Total	**Nil**	**Nil**

8	Other Information	
	Particulars	Amount
	(i) Gross Non – Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	320.45
	(ii) Net Non-Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	238.57
	(iii) Assets acquired in satisfaction of debt	Nil

(ii) As on 31st March ,2022

(Rs. in Lakhs)

	Particulars		
	Liability Side :	**Amount Outstanding**	**Amount Overdue**
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	5,211.79	Nil
	: Unsecured - Subordinate Debt	20,386.92	Nil
	(other than falling within the meaning of public deposit)		
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	Nil	Nil
	(d) Inter – corporate loans and borrowings	Nil	Nil
	(e) Commercial Paper	Nil	Nil
	(f) public deposit	Nil	Nil
	(g) Other Loans (Specify nature)	Nil	Nil
2	Breakup of (i)(f) above (outstanding public deposit inclusive in interest accrued thereon but not paid)		
	(a) in the form of unsecured debentures	Nil	Nil
	(b) in the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	Nil	Nil
	(c) other public Deposits	Nil	Nil
	*See note 1 below		
	Asset Side:	**Amount Outstanding**	
3	Break-up of Loans and Advances including bills receivables[other than those included in (4) below]:		
	(a) Secured	31,496.57	
	(b) Unsecured	4,011.72	
4	Break-up of Leased Assets and stock on hire and other assets counting toward AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease	Nil	
	(b) Operating Lease		
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Asset on Hire	Nil	
	(b) Repossessed Assets		
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	Nil	
	(b) Loans other than (a) above		
5	Break up of Investments :		
	Current Investments:	Nil	
	1. Quoted:	Nil	
	(i) Shares (a) Equity		
	(b) Preference		
	(ii) Debentures and Subordinate Debt	Nil	
	(iii) Units of mutual funds	Nil	

	(iv) Government Securities	Nil
	(v) Others (specify)	Nil
	2. Unquoted:	
	(i) Shares (a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Subordinate Debt	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others (specify)	Nil
	Long Term Investments	
	1. Quoted:	
	(i) Shares (a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Subordinate Debt	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others (specify)	Nil
	2. Unquoted:	
	(i) Shares (a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Subordinate Debt	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others (specify)	Nil

6	Borrower group-wise classification of assets financed as in (3) and (4) above :			
	(see note 2 below)			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	31,357.26	3,985.48	35,342.74
	Total	**31,357.26**	**3,985.48**	**35,342.74**

7	Investor group-wise classification of all investments(current and long term) in shares and securities (both quoted and unquoted);(see note 3 below)		
	Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Relate Parties		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
	2. Other than related parties	Nil	Nil
	Total	**Nil**	**Nil**

8	Other Information	
	Particulars	Amount
	(i) Gross Non – Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	383.85
	(ii) Net Non-Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	306.11
	(iii) Assets acquired in satisfaction of debt	Nil

(iii) As on 31st March, 2021

(Rs. in Lakhs)

	Particulars		
	Liability Side :		
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
	(a) Debentures : Secured	7,000.31	Nil
	: Unsecured - Subordinated Debt	18,825.39	Nil
	(other than falling within the meaning of public deposit)		
	(b) Deferred Credits		
	(c) Term Loans	Nil	Nil
	(d) Inter – corporate loans and borrowings	Nil	Nil
	(e) Commercial Paper	Nil	Nil
	(f) public deposit	Nil	Nil
	(g) Other Loans (Specify nature)		
	1.Unsecured Loan From Chairman	57.00	Nil
2	Breakup of (i)(f) above (outstanding public deposit inclusive in interest accrued thereon but not paid)		
	(a) in the form of unsecured debentures	Nil	Nil
	(b) in the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	Nil	Nil
	(c) other public Deposits	Nil	Nil
	*See note 1 below		

	Asset Side:	Amount Outstanding
3	Break-up of Loans and Advances including bills receivables[other than those included in (4) below]:	
	(a) Secured	31,068.27
	(b) Unsecured	3,070.09
4	Break-up of Leased Assets and stock on hire and other assets counting toward AFC activities	
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial Lease	Nil
	(b) Operating Lease	
	(ii) Stock on hire including hire charges under sundry debtors	
	(a) Asset on Hire	Nil
	(b) Repossessed Assets	
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	Nil
	(b) Loans other than (a) above	
5	Break up of Investments :	
	Current Investments:	Nil
	1. Quoted:	Nil
	(i) Shares (a) Equity	
	(b) Preference	
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others (specify)	Nil
	2. Unquoted:	
	(i) Shares (a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others (specify)	Nil
	Long Term Investments	
	1. Quoted:	
	(i) Shares (a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others (specify)	Nil
	2. Unquoted:	
	(i) Shares (a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others (specify)	Nil

6	Borrower group-wise classification of assets financed as in (3) and (4) above :			
	(see note 2 below)			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	30,940.89	3,050.31	33,991.19
	Total	**30,940.89**	**3,050.31**	**33,991.19**

7	Investor group-wise classification of all investments(current and long term) in shares and securities (both quoted and unquoted);(see note 3 below)		
	Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Relate Parties		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
	2. Other than related parties	Nil	Nil
	Total	**Nil**	**Nil**

8	Other Information	
	Particulars	Amount
	(i) Gross Non – Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	233.57
	(ii) Net Non-Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	171.15
	(iii) Assets acquired in satisfaction of debt	Nil

(iv) As on 31st March, 2020

(Rs. in Lakhs)

	Particulars		
	Liability Side :		
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
	(a) Debentures : Secured	8,054.95	Nil
	: Unsecured - Subordinated Debt	14,771.34	Nil
	(other than falling within the meaning of public deposit)		
	(b) Deferred Credits		
	(c) Term Loans	Nil	Nil
	(d) Inter – corporate loans and borrowings	Nil	Nil
	(e) Commercial Paper	Nil	Nil

	(f) public deposit	Nil	Nil
	(g) Other Loans (Specify nature)		
	1.Unsecured Loan From Chairman	20.43	Nil
2	Breakup of (i)(f) above (outstanding public deposit inclusive in interest accrued thereon but not paid)		
	(a) in the form of unsecured debentures	Nil	Nil
	(b) in the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	Nil	Nil
	(c) other public securities	Nil	Nil
	*See note 1 below		
	Asset Side:	**Amount Outstanding**	
3	Break-up of Loans and Advances including bills receivables[other than those included in (4) below]:		
	(a) Secured	26,665.76	
	(b) Unsecured	3,329.67	
4	Break-up of Leased Assets and stock on hire and other assets counting toward AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease	Nil	
	(b) Operating Lease		
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Asset on Hire	Nil	
	(b) Repossessed Assets		
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	Nil	
	(b) Loans other than (a) above		
5	Break up of Investments :		
	Current Investments:	Nil	
	1. Quoted:	Nil	
	(i) Shares (a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds	Nil	
	(iii) Units of mutual funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (specify)	Nil	
	2. Unquoted:		
	(i) Shares (a) Equity	Nil	
	(b) Preference	Nil	
	(ii) Debentures and Bonds	Nil	
	(iii) Units of mutual funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (specify)	Nil	
	Long Term Investments		
	1. Quoted:		
	(i) Shares (a) Equity	Nil	
	(b) Preference	Nil	
	(ii) Debentures and Bonds	Nil	
	(iii) Units of mutual funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (specify)	Nil	

	2. Unquoted:	
	(i) Shares (a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others (specify)	Nil

6	Borrower group-wise classification of assets financed as in (2) and (3) above :			
	(see note 2 below)			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	26,561.02	3,315.63	29,876.66
	Total	**26,561.02**	**3,315.63**	**29,876.66**

7	Investor group-wise classification of all investments(current and long term) in shares and securities (both quoted and unquoted);(see note 3 below)		
	Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
	2. Other than related parties	Nil	Nil
	Total	**Nil**	**Nil**

8	Other Information	
	Particulars	Amount
	(i) Gross Non – Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	97.75
	(ii) Net Non-Performing Assets	Nil
	(a) Related Parties	Nil
	(b) Other than related parties	53.72
	(iii) Assets acquired in satisfaction of debt	Nil

*Notes:

1. As defined in point xxv of paragraph 3 of Chapter -II of these Directions.
2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non – Deposit Accepting of Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

Note No 6.2.1

(₹in Lakhs)

NCD Series	As At															
	30-06-2022				31-03-2022				31-03-2021				31-03-2020			
	Date of Allotment	Interest Rate	Amount	Redemption Period	Date of Allotment	Interest Rate	Amount	Redemption Period	Date of Allotment	Interest Rate	Amount	Redemption Period	Date of Allotment	Interest Rate	Amount	Redemption Period
NCD 2012/04	-	-	0.00	-	-	-	-	-	-	-	0	-	05-04-2012	12-14.87	0.03	10
NCD 2012/05	02-07-2012	12-14.87	3.87	10	02-07-2012	12-14.87	5.06	10.00	02-07-2012	12-14.87	5.17	10	02-07-2012	12-14.87	5.275	10
NCD 2012/06	20-09-2012	11.88-14.87	44.17	10	20-09-2012	11.88-14.87	47.82	10.00	20-09-2012	11.88-14.87	114.30	10	20-09-2012	11.88-14.87	189.055	10
NCD 2012/07	15-12-2012	9.3-14.87	320.95	10	15-12-2012	9.3-14.87	424.97	10.00	15-12-2012	9.3-14.87	715.64	10	15-12-2012	9.3-14.87	902.67	10
NCD 2012/08	15-01-2013	9.3-14.87	90.58	10	15-01-2013	9.3-14.87	105.59	10.00	15-01-2013	9.3-14.87	194.28	10	15-01-2013	9.3-14.87	333.71	10
NCD 2012/09	20-06-2013	9.3-14.87	917.67	10	20-06-2013	9.3-14.87	1,103.45	10.00	20-06-2013	9.3-14.87	1340.55	10	20-06-2013	9.3-14.87	1487.1	10
NCD 2013/10	20-06-2013	9.3-14.87	173.46	10	20-06-2013	9.3-14.87	189.16	10.00	20-06-2013	9.3-14.87	193.26	10	20-06-2013	9.3-14.87	193.26	10
NCD 14/XIB	-	-	0.00	-	-	-	-	-	-	-	0	-	31-01-2015	12	70	6
NCD 2015/XII	31-03-2015	9.75 - 12	10.00	6	31-03-2015	9.75 - 12	10.00	6.00	31-03-2015	9.75 - 12	82.8	6	31-03-2015	9.75 - 12	342.15	6
NCD 2015/XIII	-	-	0.00	-	-	-	-	-	-	-	0	-	31-05-2015	12	150	6
NCD 2015/XIV	-	-	0.00	-	-	-	-	-	-	-	0	-	31-05-2015	12	100	6
NCD 2015/XIIIA	31-07-2015	10.75 - 12.5	10.00	6	31-07-2015	10.75 - 12.5	10.00	6.00	31-07-2015	10.75 - 12.5	136	6	31-07-2015	10.75 - 12.5	166	6
NCD 2015/XIIIC	-	-	0.00	-	-	-	-	-	31-12-2015	11.75	15	6	31-12-2015	11.75	15	6
NCD 2015/XIIID	-	-	0.00	-	-	-	-	-	01-03-2016	10.75 - 11.33	51	6	01-03-2016	10.75 - 11.33	61.5	6
NCD 2015/XIIIE	31-03-2016	10.5 - 11.95	10.00	6	31-03-2016	10.5 - 11.95	41.44	6.00	31-03-2016	10.5 - 11.95	219.89	6	31-03-2016	10.5 - 11.95	309.39	6
NCD 2016/XVA	-	-	0.00	-	31-05-2016	10.75 - 11.88	25.00	6.00	31-05-2016	10.75 - 11.88	25	6	31-05-2016	10.75 - 11.88	45	6
NCD 2016/XVB	30-07-2016	10.75 - 11.88	45.00	6	30-07-2016	10.75 - 11.88	55.00	6.00	30-07-2016	10.75 - 11.88	67	6	30-07-2016	10.75 - 11.88	67	6
NCD 2016/XVC	30-09-2016	10.5 - 11.88	56.00	6	30-09-2016	10.5 - 11.88	56.00	6.00	30-09-2016	10.5 - 11.88	56	6	30-09-2016	10.5 - 11.88	88.5	6
NCD 2016/XVD	-	-	0.00	-	-	-	-	-	-	-	0	-	01-12-2016	12	100	6
NCD 2016/XVE	31-01-2017	9.3-11.5	50.00	6	31-01-2017	9.3-11.5	50.00	6.00	31-01-2017	9.3-11.5	60	6	31-01-2017	9.3-11.5	75	6
NCD 2016/XVF	31-03-2017	9.75 - 12.87	46.00	6	31-03-2017	9.75 - 12.87	63.25	6.00	31-03-2017	9.75 - 12.87	116.55	6	31-03-2017	9.75 - 12.87	142.05	6
NCD 2017/XVIB	10-08-2017	11.25 - 11.88	10.00	6	10-08-2017	11.25 - 11.88	27.25	6.00	10-08-2017	11.25 - 11.88	27.25	6	10-08-2017	11.25 - 11.88	43.25	6
NCD 2017/XVIC	30-09-2017	10.5 - 11.88	25.10	6	30-09-2017	10.5 - 11.88	25.10	6.00	30-09-2017	10.5 - 11.88	33.6	6	30-09-2017	10.5 - 11.88	50.8	6
NCD 2017/XVID	02-12-2017	10.5 - 11.88	64.50	6	02-12-2017	10.5 - 11.88	74.50	6.00	02-12-2017	10.5 - 11.88	80.5	6	02-12-2017	10.5 - 11.88	107.5	6
NCD 2017/XVIE	30-01-2018	9.3-11.25	23.50	6	30-01-2018	9.3-11.25	23.50	6.00	30-01-2018	9.3-11.25	28.5	6	30-01-2018	9.3-11.25	28.5	6
NCD 2018-19/17A	31-07-2018	11	15.00	6	31-07-2018	11.00	15.00	6.00	31-07-2018	11	15	6	31-07-2018	11	25	6
NCD 2018-19/17B	-	-	0.00	-	-	-	-	-	03-10-2018	11 - 11.64	18	6	03-10-2018	11 - 11.64	25	6
NCD 2018-19/17C	-	-	0.00	-	-	-	-	-	30-03-2019	10.75 - 12.25	70	3	30-03-2019	10.75 - 12.25	134.25	3
NCD 2019-20/18A	12-07-2019	11 - 12.87	320.00	3	12-07-2019	11 - 12.87	320.00	3.00	12-07-2019	11 - 12.87	374	3	12-07-2019	11 - 12.87	565.5	3
NCD 2019-20/18B	30-08-2019	11 - 12.87	57.00	3	30-08-2019	11 - 12.87	57.00	3.00	30-08-2019	11 - 12.87	87	3	30-08-2019	11 - 12.87	238.5	3
NCD 2019-20/18B2	-	-	0.00	-	-	-	-	-	-	-	0	-	02-09-2019	11.5	225	1
19-20 –DEMAT - XIII	-	-	0.00	-	-	-	-	-	-	-	0	-	10-10-2019	11	259.51	1
19-20 –DEMAT - XIV	-	-	0.00	-	-	-	-	-	10-10-2019	11.25	35	2	10-10-2019	11.25	35	2
19-20 –DEMAT - XV	-	-	0.00	-	-	-	-	-	10-10-2019	11.88	20.5	2	10-10-2019	11.88	20.5	2
19-20 –DEMAT - XVI	10-10-2019	11.5	47.10	3	10-10-2019	11.50	47.10	3.00	10-10-2019	11.5	47.1	3	10-10-2019	11.5	47.1	3
19-20 –DEMAT - XVII	10-10-2019	12.87	13.00	3	10-10-2019	12.87	13.00	3.00	10-10-2019	12.87	13	3	10-10-2019	12.87	13	3
19-20 –DEMAT - XVIII	-	-	0.00	-	-	-	-	-	31-10-2019	12.5	150	2	31-10-2019	12.5	150	2
19-20 –DEMAT - XIX	-	-	0.00	-	-	-	-	-	30-11-2019	12.5	50	2	30-11-2019	12.5	50	2
19-20 –DEMAT - XX	-	-	0.00	-	-	-	-	-	-	-	0	-	01-02-2020	11	351.7	2
19-20 –DEMAT - XXI	-	-	0.00	-	-	-	-	-	01-02-2020	11.25	18	2	01-02-2020	11.25	18	2
19-20 –DEMAT - XXII	-	-	0.00	-	-	-	-	-	01-02-2020	11.88	31.5	2	01-02-2020	11.88	31.5	2
19-20 –DEMAT - XXIII	01-02-2020	11.5	29.00	3	01-02-2020	11.50	29.00	3.00	01-02-2020	11.5	29	3	01-02-2020	11.5	29	3
19-20 –DEMAT - XXIV	01-02-2020	12.87	32.70	3	01-02-2020	12.87	32.70	3.00	01-02-2020	12.87	32.7	3	01-02-2020	12.87	32.7	3
19-20 –DEMAT - XXV	-	-	0.00	-	-	-	-	-	05-02-2020	12.5	150	2	05-02-2020	12.5	150	2
19-20 –DEMAT - XXIX	30-03-2020	11.5	15.00	3	30-03-2020	11.50	15.00	3.00	30-03-2020	11.5	15	3	30-03-2020	11.5	15	3
19-20 –DEMAT - XXVIII	-	-	0.00	-	-	-	-	-	30-03-2020	11.88	6	2	30-03-2020	11.88	6	2
19-20 –DEMAT - XXX	30-03-2020	12.87	10.00	3	30-03-2020	12.87	10.00	3.00	30-03-2020	12.87	10	3	30-03-2020	12.87	10	3
19-20 –DEMAT -XXVI	-	-	0.00	-	-	-	-	-	-	-	0	-	30-03-2020	11	209	1
19-20 –DEMAT -XXVII	-	-	0.00	-	-	-	-	-	30-03-2020	11.25 - 12.5	84.5	2	30-03-2020	11.25 - 12.5	84.5	2
20-21- DEMAT -I	-	-	0.00	-	-	-	-	-	22-05-2020	11	115.35	1	-	-	0	-
20-21- DEMAT -II	-	-	0.00	-	22-05-2020	11.25	20.00	2.00	22-05-2020	11.25	20	2	-	-	0	-
20-21- DEMAT -III	-	-	0.00	-	22-05-2020	11.88	27.00	2.00	22-05-2020	11.88	27	2	-	-	0	-
20-21- DEMAT -IV	22-05-2020	12.87	23.50	3	22-05-2020	12.87	23.50	3.00	22-05-2020	12.87	23.5	3	-	-	0	-
20-21 - DEMAT- VII	-	-	0.00	-	30-06-2020	11.88	30.00	2.00	30-06-2020	11.88	30	2	-	-	0	-
20-21 –DEMAT - VIII	30-06-2020	11.5	29.00	3	30-06-2020	11.50	29.00	3.00	30-06-2020	11.5	29	3	-	-	0	-
20-21- DEMAT-V	-	-	0.00	-	-	-	-	-	30-06-2020	11	167	1	-	-	0	-
20-21 DEMAT-VI	-	-	0.00	-	30-06-2020	11.25	41.75	2.00	30-06-2020	11.25	41.75	2	-	-	0	-
20-21–DEMAT – IX	30-06-2020	12.87	6.00	3	30-06-2020	12.87	6.00	3.00	30-06-2020	12.87	6	3	-	-	0	-
20-21- DEMAT -X	-	-	0.00	-	-	-	-	-	25-08-2020	11	299.2	1	-	-	0	-
20-21- DEMAT -XI	-	-	0.00	-	-	-	-	-	25-08-2020	11	10	1	-	-	0	-
20-21- DEMAT -XII	25-08-2020	11.25	39.00	2	25-08-2020	11.25	39.00	2.00	25-08-2020	11.25	39	2	-	-	0	-
20-21- DEMAT –XIII	25-08-2020	11.88	17.00	2	25-08-2020	11.88	17.00	2.00	25-08-2020	11.88	17	2	-	-	0	-
20-21- DEMAT -XIV	25-08-2020	11.5	37.00	3	25-08-2020	11.50	37.00	3.00	25-08-2020	11.5	37	3	-	-	0	-
20-21- DEMAT -XV	25-08-2020	12.87	10.00	3	25-08-2020	12.87	10.00	3.00	25-08-2020	12.87	10	3	-	-	0	-

20-21 DEMAT-XIX	20-10-2020	11.5	20.00	3	20-10-2020	11.50	20.00	3.00	20-10-2020	11.5	20	3	-	-	0	-
20-21 DEMAT-XVI	-	-	0.00	-	-	-	-	-	20-10-2020	11	235.05	1	-	-	0	-
20-21 DEMAT-XVII	20-10-2020	11.25	4.00	2	20-10-2020	11.25	4.00	2.00	20-10-2020	11.25	4	2	-	-	0	-
20-21 DEMAT-XVIII	20-10-2020	11.88	10.00	2	20-10-2020	11.88	10.00	2.00	20-10-2020	11.88	10	2	-	-	0	-
20-21 DEMAT-XX	20-10-2020	12.87	7.45	3	20-10-2020	12.87	7.45	3.00	20-10-2020	12.87	7.45	3	-	-	0	-
20-21 DEMAT-XXI	-	-	0.00	-	-	-	-	-	31-12-2020	11	95	1	-	-	0	-
20-21 DEMAT-XXII	31-12-2020	11.5	94.00	3	31-12-2020	11.50	94.00	3.00	31-12-2020	11.5	94	3	-	-	0	-
20-21 DEMAT -XXIII	12-01-2021	12.5	100.00	2	12-01-2021	12.50	100.00	2.00	12-01-2021	12.5	100	2	-	-	0	-
20-21 DEMAT-XXIV	-	-	0.00	-	-	-	-	-	20-03-2021	11	413.7	1	-	-	0	-
20-21 DEMAT-XXV	20-03-2021	11.25	25.00	2	20-03-2021	11.25	25.00	2.00	20-03-2021	11.25	25	2	-	-	0	-
20-21 DEMAT-XXVI	20-03-2021	11.5	35.00	3	20-03-2021	11.50	35.00	3.00	20-03-2021	11.5	35	3	-	-	0	-
20-21 DEMAT-XXVII	20-03-2021	12.87	12.00	3	20-03-2021	12.87	12.00	3.00	20-03-2021	12.87	12	3	-	-	0	-
21-22 DEMAT-III	31-05-2021	11.25	19.50	2	31-05-2021	11.25	19.50	2.00	-	-	0	-	-	-	0	-
21-22 DEMAT-I	-	-	0.00	-	31-05-2021	11.00	287.50	1.00	-	-	0	-	-	-	0	-
21-22 DEMAT-VI	31-05-2021	12.87	7.00	3	31-05-2021	12.87	7.00	3.00	-	-	0	-	-	-	0	-
21-22 DEMAT-V	31-05-2021	11.5	21.50	3	31-05-2021	11.50	21.50	3.00	-	-	0	-	-	-	0	-
21-22 DEMAT-II	-	-	0.00	-	31-05-2021	11.00	34.00	1.00	-	-	0	-	-	-	0	-
21-22 DEMAT-IV	31-05-2021	11.88	10.00	2	31-05-2021	11.88	10.00	2.00	-	-	0	-	-	-	0	-
21-22 DEMAT-VII	07-08-2021	11	372.50	1	07-08-2021	11.00	372.50	1.00	-	-	0	-	-	-	0	-
21-22 DEMAT-VIII	07-08-2021	11	72.50	1	07-08-2021	11.00	72.50	1.00	-	-	0	-	-	-	0	-
21-22 DEMAT-IX	07-08-2021	11.25	27.50	2	07-08-2021	11.25	27.50	2.00	-	-	0	-	-	-	0	-
21-22 DEMAT-XII	07-08-2021	12.87	10.00	3	07-08-2021	12.87	10.00	3.00	-	-	0	-	-	-	0	-
21-22 DEMAT-XI	07-08-2021	11.5	67.00	3	07-08-2021	11.50	67.00	3.00	-	-	0	-	-	-	0	-
21-22 DEMAT-X	07-08-2021	11.88	8.00	2	07-08-2021	11.88	8.00	2.00	-	-	0	-	-	-	0	-
21-22 DEMAT-XIII	08-10-2021	9.3	128.00	1	08-10-2021	9.30	128.00	1.00	-	-	0	-	-	-	0	-
21-22 DEMAT-XIV	08-10-2021	9.3	10.00	1	08-10-2021	9.30	10.00	1.00	-	-	0	-	-	-	0	-
21-22 DEMAT-XVI	08-10-2021	9.9	7.00	2	08-10-2021	9.90	7.00	2.00	-	-	0	-	-	-	0	-
21-22 DEMAT-XVII	08-10-2021	10	5.00	3	08-10-2021	10.00	5.00	3.00	-	-	0	-	-	-	0	-
21-22 DEMAT-XV	08-10-2021	9.45	10.00	2	08-10-2021	9.45	10.00	2.00	-	-	0	-	-	-	0	-
21-22 DEMAT -XVIII	12-11-2021	9.3	149.00	1	12-11-2021	9.30	149.00	1.00	-	-	0	-	-	-	0	-
21-22 DEMAT- XXI	12-11-2021	10	15.00	3	12-11-2021	10.00	15.00	3.00	-	-	0	-	-	-	0	-
21-22 DEMAT- XIX	12-11-2021	9.3	23.00	1	12-11-2021	9.30	23.00	1.00	-	-	0	-	-	-	0	-
21-22 DEMAT -XXII	12-11-2021	11.03	14.00	3	12-11-2021	11.03	14.00	3.00	-	-	0	-	-	-	0	-
21-22 DEMAT- XX	12-11-2021	9.9	17.00	2	12-11-2021	9.90	17.00	2.00	-	-	0	-	-	-	0	-
21-22 DEMAT XXIII	10-01-2022	9.3	86.00	1	10-01-2022	9.30	86.00	1.00	-	-	0	-	-	-	0	-
21-22 DEMAT XXVI	31-03-2022	10	11.00	3	31-03-2022	10.00	11.00	3.00	-	-	0	-	-	-	0	-
21-22 DEMAT XXIV	31-03-2022	9.3	135.00	1	31-03-2022	9.30	135.00	1.00	-	-	0	-	-	-	0	-
21-22 DEMAT XXV	31-03-2022	9.3	11.00	1	31-03-2022	9.30	11.00	1.00	-	-	0	-	-	-	0	-
22-23 DEMAT I	20-05-2022	9.3	67.50	1	-	-	-	-	-	-	0	-	-	-	0	-
22-23 DEMAT II	20-05-2022	9.3	5.00	1	-	-	-	-	-	-	0	-	-	-	0	-
22-23 DEMAT III	20-05-2022	9.45	13.00	2	-	-	-	-	-	-	0	-	-	-	0	-
22-23 DEMAT IV	20-05-2022	10	7.20	3	-	-	-	-	-	-	0	-	-	-	0	-
22-23 DEMAT V	30-06-2022	9.3	69.50	1	-	-	-	-	-	-	0	-	-	-	0	-
22-23 DEMAT VI	30-06-2022	9.3	16.30	1	-	-	-	-	-	-	0	-	-	-	0	-
22-23 DEMAT VII	30-06-2022	10	11.00	3	-	-	-	-	-	-	0	-	-	-	0	-
Total			4334.55				5,021.58				6741.57				7798.50	

Long term borrowings			606.11				657.74				1,807.83				2,489.34	
Short term borrowings			3,728.44				4,363.84				4,933.74				5,309.16	
total (see note)			4,334.55				5,021.58				6,741.57				7,798.50	

Note: The amount is including NCDs matured but not paid

Note No 6.3.1

(₹in Lakhs)

SD Schemes	30-06-2022				31-03-2022				31-03-2021				31-03-2020			
	Date of Allotment	Interest Rate	Amount	Redemption Period	Date of Allotment	Interest Rate	Amount	Redemption Period	Date of Allotment	Interest Rate	Amount	Redemption Period	Date of Allotment	Interest Rate	Amount	Redemption Period
Cumulative 14.87%	11-2-2013 to 24-9-2013	1487.00%	2.40	5.00	10-1-2013 to 3-4-2014	14.87	7.35	5	10-1-2013 to 3-4-2014	14.87	9.45	5	21-8-2012 to 3-2-2015	14	23.45	5
Monthly 14%	3-9-2012 to 3-9-2012	14	1.00	5.00	3-9-2012 to 3-9-2012	14	1	5	3-9-2012 to 3-9-2012	14	1	5	3-9-2012 to 27-3-2013	14	1.45	5
Cumulative 13.4%	18-4-2016 to 19-4-2016	13.4	10.50	5.50	18-4-2016 to 19-4-2016	13.4	10.5	5.5	21-3-2016 to 8-6-2016	13.4	347.45	5.5	24-1-2014 to 8-6-2016	13.4	348.05	5.5
Monthly 13.5%	-	-	-	-	-	-	0	-	-	-	0	-	8-1-2015 to 29-1-2015	13.5	9	5
Monthly 12.5%	8-12-2018 to 8-12-2018	12.5	43.50	5.00	8-12-2018 to 8-12-2018	12.5	43.5	5	21-3-2016 to 8-12-2018	12.5	232.5	5	21-3-2016 to 8-12-2018	12.5	396.05	5
Monthly 11.5%	5-10-2016 to 28-4-2022	11.5	1,651.55	5.00	5-10-2016 to 26-4-2019	11.5	2118.75	5	5-10-2016 to 26-4-2019	11.5	3237.3	5	5-10-2016 to 26-4-2019	11.5	3237.3	5
Cumulative 12.25%	5-10-2016 to 13-8-2021	12.25	4942.8	5.7 to 6	5-10-2016 to 13-8-2021	12.25	4942.8	5.7 to 6.5	5-10-2016 to 8-4-2021	12.25	4573.9	5.7 to 6.5	5-10-2016 to 14-5-2020	12.25	3758.75	6 To 6.5
Monthly 12%	8-6-2017 to 25-8-2021	12	6405.35	5	8-6-2017 to 25-8-2021	12	6405.35	5	27-2-2017 to 16-4-2021	12	5523.95	5	27-2-2017 to 9-6-2020	12	3333.3	5
Monthly 10.75%	17-4-2018 to 19-7-2018	10.75	173.3	5	17-4-2018 to 19-7-2018	10.75	173.3	5	17-4-2018 to 19-7-2018	10.75	173.3	5	17-4-2018 to 19-7-2018	10.75	173.3	5
Cumulative 15.38%	18-4-2018 to 2-5-2019	15.38	955.1	5 to 6.5	18-4-2018 to 2-5-2019	15.38	955.1	5 to 6.5	18-4-2018 to 2-5-2019	15.38	955.1	5 to 6.5	18-4-2018 to 2-5-2019	15.38	955.1	5 To 6.5
Monthly 10.5%	17-4-2018 to 19-7-2018	10.5	79.55	5	17-4-2018 to 19-7-2018	10.5	79.55	5	17-4-2018 to 19-7-2018	10.5	79.55	5	17-4-2018 to 19-7-2018	10.5	79.55	5
Monthly 11.25%	3-5-2018 to 28-6-2018	11.25	57.5	5	3-5-2018 to 28-6-2018	11.25	57.5	5	3-5-2018 to 28-6-2018	11.25	57.5	5	3-5-2018 to 28-6-2018	11.25	57.5	5
Monthly 11%	27-4-2018 to 2-7-2022	11	1383.1	5	27-4-2018 to 7-9-2020	11	842.55	5	27-4-2018 to 7-9-2020	11	842.55	5	27-4-2018 to 13-3-2019	11	832.55	5
Cumulative 16.67%	-	-	0	-	-	-	0	-	18-7-2018 to 25-2-2020	16.67	33.7	6	18-7-2018 to 25-2-2020	16.67	33.7	6
Cumulative 17.86%	-	-	0	-	-	-	0	-	-	-	0	-	25-2-2020 to 27-2-2020	17.86	30	5.7
Cumulative 12.98%	25-2-2020 to 13-8-2020	12.98	45.5	5.5 to 5.7	25-2-2020 to 13-8-2020	12.98	45.5	5.5 to 5.7	27-2-2020 to 13-8-2020	12.98	35.5	5.5 to 5.7	-	-	0	-
Cumulative 11.23%	7-9-2020 to 28-1-2021	11.23	171.25	6.5	7-9-2020 to 28-1-2021	11.23	171.25	6.5	7-9-2020 to 28-1-2021	11.23	171.25	6.5	-	-	0	-
Monthly 10%	9-9-2020 to 27-4-2022	10	1199.3	5	9-9-2020 to 31-3-2022	10	1067.35	5	9-9-2020 to 21-1-2021	10	185.9	5	-	-	0	-
Cumulative 10.41%	16-8-2021 to 28-6-2022	10.41	510.95	7	16-8-2021 to 22-3-2022	10.41	322.65	6.9 to 7	-	-	0	-	-	-	0	-
Cumulative 16.4%	18-7-2018 to 25-2-2020	16.4	33.7	6	18-7-2018 to 25-2-2020	16.4	33.7	6	-	-	0	-	-	-	0	-
Total			**17,666.35**				**17277.70**				**16459.90**				**13269.05**	

Long term borrowings			14120.35				13878.45				14611.75				13023.5	
Short term borrowings			3546.00				3399.25				1848.15				245.55	
total			17666.35				17277.70				16459.90				13269.05	

MATERIAL DEVELOPMENTS

Other than as disclosed below, there have been no material developments since June 30, 2022 and there have arisen no circumstances 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.

1. Redemption of Non-convertible debentures and Repayment of term loans

    i. The Company from July 1, 2022 till November 25, 2022 have made the repayment of the term loans from Canara bank and State Bank of India amounting to ₹ 112.03 lakh and ₹ 12.01 lakh, respectively.
    ii. The Company from July 1, 2022 till November 25, 2022 has redeemed secured privately placed non-convertible debentures amounting to ₹ 2,286.80 lakh out of which ₹ 8.03 lakh pertains to non-convertible debentures which were earlier matured but remained unclaimed.
    iii. The Company from July 1, 2022 till November 25, 2022 has redeemed subordinated debt amounting to ₹ 1,478.05 lakh.

2. Raising of funds through issuance of non-convertible debentures and subordinated debt.

    i. The Company has raised funds through issuance of secured, redeemable privately placed non-convertible debentures amounting to ₹ 116.20 lakh.
    ii. The Company has raised funds through issuance of subordinated debt amounting to ₹ 2,557.70 lakh.

FINANCIAL INDEBTEDNESS

As on September 30, 2022, our Company had outstanding Total Borrowings of ₹ 25,038.89 lakh:

Sr. No.	Nature of Borrowings	Amount Outstanding *(in ₹ lakh)*	%
1.	Secured borrowings	6,454.64	25.78%
2.	Unsecured borrowings	18,584.25	74.22%
Total Borrowings		**25,038.89**	**100%**

Set forth below, is a summary of the borrowings by our Company outstanding as on September 30, 2022, together with a brief description of certain significant terms of such financing arrangements.

A. Details of secured borrowings:

Our Company's secured outstanding borrowings as on September 30, 2022 amounts to ₹ 6,454.64 lakh. The details of the secured borrowings are set out below:

Term Loans from Banks/ Financial Institutions:

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned *(₹ in lakh)*	Amount Outstanding* *(₹ in lakh)*	Repayment Date/Schedule	Security and Guarantee	Prepayment Clause in Loan Agreement
1.	Canara Bank	March 26, 2021	1,000.00	832.00	Moratorium period: 6 months To be repaid in 36 instalments i.e. 35 instalments of ₹ 28 lakh and last instalment of ₹ 20 lakh after the moratorium period. Interest and other charges to be paid as and when due.	(i) Primary security: Exclusive charge by Hypothecation of loan receivables (standard assets) of specific branches of the company with 25% margin & minimum-security coverage of 1.33 at all the times during the currency of the loan (ii) Collateral security: (a) 28.29 cents (11.45 are) of land in Thazekode village, in the name of Chemmanur Devassykutty Boby (b) Flat no. G2 & G3, Hema Apartments with undivided share on the land, (3.357 cents) in Kasaba village in the name of Chemmanur	2% in the event of pre-closure of the loan using funds other than own sources + GST

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned *(₹ in lakh)*	Amount Outstanding* *(₹ in lakh)*	Repayment Date/Schedule	Security and Guarantee	Prepayment Clause in Loan Agreement
						Devassykutty Boby (c) 15.15 Ares of land and residential building in Kuttikkattoor village in the name of Chemmanur Devassykutty Boby and Smitha Boby. (iii) Personal guarantee by: (a) Chemmanur Devassykutty Boby; (b) Smitha Boby; and (c) Lijo Muthedan	
	Total		**1,000.00**	**832.00**			

** The above-mentioned amounts are inclusive of the interest component as on that date*

Terms and conditions of the term loans

Re-scheduling	Events of Default	Penalty
Nil	The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to: (a) Any instalment of the principal or interest remaining unpaid and in arrears for a period of one month after the due date whether demanded or not; (b) the borrower committing any breach or default in the performance or observance of any of the terms contained herein or in the Borrower(s)'s proposal or any other documents; (c) if any of the representations or the documents furnished by the Borrower(s) in its application are found to be untrue or false or incorrect; (d) upon entering into any arrangement or composition with its creditors or committing any act of insolvency; (e) any execution or other similar process being levied or enforced against the borrower; (f) if an order is made or a resolution passed for the winding up or a petition of winding up is filed or notice of meeting to pass such a resolution is issued; (g) a receiver being appointed for all or any part of the borrower's property; (h) if the borrower ceases to carry on business or threatens	The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to: 1. No-submission of stock statements in time- For limits from 1.00 to ₹ 50 Crore: Flat penal interest of ₹ 1,000/- per day of delay. 2. Non submission of renewal data including audited balance sheet- a) Non-submission of renewal data 30 days before the due date for renewal of limits - Flat ₹ 50,000/- upto the due date of renewal & flat ₹ 1,00,000/- per month thereafter till the date of submission. b) Non submission of audited balance sheet within 6 months of the closure of the financial year of the borrowing entity: (i) Delay of one month - NIL (ii) Delay of more than one month - Pricing to go up by 25 basis points till the audited balance sheet is submitted. For listed companies, the

Re-scheduling	Events of Default	Penalty
	not to carry on business; (i) if any circumstances shall occur which in the opinion of the Bank is prejudicial to or imperils or is likely to prejudice or imperil the security or which affects adversely the Borrower(s)'s capacity to repay any amounts under the said facilities; (j) if the Borrower(s) does not submit the required statements or mis-utilises/ diverts the monies or the said assets without the Bank's prior permission / knowledge.	above penal provision would be applicable, if the audited financials are not filed with the stock exchange as per SEBI requirements/listing agreement. 3. Non submission/delayed submission of FFRs on due date- For BBB+ and worse rated borrowers - Flat penalty (penal interest) of ₹ 5000/- for each day of delay beyond due date for submission. 4. Non-renewal of insurance policy(ies) in a timely manner or inadequate insurance cover- Flat penalty (penal interest) of Rs 200/- for each day of delay beyond due date. 5. Diversion of funds (mandatory negative covenant)- 2.00 % p.a. on the entire outstanding (over and above the aggregate penal interest of 3% p.a.) till such time the position is rectified. 6. Pre-payment charges: Prepayment penalty of 2% of the limit in case the e-DFS account is taken over by other banks/FIs within the span of 2 years from the date of its on boarding will be applicable.

Cash Credit / Overdraft against Fixed Deposit ("ODFD") facility availed by our Company:

Sr. No.	Bank	Date of Sanction/ Renewal	Amount Sanctioned *(₹ in lakh)*	Principal Amount Outstanding# *(₹ in lakh)*	Repayment Date / Schedule	Security and Guarantee
1.	State Bank of India	April 20, 2021	2,500.00	2,380.36	Repayable on demand	(i) Primary security: Exclusive hypothecation charge on the entire loan receivables of 27 specific branches of the Company (ii) Collateral security: (a) 784.91 cents of Land in Ollukkara Village, Thrissur District; (b) 5.93 Cents of Land in Ollukkara Village, Thrissur District; (c)25.26 Cents of Land and building inAranattukara Village, Thrissur District (iii) Personal guarantee by: (a) Chemmanur Devassykutty Boby; (b) Jisso C Baby; and iii) Lijo Muthedan (iv) Corporate guarantee by: (a) CD Boby Developers and Builders Private Limited; (b) Boby Housing & Construction Private Limited

<table>
<tr><th>Sr. No.</th><th>Bank</th><th>Date of Sanction/ Renewal</th><th>Amount Sanctioned
(₹ in lakh)</th><th>Principal Amount Outstanding[#]
(₹ in lakh)</th><th>Repayment Date / Schedule</th><th>Security and Guarantee</th></tr>
<tr><td>2.</td><td>Dhanlaxmi Bank</td><td>June 30, 2021 (Date of renewal)</td><td>500.00</td><td>496.96</td><td>Repayable on demand</td><td>(i) Primary security: Exclusive charge on entire loan receivables of 5 branches of the company (mentioned below) with 25% margin & minimum-security coverage of 1.5 at all the times during the currency of the loan

<table>
<tr><th>Exclusive charge on entire loan receivables of 5 branches of the company (mentioned below) with 25% margin. (DP to be computed on receivables that are not overdue for 90 days and above) Branch</th><th>Non – NPA as on September 30, 2022 (in crs)</th></tr>
<tr><td>Kulathupuzha</td><td>1.67</td></tr>
<tr><td>Sasthamkotta</td><td>1.81</td></tr>
<tr><td>Vizhinjam</td><td>1.74</td></tr>
<tr><td>Vytila</td><td>0.49</td></tr>
<tr><td>Vazhuthacadu</td><td>0.94</td></tr>
<tr><td>Total</td><td>6.65</td></tr>
</table>

(ii) Collateral security: (a) 2.5399 hectares (627.5 cents) of land in Ollukkara village, Thrissur District; (b)) 11.2 cents of residential plot with 750 Sqft residential building in Ollukara village, Thrissur District.

(iii) Personal guarantee by: i) Chemmanur Devassykutty Boby; ii) Jisso C Baby an d ii) LijoMuthedan.

(iv) Corporate guarantee by: (a) DBC Real Estate Developers Private Limited; and (b) BDC Realty and Infra Private Limited</td></tr>
<tr><td></td><td>**Total**</td><td></td><td>**3,000.00**</td><td>**2,877.32**</td><td></td><td></td></tr>
</table>

 # The above-mentioned amounts are inclusive of the interest component as on that date.

Terms and conditions of cash credit facilities

Re-scheduling	Prepayment	Penalty	Default
Nil	Prepayment of loans before the expiry of the stipulated payment date shall carry a prepayment penalty of two (2) % premium per annum for the	The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the	The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional

Re-scheduling	Prepayment	Penalty	Default
	unexpired term of the loan or 1% absolute over the amount of the loan, whichever is lower.	loan documents. Such provisions include, but are not limited to: Penalty of 2% over and above the rate of interest quoted for the delay period in case of any delay/ non-submission of financials/ stock statements/ financial follow up report.	penalties by the relevant lenders. Such events include, but are not limited to: (a) Any instalment of the principal or interest remaining unpaid and in arrears for a period of one month after the due date whether demanded or not; (b) the borrower committing any breach or default in the performance or observance of any of the terms contained herein or in the Borrower(s)'s proposal or any other documents; (c) if any of the representations or the documents furnished by the Borrower(s) in its application are found to be untrue or false or incorrect; (d) upon entering into any arrangement or composition with its creditors or committing any act of insolvency; (e) any execution or other similar process being levied or enforced against the borrower; (f) if an order is made or a resolution passed for the winding up or a petition of winding up is filed or notice of meeting to pass such a resolution is issued; (g) a receiver being appointed for all or any part of the borrower's property; (h) if the borrower ceases to carry on business or threatens not to carry on business; (i) if any circumstances shall occur which in the opinion of the Bank is prejudicial to or imperils or is likely to prejudice or imperil the security or which affects adversely the Borrower(s)’s capacity to repay any amounts under the said facilities; and (j) if the Borrower(s) does not submit the required statements or misutilises/ diverts the monies or the said assets without the Bank's prior permission / knowledge.

External Commercial Borrowings

As on September 30, 2022 we do not have any outstanding borrowing by way of External Commercial Borrowings.

Secured Redeemable Non-Convertible Debentures

i. **Private Placement of secured unlisted redeemable non-convertible debentures as on September 30, 2022**

Our Company has issued on private placement basis, secured, unlisted, redeemable, non-convertible debentures under various series of which ₹ 2,745.32 lakh is outstanding as on September 30, 2022, the details of which are set forth below:

Sr. No.	Series	ISIN	Amount (₹ in lakh)	Date of Allotment	Final Maturity date of the Series	Coupon (p.a.) in %	Tenure in Years	Credit Rating and Outlook	Security
1	NCD 2012/05	NA	3.57	July 02, 2012	June 30, 2022	12-14.87	10	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.2 times the outstanding amount.
2	NCD 2012/06	NA	6.15	September 20, 2012	September 18, 2022	11.88-14.87	10	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
3	NCD 2012/07	NA	167.26	December 15, 2012	December 13, 2022	9.3-14.87	10	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
4	NCD 2012/08	NA	48.58	January 15, 2013	January 13, 2023	9.3-14.87	10	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
5	NCD 2012/09	NA	672.32	June 20, 2013	June 18, 2023	9.3-14.87	10	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
6	NCD 2013/10	NA	102.00	June 20, 2013	June 18, 2023	9.3-14.87	10	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1times the outstanding amount.
7	NCD2015/XII	NA	10.00	March 31, 2015	March 31, 2021	10.75	6	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.

Sr. No.	Series	ISIN	Amount (₹ in lakh)	Date of Allotment	Final Maturity date of the Series	Coupon (p.a.) in %	Tenure in Years	Credit Rating and Outlook	Security
8	NCD 2015/XIIIA	NA	10.00	July 31, 2015	July 31, 2021	12.50	6	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
9	NCD2015/XIIIE	NA	5.00	March 31, 2016	March 31, 2022	11.00	6	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
10	NCD 2016/XVE	NA	30.00	January 31, 2017	January 31, 2023	9.3-11.5	6	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
11	NCD 2017/XVIB	NA	10.00	August 10, 2017	August 10, 2023	11.5-11.88	6	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
12	NCD 2017/XVIE	NA	23.50	January 30, 2018	January 31, 2024	9.3-11.25	6	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
13	19-20 – DEMAT - XVI	INE051307192	47.10	October 10, 2019	October 10, 2022	11.50	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
14	19-20 – DEMAT - XVII	INE051307234	13.00	October 10, 2019	October 10, 2022	12.87	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
15	19-20 – DEMAT - XXIII	INE051307309	29.00	February 01, 2020	February 01, 2023	11.50	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.

Sr. No.	Series	ISIN	Amount (₹ in lakh)	Date of Allotment	Final Maturity date of the Series	Coupon (p.a.) in %	Tenure in Years	Credit Rating and Outlook	Security
16	19-20 – DEMAT - XXIV	INE051307267	32.70	February 01, 2020	February 01, 2023	12.87	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
17	19-20 – DEMAT - XXIX	INE051307358	15.00	March 30, 2020	March 30, 2023	11.50	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
18	19-20 – DEMAT - XXX	INE051307366	10.00	March 30, 2020	March 30, 2023	12.87	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
19	20-21 – DEMAT - VIII	INE051307473	29.00	June 30, 2020	June 30, 2023	11.50	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
20	20-21-DEMAT -IV	INE051307507	23.50	May 22, 2020	May 22, 2023	12.87	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
21	20-21-DEMAT -XIV	INE051307408	37.00	August 25, 2020	August 25, 2023	11.50	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
22	20-21-DEMAT -XV	INE051307416	10.00	August 25, 2020	August 25, 2023	12.87	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
23	20-21 DEMAT -XXIII	INE051307572	100.00	January 12, 2021	January 12, 2023	12.50	2	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.

Sr. No.	Series	ISIN	Amount (₹ in lakh)	Date of Allotment	Final Maturity date of the Series	Coupon (p.a.) in %	Tenure in Years	Credit Rating and Outlook	Security
24	20-21 DEMAT -XIX	INE051307556	20.00	October 20, 2020	October 20, 2023	11.50	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
25	20-21 DEMAT -XVII	INE051307531	4.00	October 20, 2020	October 20, 2022	11.25	2	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast 1.1 times the outstanding amount.
26	20-21 DEMAT -XVIII	INE051307549	10.00	October 20, 2020	October 20, 2022	11.88	2	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
27	20-21 DEMAT -XX	INE051307564	7.45	October 20, 2020	October 20, 2023	12.87	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
28	20-21 DEMAT -XXII	INE051307580	94.00	December 31, 2020	December 31, 2023	11.50	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
29	20-21 DEMAT -XXV	INE051307614	25.00	March 20, 2021	March 20, 2023	11.25	2	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
30	20-21 DEMAT -XXVI	INE051307630	35.00	March 20, 2021	March 20, 2024	11.50	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
31	20-21 DEMAT -XXVII	INE051307622	12.00	March 20, 2021	March 20, 2024	12.87	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.

Sr. No.	Series	ISIN	Amount (₹ in lakh)	Date of Allotment	Final Maturity date of the Series	Coupon (p.a.) in %	Tenure in Years	Credit Rating and Outlook	Security
32	20-21– DEMAT – IX	INE051307457	6.00	June 30, 2020	June 30, 2023	12.87	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
33	21-22 DEMAT - XIX	INE051307820	23.00	November 12, 2021	November 13, 2022	9.30	1	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
34	21-22 DEMAT -XVIII	INE051307812	149.00	November 12, 2021	November 13, 2022	9.30	1	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
35	21-22 DEMAT - XX	INE051307838	17.00	November 12, 2021	November 12, 2023	9.90	2	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
36	21-22 DEMAT - XXI	INE051307846	15.00	November 12, 2021	November 12, 2024	10.00	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
37	21-22 DEMAT -XXII	INE051307853	14.00	November 12, 2021	November 12, 2024	11.03	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
38	21-22 Demat XXIII	INE051307861	86.00	January 10, 2022	January 11, 2023	9.30	1	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
39	21-22 Demat XXIV	INE051307879	135.00	March 31, 2022	April 01, 2023	9.30	1	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.

Sr. No.	Series	ISIN	Amount (₹ in lakh)	Date of Allotment	Final Maturity date of the Series	Coupon (p.a.) in %	Tenure in Years	Credit Rating and Outlook	Security
40	21-22 Demat XXV	INE051307887	11.00	March 31, 2022	April 01, 2023	9.30	1	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
41	21-22 Demat XXVI	INE051307895	11.00	March 31, 2022	March 31, 2025	10.00	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
42	21-22 DEMAT -III	INE051307663	19.50	May 31, 2021	May 31, 2023	11.25	2	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
43	21-22 DEMAT -IV	INE051307671	10.00	May 31, 2021	May 31, 2023	11.88	2	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
44	21-22 DEMAT -IX	INE051307770	27.50	August 07, 2021	August 07, 2023	11.25	2	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
45	21-22 DEMAT -V	INE051307689	21.50	May 31, 2021	May 31, 2024	11.50	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
46	21-22 DEMAT -VI	INE051307697	7.00	May 31, 2021	May 31, 2024	12.87	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
47	21-22 DEMAT -XVII	INE051307747	5.00	October 08, 2021	October 08, 2024	10.00	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.

Sr. No.	Series	ISIN	Amount (₹ in lakh)	Date of Allotment	Final Maturity date of the Series	Coupon (p.a.) in %	Tenure in Years	Credit Rating and Outlook	Security
48	21-22 DEMAT -X	INE051307788	8.00	August 07, 2021	August 07, 2023	11.88	2	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
49	21-22 DEMAT -XI	INE051307796	67.00	August 07, 2021	August 07, 2024	11.50	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1times the outstanding amount.
50	21-22 DEMAT -XII	INE051307804	10.00	August 07, 2021	August 07, 2024	12.87	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
51	21-22 DEMAT -XIII	INE051307705	128.00	October 08, 2021	October 09, 2022	9.30	1	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
52	21-22 DEMAT -XIV	INE051307713	10.00	October 08, 2021	October 09, 2022	9.30	1	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
53	21-22 DEMAT -XV	INE051307721	10.00	October 08, 2021	October 08, 2023	9.45	2	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
54	21-22 DEMAT -XVI	INE051307739	7.00	October 08, 2021	October 08, 2023	9.90	2	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
55	22-23 Demat I	INE051307903	67.50	May 20, 2022	May 21, 2023	9.30	1	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.

Sr. No.	Series	ISIN	Amount (₹ in lakh)	Date of Allotment	Final Maturity date of the Series	Coupon (p.a.) in %	Tenure in Years	Credit Rating and Outlook	Security
56	22-23 Demat II	INE051307911	5.00	May 20, 2022	May 21, 2023	9.30	1	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
57	22-23 Demat III	INE051307929	13.00	May 20, 2022	May 20, 2024	9.45	2	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
58	22-23 Demat IV	INE051307937	7.20	May 20, 2022	May 20, 2025	10.00	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
59	22-23 Demat V	INE051307945	69.50	June 30, 2022	July 01, 2023	9.30	1	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
60	22-23 Demat VI	INE051307960	16.30	June 30, 2022	July 01, 2023	9.30	1	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
61	22-23 Demat VII	INE051307952	11.00	June 30, 2022	June 30, 2025	10.00	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
62	22-23 Demat X	INE051307AF9	39.20	September 26, 2022	September 26, 2025	10.50	3	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.
63	22-23 Demat VIII	INE051307AG7	32.00	September 26, 2022	September 27, 2023	9.30	1	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast1.1 times the outstanding amount.

Sr. No.	Series	ISIN	Amount (₹ in lakh)	Date of Allotment	Final Maturity date of the Series	Coupon (p.a.) in %	Tenure in Years	Credit Rating and Outlook	Security
64	22-23 Demat IX	INE051307AH5	45.00	September 26, 2022	September 26, 2024	10.25	2	NIL	first pari passu charge on loan receivables and other unencumbered assets of the company, maintaining atleast 1.1 times the outstanding amount.
	Total		2,745.32*						

* Includes matured but unclaimed NCD amounts to ₹ 34.72 lakh

Penalty Clause

Nil

Event of Default

The occurrence of any of the following events shall constitute an event of default by the company in relation to the secured debentures, and on occurrence of such default the security becomes enforceable:

a) When the company makes two consecutive defaults in the payment of any interest which ought to have been paid in accordance with the terms of the issue.

b) When the company without the consent of debenture holders ceases to carry on its business or gives notice of its intention to do so.

c) When an order has been made by the tribunal or special resolution has been passed by the members of the company for winding up of the company.

d) when any breach of the terms of the prospectus inviting the subscription of debentures or of the covenants of this deed is committed.

e) When the company creates or attempts to create any charge on the mortgaged assets or any part thereof without the prior approval of the trustees / debenture holders.

f) When in the opinion of the trustees the security of debenture holders is in jeopardy.

ii. Secured Redeemable non-convertible debentures (public issue):

Our Company has not issued any secured redeemable non-convertible debenture on a public issue basis as of September 30, 2022.

Collateralised borrowing and lending obligation

As on September 30, 2022 our Company has no outstanding collateralised borrowing and lending obligations.

B. Corporate Guarantee

Our Company has not issued any corporate guarantee as on September 30, 2022.

C. Details of unsecured borrowings:

1. Commercial Papers

Our Company has not issued any commercial papers as on September 30, 2022.

2. **Inter-Corporate Deposits**

Our Company has not borrowed any amount by way of inter-corporate deposits as on September 30, 2022.

3. **Inter-Corporate Loans**

Our Company has not borrowed any amount by way of demand loans under the same management as on September 30, 2022

4. **Loan from Directors and Relatives of Directors:**

Our Company has not raised any loan from directors and relatives of directors as on September 30, 2022.

5. **Subordinated Debts**

Our Company has issued on private placement basis, unsecured, redeemable, subordinated debts under various series of which ₹ 18,584.25 lakh is cumulatively outstanding as on September 30, 2022, the details of which are set forth below:

Sr. No.	Subordinated Debts Name/ Series	ISIN	Amount outstanding *(₹ in lakh)*	Date of SD (Range)	Final Maturity(Range)	Coupon Rate (Range) in %(p.a.)	Tenure	Credit rating
1	5 Year Monthly	NA	11,848.50	03/09/2012 to 30/09/2022	03/09/2017 to 30/09/2027	10 to 14	5 Years	NIL
2	5 Year Cumulative	NA	7.40	11/02/2013 to 25/07/2018	11/02/2018 to 25/07/2023	20.00	5 Years	NIL
3	5.6 Year Cumulative	NA	55.50	25/02/2020 to 04/08/2021	25/10/2025 to 04/04/2027	17.86	5.6 Years	NIL
4	6 Year Cumulative	NA	4,958.00	05/10/2016 to 13/08/2021	05/10/2022 to 13/08/2027	16.67	6 Years	NIL
5	6.5Year Cumulative	NA	1,129.85	17/04/2018 to 28/01/2021	17/10/2024 to 28/07/2027	15.38	6.5 Years	NIL
6	7 Year Cumulative	NA	585.00	16/08/2021 to 28/09/2022	16/08/2028 to 28/09/2029	14.28	7 Years	NIL
	Total		**18,584.25**					

Penalty Clause- Nil

Event of Default- Nil

6. **Details of Unsecured Term Loans**

Our Company has not availed any unsecured term loan facilities as on September 30, 2022.

D. Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or debt securities

As on the date of this Draft Prospectus, there has been no rescheduling, default and/or delay in payment of principal or interest on any existing term loan, debt security(ies) or any other financial indebtedness including corporate guarantee issued by the Issuer in the past three years.

E. 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 September 30, 2022.

Our Company 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

September 30, 2022.

F. Details of rest of borrowings if any, including hybrid debt instruments such as foreign currency convertible bonds or convertible debentures and preference shares as on September 30, 2022

Our Company does not have any other borrowings including hybrid debt instruments, such as foreign currency convertible bonds or convertible debentures and preference shares, as on September 30, 2022.

Restrictive covenants under the financing arrangements:

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 debenture trustee before carrying out such activities. For instance, our Company, inter-alia, is required to obtain the prior written consent in the following instances:

1. To declare/pay any dividend to the shareholders/stake holders
2. For extending any guarantee for the credit facilities extended to the group/allied concerns
3. To repay monies brought in by the promoters / directors/principal shareholders and friends and relatives by way of deposits / loans / advances
4. Effect any change in the unit's capital structure.
5. Implement any scheme of expansion / modernization / diversification / renovation or acquire any fixed assets during any accounting year, except such schemes which have already been approved by banks.
6. Formulate any scheme of amalgamation or reconstruction.
7. Invest by way of share capital or lend or advance funds to or place deposits with any other concern, including sister / associate / family / subsidiary / group concerns. However, normal trade credit or security deposits in the normal course of business or advances to employees can be excluded.
8. Enter into borrowing arrangements either secured or unsecured with any other bank, financial institution, company or person.
9. Undertake guarantee obligations on behalf of any other company, firm, director or person.
10. Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations.
11. Effect any drastic change in their management setup .
12. Effect any change in the remuneration payable to the Directors / partners, etc. either in the form of siting fees or otherwise.
13. Pay guarantee commission to the guarantors whose guarantees have been stipulated / furnished for the credit limits sanctioned by the banks.
14. Create any further charge, lien or encumbrance over the assets and properties of the unit/ guarantors to be charged / charged to the bank in favour of any other bank, financial institution, firm or person .
15. Sell, assign, mortgage or otherwise dispose off any the fixed assets charged to the bank.
16. Undertake any trading activity other than the sale of produce arising out of its own manufacturing / trading operations.
17. Open any account with any other bank. If already opened, the details thereof is to be given immediately and confirmation to this effect given to the bank.
18. Effect any change in promoter directors or in the core management team
19. Undertake any expansion/ modernization/ diversification programme/new line of business or manufacture other than incurring routine capital expenditure.
20. Revalue the fixed assets
21. Change the accounting policies in regard to stock valuation, depreciation of fixed assets, payment of dividends etc.
22. Declare dividend or distribute profits if any instalments of principal and/or interest remains unpaid in respect of the aforesaid loan and/or in arrear for a period of three months or more.
23. Enter into any hire purchase or lease arrangement during the currency of the loan

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Except as stated in this section, there are no outstanding: (i) criminal proceedings; (ii) actions by statutory/regulatory authorities; (iii) claims for any indirect and direct tax liability; and (iv) other litigations which are identified as material in terms of the Materiality Threshold (as defined hereinafter below), each involving our Company, Directors or Promoter.

*Our members of the Board, in its meeting held on September 2, 2022, have adopted a threshold for the identification of material litigations ("**Materiality Threshold**"). As per the Materiality Threshold, other than for the purposes of (i) to (iii) above, all outstanding litigation, wherein:*

(a) the quantified monetary amount of claim by or against the relevant person in any such pending litigation proceeding is or is in excess of 5% of our Company's profit after tax as per our audited financial statements, i.e., for Fiscal 2022, 5% of our Company's profit after tax amounts to ₹ 23 lakh; or

(b) the outcome of such litigation proceeding may have a material adverse effect on the business, operations, prospects or reputation of the Company,

has been considered as 'material litigation', and accordingly has been disclosed in this Draft Prospectus.

Further, there are no proceedings involving our Group Companies, which may have a material adverse effect on the position of our Company.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors, Promoter, or Group Companies shall, unless otherwise decided by our Board of Directors, not be considered as litigation until such time that our Company or Directors or Promoter or Group Companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Further, except as stated in this section, there are no: (i) litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last three years immediately preceding the year of the issue of this Draft Prospectus and any direction issued by such Ministry or Department or statutory authority; (ii) pending litigation involving our Company, our Promoter, our Directors, Group Companies, or any other person, whose outcome could have material adverse effect on the position of our Company; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues, etc; (v) inquiries, inspections or investigations initiated or conducted against our Company under the Companies Act or any previous companies law in the three years immediately preceding the year of this Draft Prospectus; (vi) prosecutions filed (whether pending or completed), fines imposed or compounding of offences done in the three years immediately preceding the year of this Draft Prospectus; and (vii) material frauds committed against our Company in the last three years.

Further from time to time, we have been and shall continue to be involved in legal proceedings filed by and/or against us, arising in the ordinary course of our business. We believe that the number of proceedings in which we are/were involved is not unusual for a company of our size doing business in India.

Unless stated to the contrary, the information provided below is as of the date of this Draft Prospectus.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

1. **Material litigations and regulatory actions involving our Company**

(a) As on the date of this Draft Prospectus, following are material litigations in our Company:

(i) Civil Litigation

By our Company

Except as disclosed below there are no civil cases filed by our Company:

Nil

Against our Company

Except as disclosed below there are no civil cases against our Company:

Nil

(ii) Criminal Cases

By our Company

Except as disclosed below there are no criminal cases filed by our Company:

1. The complainant, C.T Jomon, the Area Manager of the Company, Edappal branch, filed a criminal complaint and registered a First Information Report bearing no. 107/2018 (**"FIR"**) dated May 15, 2018, against Ajesh, Mukesh and Neethu under Section 408, 411, 418, 420 and 120 read with Section 34 of Indian Penal Code, 1860 (**"IPC"**). Subsequently, a charge sheet has been filed by the police authorities on May 23, 2019, and pursuant to which a criminal case was filed in Judicial First Class Magistrate, Ponnani against Ajesh and Mukesh (**"Accused"**). The Accused cheated the Company and committed fraud and financial misappropriation by pledging with the Company gold ornaments that was already pledged with another NBFC with the help of the Company's employees for an amount of ₹ 14,40,599. The case is pending before the aforesaid magistrate and currently under summons stage.

2. The complainant, Sunish Unnikrishnan, the branch Manager of the Company, Chelakkara branch, filed a case, reference no. CC 291/2019 and registered an First Information Report bearing no. 450/2018 (**"FIR"**) dated July 30, 2018, under Section 406 and 420 read with Section 34 of Indian Penal Code, 1860 (**"IPC"**) pursuant to which a criminal petition / complaint (**"Petition"**) was filed in Judicial First Class Magistrate-1, Palakkad against Jayashree, Chandu, Sharafudheen Abbas and Geetha Suresh (**"Accused"**). The Accused cheated the Company for an amount of ₹ 8,00,000 by promising to procure a loan against gold ornaments pledged with another party, by claiming that the said pledge would be released, and ornaments brought to the Company and, then disappearing with the cash collected for the purpose. The case is pending before the aforesaid magistrate.

3. A criminal complaint bearing number CC.483/2021 was filed by our Company's branch manager at Cherpulassery branch against our customers, Rajitha and Sajith ("**Accused**"), before Judicial First Class Magistrate Court, Ottapalam. The Accused have pledged gold coated ornaments, pretending it as pure gold ornaments, and cheated the Company by availing a loan of ₹ 3,14,155 from our Cherpulassery branch. The case is under trial and on summons stage.

Against our Company

As on date of Draft Prospectus, there are no criminal proceedings against our Company.

(iii) Cases filed by the Company under Section 138 of the Negotiable Instruments Act, 1881

The Company has filed various complaints and notices under Section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. As of the date of this Draft Prospectus, there are 12 such complaints pending before Judicial First Class Magistrate Court, Thrissur and Judicial First Class Magistrate Court-3, Muvattupuzha. The total amount involved in such cases is approximately ₹ 5.89 lakh.

(iv) Tax Proceedings involving our Company

Except as disclosed below there are no tax proceedings against our Company:

i. Appeals have been filed by the Company (for Assessment Years 2012-13, 2013-14, 2014-15, 2017-18) against the orders under Section 143(3) of the Income Tax Act, 1961, issued by income tax officer, ward 1(2), Thrissur by making an addition in taxable income by disallowing various expenditures of the Company. The addition did not increase the tax liability of the Company, but it has reduced the carry forward losses to subsequent years in the appeals for the Assessment Years 2012-13, 2013-14, 2014-15. But there can be a tax impact of ₹ 137.57 Lakh in appeal pending with commissioner of income tax for the Assessment Year 2017-18.

ii. In respect to ongoing assessment proceedings by the income tax department for the assessment year 2020-21, two notices u/s 142(1) and section 142(2) of the Income Tax Act, 1961 dated November 10, 2021, and June 29, 2021, were issued for discrepancies in the assessee's submissions and to show cause why an order and imposing penalty of ₹ 10,000 per default u/s 272(1)(d) should not be passed. The Company has replied to the last notice dated September 05, 2022 of income tax department vide its letter dated October 08, 2022. The matter is currently being pursued by the income tax department.

2. **Legal action taken by statutory or regulatory authorities against CCIL**

There are no legal actions taken by statutory or regulatory authorities and pending against CCIL.

3. **Material litigations involving our Subsidiary Company as on the date of this Draft Prospectus**

Not applicable as our Company does not have any Subsidiaries.

4. **Material litigations involving our Directors as on the date of this Draft Prospectus**

(i) Civil Litigations involving our Directors

1. A civil suit no. 78/2018 was filed by Killiyampurath Bhaskaran on December 5, 2018, against Chemmanur Devassykutty Boby and Smitha Boby to declare that the sale deed granting title to the property in favour of Chemmanur Devassykutty Boby and Smitha Boby is sham and to dismiss the case filed by Chemmanur Devassykutty Boby and Smitha Boby against Killiyampurath Bhaskaran bearing number OS-126/2016 against trespassing into the above property owned by Chemmanur Devassykutty Boby and Smitha Boby. The matter is currently pending in the Munsiff Court Koyilandy, in Kozhikode district, Kerala.

2. Chemmanur Devassykutty Boby ("**Petitioner**") filed a writ petition number 19861/2020 (G) dated September 23, 2020, before the High Court of Kerala against the State of Kerala, Jewellery workers welfare Board and Assistant Labour officer of Palakkad District ("**Respondent**") under Article 226 of the Constitution of India ("**Constitution**") challenging the notice dated August 26, 2020, wherein jewellery workers cess was imposed on all jewellery showrooms at the rate of 0.1% on total sales. The Petitioner has submitted that the said notice is illegal and unconstitutional and violative of the Kerala Jewellery Workers Welfare Fund (Amendment) Act, 2019 and have prayed for stay. The Kerala High Court vide its order dated September 24, 2020, admitted the petition, and stayed the proceedings under the above said notice issued by the Assistant Labour Officer, Palakkad. The case is presently pending before the High Court of Kerala for hearing**.**

3. Narayanankutty, an ex-employee of Chemmanur International Jewellers (proprietorship of Chemmanur Devassykutty Boby has filed a G.C No. 10/2019 case with the Controlling Authority under the Payment of Gratuity Act, 1972 against Chemmanur Devassykutty Boby as proprietor of Chemmanur International Jewellers for claiming the gratuity since 2009 whereas gratuity given was from the year 2015. The amount claimed is ₹ 93,074. The matter is currently pending.

4. Chemmanur Devassykutty Boby filed a petition EIC No. 6/2020 dated March 8, 2020, against Employee State Insurance (ESI) Corporation with ESI Court for claiming ESI contribution amounting to ₹ 1,39,425 after the closure of Nilambur showroom of the Company. The matter is currently pending.

5. A consumer case bearing number CC No 43/2022 was filed by Chemmanur Devassykutty Boby against Destination Health for not providing gym equipment at Palazhi villa on time, claiming an amount of ₹ 11,25,000. The matter is currently pending.

6. A civil suit OS-118/2019 was filed by Chemmanur Devassykutty Boby as a director on behalf of CDB 24 Karat Gold and Diamonds Private Limited. The suit is filed against O K Abdul Salam, O K Safa and O K Kunjabdhulla

for return of security deposit of ₹ 5,00,000 paid by the Company for taking building on lease owned by them for business on termination of lease. The matter is currently pending.

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7. A civil suit OS-126/2016 on March 30, 2016, was filed by Chemmanur Devassykutty Boby and Smitha Boby before Munsiff Court Koyilandy to stop Kiliyampurath Bhaskaran to trespass into the property. The matter is currently pending.

(ii) Criminal Litigations involving our Directors

1. A First Information Report (FIR) was filed against A K Linesh, (ex-employee), Hareesh and Roopesh ("**Accused Persons**") based on a complaint filed by Chemmanur Devassykutty Boby under sections 419, 420, 468 and 47 read with 34 of CRPC. The Accused Persons had forged false documents and cheated the complainant causing a loss of ₹ 12,00,000. Based on the FIR two cases were registered before - Judicial First Class Magistrate VI, MARAD (Calicut), as CC No 92/2010 against Linesh, Hareesh and Roopesh and CC No 93/2010 against A.K Lineesh. The case is presently stayed by High Court of Kerala.

2. Smitha Boby has filed a criminal complaint dated May 21, 2020, before the Baluseri Police Station and a First Information Report (FIR) has been filed by the police authorities on October 27, 2020. Based on that a criminal case as CC 437/2021 was registered before the Judicial First Class Magistrate Perambra against Killiyamburath Bhaskaran ("**Accused Person**") for cutting down trees from Unnikulam land. The case has been transferred to Judicial First Class Magistrate 1, Tamarassery as CC 484/2022. The case has been posted to next hearing for issuing notice.

3. Chemmanur Devassykutty Boby had filed a case dated July 18, 2016, ST No.1446/2017 under section 138 of the Negotiable Instrument Act, 1881 for dishonouring cheque of ₹ 36,51,146 obtained from Sulaiman (Partner) for the settlement of the credit that he had created in partnership business. The matter is currently pending in the court of Judicial First Class Magistrate VII Kozhikode.

5. **Material litigation or legal or regulatory actions involving our Promoter as of the date of this Draft Prospectus**

The material litigation involving Promoter of the Company (being Chemmanur Devassykutty Boby) are covered in section 4 *(Material litigations involving our Directors as on the date of this Draft Prospectus)* of this *Outstanding Litigations* Chapter on page 130 above.

6. **Litigations involving group companies**

(a) As on the date of this Draft Prospectus, following are litigations involving group companies:

(i) Civil Litigation

By group company

Nil

Against group company

Nil

(ii) Criminal Cases

By the group company

Except as disclosed below there are no criminal proceedings by our group company:

i. Chemmanur Gold Palace International Limited had filed a criminal complaint 293/2021 dated August 14, 2021, before the Judicial Magistrate Court, Ooty against Ganapathy, an ex-employee for cheating and misappropriation. The case is pending before the Court.

ii. Chemmanur Gold Palace International Limited ("**CGIPL**") had filed a defamation petition, CC No. 55/2017 dated November 3, 2016, before the Metropolitan Magistrate Court, Egmore, Chennai against Joy

Kaitharam. Further, Joy Kaitharam has filed an application dated January 21, 2021, before the Supreme Court of India, to transfer the above mentioned criminal case for defamation to Chief Judicial Magistrate, Thrissur. The transfer application matter is pending before the Supreme Court.

Against the group company

Nil

(iii) Tax Proceedings involving the group company

An excise duty matter no. SVLDRS-01 Declaration No. LD1501200003409 dated January 15, 2020, amounting to ₹ 4,95,490 is pending against CGPIL before the Central Board of Indirect Taxes and Customs. CGPIL had opted for Sabka Vishwas (Legacy Dispute Resolution) Scheme and initiated payment via challan on June 29, 2020. But due to technical issues in the portal of Tax Authorities the payment has been failed and hence the CGPIL couldn't remit the tax on the due date of June 30, 2020 and resulted in issue of a show cause notice dated March 30, 2021, with an outstanding duty liability of ₹ 39,84,965 by the Central Excise authorities. Against the Show Cause Notice, CGPIL filed a Writ Petition as WP(C) 30356/2021 (T) dated December 22, 2021, before the Honourable High Court of Kerala. High Court of Kerala passed an interim order on January 12, 2022, that the proceedings under the above Show Cause Notice shall be kept in abeyance and this was extended further by subsequent orders. The matter is still pending.

(iv) Cases filed by our Group Companies under Section 138 of the Negotiable Instruments Act, 1881

The group companies have filed various complaints and notices under Section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various parties on account of dishonouring of cheques issued by such parties. As of the date of this Draft Prospectus, there are 741 such complaints pending across various jurisdictions. The total amount involved in such cases is approximately ₹ 175 lakh.

(v) Other Regulatory proceedings involving Group Companies

Boby Chemmanur No.1 Chits Private Limited has matter pending in with the Registrar of Chits, Thiruvananthapuram on compounding fee of ₹ 55,04,000 with respect to twenty-three chits, for not filing minutes, chitty balance sheet and balance sheet of the company within the stipulated time with Assistant Registrar of Chits, Thrissur. The company has approached Inspector General of Registration, Thiruvananthapuram for downward revision in compounding fee and the matter is still being pursued by Inspector General of Registration, Thiruvananthapuram.

7. ***Litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last three years immediately preceding the year of the issue of this Draft Prospectus and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action***

   There are no litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last three years immediately preceding the year of the issue of this Draft Prospectus and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action.

8. **Inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies' law in the last three years immediately preceding the year of issue of this Draft Prospectus against our Company (whether pending or not); fines imposed or compounding of offences done by our Company in the last three years immediately preceding the year of this Draft Prospectus**

   There are no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies' law in the last three years immediately preceding the year of issue of this Draft Prospectus against our Company (whether pending or not); fines imposed or compounding of offences done by our Company in the last three years immediately preceding the year of this Draft Prospectus.

9. ***Details of acts of material frauds committed against our Company in the last three Fiscals, if any, and if so, the action that was taken by our Company***

   The list of material frauds against the Company in the last three Fiscals and three months period ended June 30, 2022:

Sr No	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount (₹ Lakh)	Modus Operandi & Action Taken	Recovery (₹ Lakh)	Amount Written Off (₹ Lakh)	Provision (₹ Lakh)	Action taken by the Company
1	Three Months ended on June 2022	Various Branches	Various dates	16.22	Pledged low purity ornaments. Company recovered the amount from customers	16.22	0.00	0.00	Recovery
2	2021-2022	Kondotty	March 31, 2022	5.00	Misappropriation of Cash by Branch Manager	2.70	0.00	5.00	Complaint Filed and Stamped Undertaking Obtained
		Various Branches	Various dates	15.11	Pledged low purity ornaments. Company recovered the amount from customers	15.11	0.00	0.00	Recovery
4	2020-2021	-	-	NIL	-	NIL	NIL	NIL	-
5	2019-2020	-	-	NIL	-	NIL	NIL	NIL	-

10. ***Summary of reservations, qualifications, emphasis of matter or adverse remarks of auditors during the three months period ended June 30, 2022 and last three Fiscals immediately preceding the year of issue of this Draft Prospectus and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or emphasis of matter or adverse remarks***

    Our statutory auditors have highlighted certain matters of emphasis to their audit opinion relating to our Audited Financial Statements for three months period ended June 30, 2022 and 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 or other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
Three months ended June 30, 2022	Unqualified	**(A) Emphasis of Matter**		
		(i) We draw attention to following note regarding the implementation of matters relating to Prudential norms and asset classification clarified by RBI vide Circular 'RBI/2021-22/125 DO R/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications''. Our opinion is not qualified in respect of this matter. Note: Pursuant to RBI circular RBI/2021-22/125 DO R/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications', the Company is in the process of implementing the process of asset classification for flagging borrower accounts as overdue as	As RBI has given time up to September 30, there is no impact in in FS for the three months period ended on	Now the system is in place

Financial Year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
		part of the day-end processes for the due date. The impact on provisioning on account of the change in asset classification process on loans other than Gold loans could not be ascertained on account of the inherent complexity. The company is in the process of making the necessary changes in the IT systems and software to comply with the said circular. RBI has vide circular no DOR.STR.REC.85/21.04.048/2021-22 dated February 15, 2022 granted time till 30/09/2022 to put in place necessary system to implement the provisions set forth in paragraph 10 the above cited circular, REC.68/21.04.048/2021-22, dated November 12.	June 30 2022	
		(B) Pending Litigations	Contingent liability not provided on	Pending at various stage of appeal
		Claims against the Company not acknowledge as debts.		
		(i) Income Tax demand for the A.Y. 2012-13		
		Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2012-2013. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the income tax officer, ward1(2), Thrissur making an addition by disallowing various expenditures. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is ₹ 95.87 lakh.		
		(ii) Income Tax demand for the A.Y. 2013-14		
		Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2013-2014. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is ₹ 98.59 lakh.		
		(iii) Income Tax demand for the A.Y. 2014-15		
		Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2014-2015. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is ₹ 126.55 lakh.		
		(iv) Income Tax demand for the A.Y. 2017-18		
		Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2017-18. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The total tax impact on the addition is ₹ 137.57 lakh. Against this demand company paid 10% of total demand amounting to ₹ 13.76 lakh and stay granted for the balance 90% of the demand till the disposal of the appeal by the commissioner of income tax(Appeals)		
2021-2022	Unqualified	**(A) Emphasis of Matter**		
		(i) We draw attention to following note regarding outbreak of the COVID-19 pandemic and the consequential impact on business, which, as per the assessment of the management, has not significantly impacted the operations and financial position of the Company. Our opinion is not qualified in respect of this matter. Note: The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal	No impact on the financial statements	As per explanation provided, there is no significant impact on the operations and financial

Financial Year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
		and external information such as current contract terms, financial strength of partners, loan profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.		position of the company.
		(ii) We draw attention to following note regarding the implementation of matters relating to Prudential norms and asset classification clarified by RBI vide Circular 'RBI/2021-22/125 DO R/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications''. Our opinion is not qualified in respect of this matter Note: Pursuant to RBI circular RBI/2021-22/125 DO R/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications', the Company is in the process of implementing the process of asset classification for flagging borrower accounts as overdue as part of the day-end processes for the due date. The impact on provisioning on account of the change in asset classification process on loans other than Gold loans could not be ascertained on account of the inherent complexity. The company is in the process of making the necessary changes in the IT systems and software to comply with the said circular RBI has vide circular no DOR.STR.REC.85/21.04.048/2021-22 dated February 15, 2022 granted time till 30/09/2022 to put in place necessary system to implement the provisions set forth in paragraph 10 the above cited circular, REC.68/21.04.048/2021-22, dated November 12.	As RBI has given time up to September 30, there is no impact in in FS for the year ended on March 31 2022	Now the system is in place
		(B) Pending Litigations	Contingent liability not provided on	Pending at various stage of appeal
		Claims against the Company not acknowledge as debts.		
		(i) Income Tax demand for the A.Y. 2012-13		
		Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2012-2013. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the income tax officer, ward1(2), Thrissur making an addition by disallowing various expenditures. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is ₹ 95.87 lakh.		
		(ii) Income Tax demand for the A.Y. 2013-14		
		Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2013-2014. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is ₹ 98.59 lakh.		
		(iii) Income Tax demand for the A.Y. 2014-15		
		Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2014-2015. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is ₹ 126.55 lakh.		
		(iv) Income Tax demand for the A.Y. 2017-18		

Financial Year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
		Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2017-18. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The total tax impact on the addition is ₹ 137.57 lakh. Against this demand company paid 10% of total demand amounting to ₹ 13.76 lakh and stay granted for the balance 90% of the demand till the disposal of the appeal by the commissioner of income tax (Appeals)		
2020-2021	Unqualified	**(A) Emphasis of Matter**		
		(i) We draw attention to following note regarding the treatment of interest on loan taken from Chairman and its impacts on financial statements of the company. Our opinion is not qualified in respect of this matter. Note: Company has taken loan from Mr. Boby C.D, Director and Chairman of the Company and also issued debentures to him. Year-end balance of loan from Mr. Boby C.D and debentures issued is ₹ 57.00 lakh and ₹ 12.55 lakh respectively. He has also bought Subordinated Debts from other holders and year-end balance of such subordinated debt is ₹ 55.00 lakh. There is an agreement executed on March 30th,2019 between Mr. Boby C.D and the Company containing terms and conditions governing loan availed by the Company from Mr. Boby C.D. As per this agreement Mr. Boby C.D has waived his right to receive interest on loan. Therefore, no interest is charged on loan accepted from Mr. Boby C.D during the year.	The impact of waiver of interest on loan will reduce the finance cost of the company.	No Action is required
		(ii) We draw attention to following note regarding outbreak of the COVID-19 pandemic and the consequential lock-down restrictions imposed by the Government, which, as per the assessment of the management, has not significantly impacted the operations and financial position of the Company for the year ended March 31, 2020. Our opinion is not qualified in respect of this matter. Note: The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as current contract terms, financial strength of partners, loan profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.	No impact on the financial statements	As per explanation provided, there is no significant impact on the operations and financial position of the company.
		(B) Pending Litigations	Contingent liability not provided on	Pending at various stage of appeal
		A. Claims against the Company not acknowledge as debts.		
		(i) Income Tax demand for the A.Y. 2012-13		
		Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2012-2013. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the income tax officer, ward1(2), Thrissur making an addition by disallowing various expenditures. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is ₹ 95.87 lakh.		
		(ii) Income Tax demand for the A.Y. 2013-14		
		Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2013-2014. Appeal is filed by the company against the order		

Financial Year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
		under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is ₹98.59 lakh.		
		(iii) Income Tax demand for the A.Y. 2014-15		
		Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2014-2015. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is ₹ 126.55 lakh.		
		(iv) Income Tax demand for the A.Y. 2017-18		
		Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2017-18. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The total tax impact on the addition is ₹ 137.57 lakh.		
2019-2020	Unqualified	**(A) Emphasis of Matter**		
		(i) We draw attention to following note regarding the treatment of interest on loan taken from Chairman and its impacts on financial statements of the company. Our opinion is not qualified in respect of this matter. Note: Company has taken loan from Mr. Boby C.D, Director and Chairman of the Company and also issued debentures to him. Year-end balance of loan from Mr. Boby C.D and debentures issued is ₹ 20.43 lakh and ₹ 15.55 lakh respectively. He has also bought Subordinated Debts from other holders and year-end balance of such subordinated debt is ₹ 55.00 Lakh. There is an agreement executed on March 30th, 2019 between Mr. Boby C.D and the Company containing terms and conditions governing loan availed by the Company from Mr. Boby C.D. As per this agreement Mr. Boby C.D has waived his right to receive interest on loan. Therefore, no interest is charged on loan accepted from Mr. Boby C.D during the year.	The impact of waiver of interest on loan will reduce the finance cost of the company.	No Action is required
		(ii)We draw attention to following note regarding outbreak of the COVID-19 pandemic and the consequential lock-down restrictions imposed by the Government, which, as per the assessment of the management, has not significantly impacted the operations and financial position of the Company for the year ended March 31, 2020. Our opinion is not qualified in respect of this matter. Note: Following the global outbreak of Coronavirus (COVID-19) pandemic, lock-down restrictions were imposed by the Government during the last week of the financial year ended March 31, 2020. However, as per the assessment of the management, there has been no significant impact on the operations and financial position of the Company for the year ended March 31, 2020.	No impact on the financial statements	As per explanation provided, there is no significant impact on the operations and financial position of the company.
		(B) Pending Litigations	As the mater had been settled under Sabka Vishwas (Legacy Dispute Resolution)	No corrective action required as the matter is already settled under
		A. Claims against the Company not acknowledged as debts.		
		(i) Service Tax and penalty Demanded for the AY 2012-13		
		The Assistant commissioner of Central Tax and Central Excise, Thrissur has issued an order demanding ₹ 8.75 lakh as service tax including educational cess and secondary higher educational cess u/s 73(2) of the Finance Act 1994 for the AY 2012-13 and imposing penalty u/s 78 of the Finance Act amounting to ₹ 4.37 lakh and ₹ 0.05 lakh under section 77(2) of the Finance Act 1994.Appeal against		

Financial Year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
		the order has been filed with the Assistant commissioner of Central Tax and Central Excise. Company has made a pre-deposit of ₹ 2.76 lakh. This has been settled through the Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019.	Scheme 2019, there is no financial impact on March 31, 2022	Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019
		(ii) Income Tax demand for the A.Y. 2012-13	Contingent liability not provided on	Pending at various stage of appeal
		Income tax appeal is pending with the Commissioner of Income Tax (Appeals), Thrissur for the AY 2012-2013. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the income tax officer, ward1(2), Thrissur making an addition by disallowing various expenditures. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is ₹ 95.87 lakh.		
		(iii) Income Tax demand for the A.Y. 2013-14		
		Income tax appeal is pending with the Commissioner of Income Tax (Appeals), Thrissur for the AY 2013-2014. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is ₹ 98.59 lakh		
		(iv)Income Tax demand for the A.Y. 2014-15		
		Income tax appeal is pending with the Commissioner of Income Tax (Appeals), Thrissur for the AY 2014-2015. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The addition did not increase the tax liability of the company but it has reduced the carry forward losses to the subsequent years. The total amount of addition is ₹ 126.55 lakh.		
		(v) Income Tax demand for the A.Y. 2017-18		
		Income tax appeal is pending with the commissioner of Income Tax (Appeals), Thrissur for the AY 2017-18. Appeal is filed by the company against the order under sec 143(3) of the Income Tax Act 1961, issued by the Assistant Commissioner of Income-Tax, Circle-1(1), Thrissur making an addition by disallowing expenditure. The total tax impact on the addition is ₹ 137.57 lakh.		

11. ***Summary of other observations of the auditors during the last three Fiscals immediately preceding the year of issue of this Draft Prospectus and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said observation***:

    There are no other observations of the auditors during the last three Fiscals immediately preceding the year of issue of this Draft Prospectus and of their impact on the financial statements and financial position of our Company.

12. ***Details of disciplinary action taken by SEBI or Stock Exchanges against the Promoter/Group companies in the last five financial years, including outstanding action***

Entity	Person	Competent Authority	Regulatory Charges	Regulatory Action(s) / Date Of Order
Chemmanur Gold Palace International Limited (“**CGPIL**”)		SEBI	CGPIL raised funds through issuance of 6% participating preference shares (“PPS”) by way of private placement aggregating to ₹ 28,828 lakh	Imposed penalty ₹ 25,00,000

			from 5,323 investors violating sections 56, 60, 64 67 and 73 of the Companies Act, 1956(parallel, section 25, 26, 28, 33(1), 40 and 42 of the Companies Act, 2013 read with section 465 of the Companies Act, 2013. Raised such funds without making application for listing of securities nor obtained in-principle approval for listing of securities, did not obtain credit rating nor appointed merchant banker, did not disclose requirement in offer document nor filed draft offer document with stock exchanges, did not advertise for public issues nor disclose in abridged prospectus & application forms and did not apply for listing of securities post issuance violating regulations 4(2)(a) to 4(2)(c), 4(5), 5, 6, 8, 9 and 16 of SEBI (Issue And Listing Of NCRPS) Regulations, 2013. Pursuant to the order, CGIPL had remitted the penalty amount within specified time limit.	April 30, 2021

13. ***Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interests thereon; and loan from any bank or financial institutions and interest thereon***

    NIL

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

"The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to the Issuer and the issue which is material in the context of the issue, that the information contained in the Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

Authority for the Issue

At the meeting of the Board of Directors of our Company held on February 1, 2022, approved the public issue of Secured, Redeemable, Non-Convertible Debenture for an amount amounting up to ₹5,000 lakh, with an option to retain oversubscription up to ₹5,000 lakh aggregating up to ₹10,000 lakh.

Prohibition by SEBI

Our Company, persons in control of our Company, Directors of our Company and/or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Categorisation as a Wilful Defaulter

Our Company, our Directors and/or our Promoter have not been categorised as a Wilful Defaulter nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six months.

Declaration as a Fugitive Economic Offender

None of our Directors have been declared as a Fugitive Economic Offender.

Other confirmations

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

The NCDs shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

The Consents/ permissions and no objection certificates required for creation of further pari passu charge in favour of the Debenture Trustee on the assets from the Existing Secured Creditors have been obtained.

Disclaimer statement from our Company, our Directors and the Lead Manager

Our Company, our Directors and the Lead Manager accepts no responsibility for statements made other than in this Draft Prospectus or in the advertisements or any other material issued by or at our Company's instance in connection with the Issue of the NCDs and anyone placing reliance on any other source of information including our Company's website, or any website of any affiliate of our Company would be doing so at their own risk. The Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement.

None among our Company or the Lead Manager or any Member of the Syndicate is liable for any failure in uploading the Application due to faults in any software/ hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who make an Application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs and will not issue, sell, pledge, or transfer the NCDs to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the NCDs being offered in the Issue.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●], WHICH READS AS FOLLOWS:

[●]

Disclaimer Clause of BSE

BSE LIMITED (“THE EXCHANGE”) HAS GIVEN, VIDE ITS LETTER NO [●] DATED [●] 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:

1. **WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**

2. **WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**

3. **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 ANY 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 JUNE 10, 2010, BEARING REGISTRATION NO. N-1600185 UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/DISCHARGE OF LIABILITY BY THE COMPANY.

DISCLAIMER CLAUSE OF FITCH SOLUTIONS INDIA ADVISORY PRIVATE LIMITED (FORMERLY KNOWN AS IRR ADVISORY SERVICES PRIVATE LIMITED)

Following is the disclaimer clause of Fitch Solutions India Advisory Private Limited (formerly known as IRR Advisory Services Private Limited) in relation to the Industry Report:

THIS REPORT IS PREPARED BY FITCH SOLUTIONS INDIA ADVISORY PRIVATE LIMITED (FSIAPL) (ERSTWHILE IRR ADVISORY SERVICES PRIVATE LIMITED) FSIAPL HAS TAKEN UTMOST CARE TO ENSURE ACCURACY AND OBJECTIVITY WHILE DEVELOPING THIS REPORT. THIS REPORT IS FOR THE INFORMATION OF THE INTENDED RECIPIENTS ONLY AND NO PART OF THIS REPORT MAY BE PUBLISHED OR REPRODUCED IN ANY FORM OR MANNER WITHOUT PRIOR WRITTEN PERMISSION OF FSIAPL.

DISCLAIMER CLAUSE OF CRISIL RATINGS LIMITED

CRISIL RATINGS LIMITED (CRISIL RATINGS) HAS TAKEN DUE CARE AND CAUTION IN PREPARING THE MATERIAL BASED ON THE INFORMATION PROVIDED BY ITS CLIENT AND / OR OBTAINED BY CRISIL RATINGS FROM SOURCES WHICH IT CONSIDERS RELIABLE (INFORMATION). A RATING BY CRISIL RATINGS REFLECTS ITS CURRENT OPINION ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY BY CRISIL RATINGS. CRISIL RATINGS DOES NOT GUARANTEE THE COMPLETENESS OR ACCURACY OF THE INFORMATION ON WHICH THE RATING IS BASED. A RATING BY CRISIL RATINGS IS NOT A RECOMMENDATION TO BUY, SELL, OR HOLD THE RATED INSTRUMENT; IT DOES NOT COMMENT ON THE MARKET PRICE OR SUITABILITY FOR A PARTICULAR INVESTOR. THE RATING IS NOT A RECOMMENDATION TO INVEST / DISINVEST IN ANY ENTITY COVERED IN THE MATERIAL AND NO PART OF THE MATERIAL SHOULD BE CONSTRUED AS AN EXPERT ADVICE OR INVESTMENT ADVICE OR ANY FORM OF INVESTMENT BANKING WITHIN THE MEANING OF ANY LAW OR REGULATION. CRISIL RATINGS ESPECIALLY STATES THAT IT HAS NO LIABILITY WHATSOEVER TO THE SUBSCRIBERS / USERS / TRANSMITTERS/ DISTRIBUTORS OF THE MATERIAL. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NOTHING IN THE MATERIAL IS TO BE CONSTRUED AS CRISIL RATINGS PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL RATINGS DOES NOT HAVE THE NECESSARY PERMISSION AND/OR REGISTRATION TO CARRY OUT ITS BUSINESS ACTIVITIES IN THIS REGARD. CHEMMANUR CREDITS AND INVESTMENTS LIMITED WILL BE RESPONSIBLE FOR ENSURING COMPLIANCES AND CONSEQUENCES OF NON-COMPLIANCES FOR USE OF THE MATERIAL OR PART THEREOF OUTSIDE INDIA. CURRENT RATING STATUS AND CRISIL RATINGS' RATING CRITERIA ARE AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE WEBSITE, WWW.CRISILRATINGS.COM. FOR THE LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL RATINGS, PLEASE CONTACT CUSTOMER SERVICE HELPDESK AT 1800-267-1301.

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following website:

Name of Lead Manager	Website
Vivro Financial Services Private Limited	http://www.vivro.net/offerdocuments

Listing

An application will be made to BSE for permission to deal in and for an official quotation of our NCDs.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Draft Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 6 Working Days from the date of closure of the issue.

Consents

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

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor, namely M/s V K S Narayan & Co, Chartered Accountants, to include its name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as a statutory auditor, in respect of the (a) Reformatted Standalone Financial Statements for the period ended June 30, 2022 and financial year ended March 31, 2022, 2021 and 2020 included in this Draft Prospectus. The consent of the Statutory Auditors has not been withdrawn as on the date of this Draft Prospectus.

Common form of Transfer

We undertake that there shall be a common form of transfer for the NCDs held in dematerialised form and they shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant Depositary Participants of the transferor or transferee and any other applicable laws and rules notified in respect thereof.

Filing of the Draft Prospectus

This Draft Prospectus is filed with the Designated Stock Exchange in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website(s) prior to the opening of the Issue.

Filing of the Prospectus

The Prospectus shall be filed with the RoC in accordance with Section 26 of the Companies Act, 2013.

Terms and Conditions of Debenture Trustee Agreement

Fees charged by Debenture Trustee

The Debenture Trustee has agreed for one time acceptance fee amounting to ₹ 1,05,000 with annual fee of ₹ 0.015% of the outstanding debentures for the services as agreed in the engagement letter dated March 12, 2022.

Terms of carrying out due diligence

As per the SEBI Circular "SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 titled "Creation of Security in issuance of listed debt securities and due diligence by debenture trustee(s)", SEBI Circular "SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2021/618" dated March 29, 2022 titled "Operational guidelines for 'Security and Covenant Monitoring' using Distributed Ledger Technology (DLT)" and SEBI Circular

"SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/106" dated August 4, 2022 titled "Enhanced guidelines for debenture trustees and listed issuer companies on security creation and initial due diligence", as amended and/ or supplemented from time to time, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer company are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our company has consented to.

a. The Debenture Trustee, either through itself or its agents /advisors/ consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document /disclosure document / information memorandum / private placement memorandum, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.

b. The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed.

c. Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

The Debenture Trustee shall have the power to either independently appoint or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company. Process of Due Diligence to be carried out by the Debenture Trustee Due Diligence will be carried out as per SEBI NCS Regulations and circulars issued by SEBI from time to time. This would broadly include the following:

- A Chartered Accountant ("**CA**") appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.
- CA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.
- CA will conduct independent due diligence on the basis of data / information provided by the Issuer.
- CA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.
- On basis of the CA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchanges.
- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Issuer.

While the NCD is secured as per terms of the Offer Document and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other Confirmations

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circulars titled (i) "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020; and (ii) "Monitoring and Disclosures by Debenture Trustee(s)" dated November 12, 2020 as amended/modified by SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022; (iii) "Operational guidelines for 'Security and Covenant Monitoring' using Distributed Ledger Technology (DLT)" dated March 29, 2022; and (iv) "Enhanced guidelines for debenture trustees and listed issuer companies on security creation and initial due diligence" dated August 4, 2022.

MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED HAVE FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 28, 2022, AS PER THE FORMAT SPECIFIED IN ANNEXURE A TO THE DT CIRCULAR WHICH READS AS FOLLOWS:

1. *"We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.*

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:

a. *The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.*

b. *The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).*

c. *The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.*

d. *Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document 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 deed (including any side letter, accelerated payment clause etc.)*

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.*

g. *All disclosures made in the draft offer document with respect to the debt securities are true, fair and adequate to enable the investors to make a well -informed decision as to the investment in the proposed issue.*

We have satisfied ourselves about the ability of the Issuer to service the debt securities as on date, basis the information shared with us."

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure A of the DT Circular.

Debenture Redemption Reserve ("DRR")

Pursuant to Regulation 16 of the SEBI NCS Regulations and Section 71(4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. As per rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Amendment Rules, 2019, a NBFC is not required to create a DRR in case of public issue of debentures. The rules further mandate that the company which is coming with a Public Issue shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures 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 46.

Reservation

No portion of this Issue has been reserved.

Details regarding the Company and other listed companies which are associate companies as described under the Companies Act, 2013, which made any capital issue during the last three years

There are no other listed companies under the same management / associate companies as described under the Companies Act, 2013, which have made any public capital issuances during the previous three years from the date of this Draft Prospectus.

Public issue of Equity Shares

Our Company has not made any public issue of Equity Shares or rights issuances in the last three years.

Previous Public Issues of Non-Convertible Debenture

Our Company has previously not made any public issues of non-convertible debentures. Other than as specifically disclosed in this Draft Prospectus, our Company has not issued any securities for consideration other than cash.

Dividend

Our Company has no formal dividend policy. The declaration and payment of dividends on our Equity Shares will be recommended by the Board of Directors and approved by our Shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. Our Company has declared dividends during three months period ended June 30, 2022 and the last three Fiscals as detailed below.

(₹ in lakh, except per share data)

Particulars	Three months period ended on June 30, 2022	For the Financial Year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
On Equity Shares				
Fully Paid-up Share Capital (Nos.)	6,00,00,000	6,00,00,000	6,00,00,000	6,00,00,000
Face Value / Paid Up Value (₹)	10	10	10	10
Equity Share Capital	6,000	6,000	6,000	6,000
Rate of Dividend	-		7.00%	
Dividend	0.00		420.00	
Dividend Distribution Tax	0.00	0.00	0.00	

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Thrissur, Kerala, India.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

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

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

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

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

Details regarding to the lending done by the issuer out of the issue proceeds of debt securities in last three years

A. Lending Policy

Please refer to the paragraph titled "*Our Company's Business- Gold Loans*" under Chapter "*Our Business*" at page 91**.**

B. Utilisation of Issue Proceeds of the previous issue by our Company and Group Companies

Company:

Our Company has not undertaken any public issues of debentures in the last 3 (three) years from the date of this Draft Prospectus:

Group Companies:

Our group companies have not undertaken any public/right issues in the last 3 (three) years from the date of this Draft Prospectus

C. Loans given by the Company

The Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoter out of the proceeds of previous private placements of debentures.

D. Type of loans

Classification of loans/advances given

The detailed breakup of the types of loans given by the Company as on June 30, 2022 is as follows:

(₹ in lakh)

S. No.	Type of Loans	Amount
1	Secured:	
	i) Gold Loan	27,169.08
	ii) Gramin Shakthi Loan (GSL)	4,186.99

2	Unsecured	
	i) Micro Finance Loan	2,110.23
	ii) Consumption Loans	380.20
	iii) Insta Loans	186.30
Total assets under management (AUM)		**34,032.80**

E. Denomination of loans outstanding by LTV as on June 30, 2022*

S. No.	LTV	Percentage of AUM
1.	Up to 40%	0.66%
2.	40%-50%	1.26%
3.	50%-60%	9.05%
4.	60%-70%	6.28%
5.	70%-80%	69.40%
6.	80%-90%	0.00%
7.	More than 90%	13.35%
	Total	**100.00%**

**LTV at the time of origination*

F. Sectoral Exposure as on June 30, 2022

S. No.	Segment wise break up of AUM	Percentage of AUM
1.	**Retail**	
(a)	Mortgages (home loans and loans against property)	-
(b)	Gold Loans	79.83%
(c)	Vehicle Finance	-
(d)	MFI	6.20%
(e)	MSME	-
(f)	Capital market funding (loans against shares, margin funding)	-
(g)	Others:	
	(i) Gramin Shakthi Loan(GSL)	12.30%
	(ii) Consumption Loan	1.12%
	(iii) Insta Loan	0.55%
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 June 30, 2022*

S. No.	Ticket size**	Percentage of AUM
1.	Up to 2 lakh	95.99%
2.	2 lakh to 5 lakh	3.05%
3.	5 lakh to 10 lakh	0.74%
4.	10 lakh to 25 lakh	0.22%
5.	25 lakh to 50 lakh	-
6.	50 lakh to 1 crore	-
7.	1 crore to 5 crore	-
8.	5 crore to 25 crore	-
9.	25 crore to 100 crore	-
10.	Above 100 core	-
	Total	**100.00%**

** Ticket size at the time of origination*
***The details provided are as per borrower and not as per loan account.*

H. Geographical classification of the borrowers as on June 30, 2022

Top 5 borrowers state wise

S. No.	Top 5 states	Percentage of AUM
1.	Kerala	84.10%
2.	Tamil Nadu	14.35%
3.	Karnataka	1.55%
	Total	**100.00%**

I. Details of loans overdue and classified as non-performing in accordance with the RBI's guidelines as on June 30, 2022

(₹ in lakh)

Particulars	Amount
Movement of gross NPA	
Opening gross NPA	383.85
- Additions during the year	24.03
- Reductions during the year	87.43
Closing balance of gross NPA	**320.45**
Movement of net NPA	
Opening net NPA	306.11
- Additions during the year	18.07
- Reductions during the year	85.61
Closing balance of net NPA	**238.57**
Movement of provisions for NPA	
Opening balance	77.74
- Provisions made during the year	14.25
- Write-off / write-back of excess provisions	10.11
Closing balance	**81.88**

J. Segment-wise gross NPA as on June 30, 2022

S. No.	Segment wise break up of gross NPA	Gross NPA (%)*
1.	**Retail**	
(a)	Mortgages (home loans and loans against property)	
(b)	Gold Loans	0.20%
(c)	Vehicle Finance	-
(d)	MFI	5.67%
(e)	M & SME	-
(f)	Capital market funding (loans against shares, margin funding)	-
(g)	Others:	
	(i) Gramin Shakthi Loan(GSL)	3.15%
	(ii) Consumption Loan	3.88%
2.	**Wholesale**	
(a)	Infrastructure	-
(b)	Real Estate (including builder loans)	-
(c)	Promoter funding	-
(d)	Any other sector (as applicable)	-
(e)	Others	-
Gross NPA		**0.94%**

** Gross NPA means percentage of NPAs to total advances in that sector*

K. Residual Maturity Profile of Assets and Liabilities as on June 30, 2022

(₹ in lakh)

	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total
Deposit	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Advances	5,275.02	2,798.24	5,139.23	18,238.71	1,631.29	950.31	0	0	34,032.80
Investments	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Borrowings	1302.66	967.67	430.13	1,809.60	5,666.69	7,458.96	7,181.86	749.65	25,567.22
Foreign Currency Assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Current Liabilities	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

L. (a) Details of top 20 borrowers with respect to concentration of advances as on June 30, 2022

(₹ in lakh)

Particulars	Amount
Total advances to twenty largest borrowers	303.03
Percentage of Advances to twenty largest borrowers to Total Advances to the Company	0.89%

(b) Details of top 20 borrowers with respect to concentration of exposure as on June 30, 2022

(₹ in lakh)

Particulars	Amount	
	Secured	Unsecured
Total exposure to twenty largest borrowers	303.03	9.16
Percentage of exposure to twenty largest borrowers to Total exposure to the Company	0.89%	0.03%

M. Classification of loans/advances given to Group Companies as on June 30, 2022:

	Name of Borrower	Amount of Advance/ exposure to such borrower (₹ in lakhs) (A)	Percentage of Exposure (A/ Total AUM)
1.	Nil	Nil	Nil

Revaluation of assets

Our Company has not revalued its assets in the last three financial years.

Mechanism for redressal of investor grievances

Agreement dated September 26, 2022 between the Registrar to the Issue and our Company provides for settling of investor grievances in a timely manner and for retention of records with the Registrar to the Issue for a period of eight years.

All grievances relating to the Issue may be addressed to the Registrar to the Issue and Compliance Officer giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on Application and the details of Member of Syndicate or Trading Member of the Stock Exchange where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Application Locations, giving full details such as name, address of Applicant, Application Form number, option applied for, number of NCDs applied for, amount blocked on Application.

Additionally, the Stock Exchange shall be responsible for addressing investor grievances arising from applications submitted online through the app based/ web interface platform of the Stock Exchange or through its Trading Members. Further, in accordance with the Debt UPI Circular, the Designated Intermediaries shall be responsible for addressing any investor grievances arising from the Applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be three (3) Working Days from the date of receipt of the complaint.

In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Registrar to the Issue

KFin Technologies Limited
Selenium Tower-B, Plot 31 & 32 Gachibowli
Financial District, Nanakramguda
Serilingampally, Hyderabad - 500 032
Telangana, India
Telephone: +91 40 6716 2222
Facsimile: N.A.
Email: ccil.ncdipo@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221

Compliance Officer of our Company

Anju Thomas has been appointed as the Compliance Officer of our Company for this Issue. The contact details of Compliance Officer of our Company are as follows:

Name: Anju Thomas
Address: Company Secretary,
Mangalodhayam Building, Round South, Thrissur - 680001, Kerala, India
E-mail: cs@chemmanurcredits.com
Telephone: 8606398811

Details of Auditor to the Issuer:

Name of Auditor	Address	Auditor Since
V K S Narayan & Co Chartered Accountants	32/88 Thiruvambady Shoranur Road Thrissur- 680022	FY 2021-22

Change in Auditors of our Company during the last three years

Name of Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of resignation, if applicable
Cheeran Varghese and Co, Chartered Accountants	CHEERANS, Mundupalam 1st Cross, Thrissur-680001	September 30, 2019	September 30, 2021	NA
V K S Narayan and Co, Chartered Accountants	32/88, Thiruvambady, Shornur Road, Thrissur-680022	September 30, 2021	Nil	Nil

ALM statement

The following table describes the ALM of our Company as on June 30, 2022:

	Up to 30/ 31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total
Deposit	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Capital and Reserve	-	-	-	-	-	-	-	8,856.65	8,856.65
Sub Debts	487.95	178.50	162.40	1,034.95	1,682.20	6,199.85	7,170.85	749.65	17,666.35
NCD	802.71	761.17	239.73	690.65	1,234.19	595.11	11.01	-	4,334.57
Cash credit from banks	-	-	-	-	2,638.30	-	-	-	2,638.30
Borrowings/Term Loan	12.00	28.00	28.00	84.00	112.00	664.00	-	-	928.00
Other Liability	521.37	202.49	12.71	511.15	852.99	1,313.14	1,027.51	46.44	4,487.80
Total	1,824.03	1,170.16	442.84	2,320.75	6,519.68	8,772.10	8,209.37	9,652.74	38,911.67
Foreign Currency Liabilities	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-
Fixed assets	-	-	-	-	-	-	-	1,597.90	1,597.90
Advances	5,275.02	2,798.24	5,139.23	18,238.71	1,631.29	950.31	-	-	34,032.80
Investments	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-
Cash and Bank	1,667.05	-	-	-	-	-	-	-	1,667.05
Other Asset	463.84	57.78	70.24	232.82	263.22	-	-	526.02	1,613.92
Total	7,405.91	2,856.02	5,209.47	18,471.53	1,894.51	950.31	-	2,123.92	38,911.67
Foreign Currency Assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0

KEY REGULATIONS AND POLICIES

The regulations summarized below are not exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, GST laws (including CGST, SGST and IGST) and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions, Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The major regulations governing our Company are detailed below:

On October 22, 2021 RBI issued a Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs ("**SBR Framework**"), whereby NBFCs have been categorised into following four layers based on their size, activity, and perceived riskiness by the RBI:

i) NBFC- Base Layer ("**NBFC-BL**");
ii) NBFC- Middle Layer ("**NBFC-ML**");
iii) NBFC- Upper layer ("**NBFC-UL**"); and
iv) NBFC- Top Layer ("**NBFC-TL**")

The NBFC- BL comprise of (a) non-deposit taking NBFCs below the asset size of ₹1,00,000 lakh and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface.

The NBFC- ML consist of (a) all deposit taking NBFCs ("**NBFC-Ds**"), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1,00,000 lakh and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).

The NBFC-UL comprise of those NBFCs which are specifically identified by RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in appendix to SBR Framework. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

The NBFC-TL will ideally remain empty. This layer can get populated if RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFC-UL. Such NBFCs shall move to the NBFC-TL.

Pursuant the SBR Framework the criteria of asset size of non-deposit NBFCs for classification as non-systemically important has been increased from ₹50,000 lakh to ₹1,00,000 lakh ("**NBFC-ND**"). Therefore, non-deposit NBFCs with asset size of over ₹1,00,000 lakh will be considered as systemically important by the RBI ("**NBFC-ND-SI**"). The SBR Framework came into effect from October 01, 2022 and provides that from October 01, 2022 references to NBFC-ND shall mean NBFC-BL and all references to NBFC-D and NBFC-ND-SI shall mean NBFC-ML or NBFC-UL, as the case may be.

Regulations governing NBFCs

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/purchase/construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its ‘principal business’ is to be treated as an NBFC. The term ‘principal business’ has not been defined in any statute; however, RBI has clarified through a press release (*Ref. No. 1998-99/1269*) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company’s principal business. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalisation of the balance sheet and in any case, not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the SBR Framework, the Master Direction – Non-Banking Financial Company – Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Peer to Peer Lending Platform (Reserve Bank) Directions, 2017, Master Direction- Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016, Reserve Bank Commercial Paper Directions, 2017 and the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- An NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and

- NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard, unless they have received an Authorised Dealer Category II licence from the RBI.

As on date of filing of this Draft Prospectus the Company falls under the category of NBFC BL, as its assets size is below ₹ 1,00,000 lakh, as per the last audited balance sheet. SBR Framework provide that NBFC-BL shall be subject to regulations as currently applicable to NBFC-ND, except for the regulatory changes under SBR Framework applicable on NBFC-BL.

As of September 29, 2022, the NBFC-ND-NSI (NBFC-BL) are governed by updated Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, dated September 1, 2016 (as updated from time to time) applicable to all NBFC-ND-NSI (NBFC-BL) (“**Master Directions**”).

Non-Systemically Important NBFC-NDs (NBFC-BL)

All NBFC-ND-NSI (NBFC-BL) shall maintain a leverage ratio of 7 and shall maintain a minimum Capital to Risk-Weighted Assets Ratio of 15 per cent.

Rating of NBFCs

Pursuant to the Master Directions, all applicable NBFCs are required to furnish information about downgrading / upgrading of assigned rating of any financial product issued by them, within fifteen days of such a change in rating, to the regional office of the RBI under whose jurisdiction their registered office is functioning.

Prudential Norms

The Master Directions amongst other requirements prescribe guidelines on NBFC-ND-NSI (NBFC-BL) regarding capital requirement, income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/ investment and norms relating to gold loans. Further the concentration of credit/ investment norms shall not apply to a non-systemically important non-banking financial company not accessing public funds in India, either directly or indirectly, and not issuing guarantees.

Provisioning Requirements

An NBFC-ND-NSI (NBFC-BL), after taking into account the time lag between an account becoming non-performing, its recognition, the realisation of the security and erosion overtime in the value of the security charged, shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the Master Directions.

As per the Master Directions every applicable NBFC shall make provision for standard assets at 0.25 per cent of the outstanding, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

Capital Adequacy Norms

Under the terms of Master Direction, 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.

"Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

Owned Funds, are defined as paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Asset Classification

The prudential regulations require that every applicable NBFC-ND-NSI (NBFC-BL) shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard Assets;
- Doubtful Assets; and
- Loss assets

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present all applicable NBFCs under Master Directions are required to make a general provision for standard assets at 0.25 percent.

Other stipulations on policies

NBFCs-BL are required to frame board approved policies *inter alia* including, (i) a policy for demand and call loan; (ii) liquidity risk management policy; (iii) code of conduct for direct sales agents /direct marketing agents/recovery agents; (iv) fair practice code policy; (v) customer grievance redressal policy; (vi) information technology policy/information system policy; (viii) interest rate model policy; (ix) outsourcing policy; (x) private placement of NCDs policy; (xi) know you customer/ anti-money laundering policy.

The prudential norms also specifically prohibit NBFCs from lending against its own shares.

Net Owned Fund

Section 45-IA of the RBI Act provided that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹200 lakh. However, the net owned fund requirement has been incrementally revised by SBR Framework. SBR Framework stipulates that minimum net owned fund requirement of ₹ 500 lakh by March 31, 2025 and ₹ 1,000 lakh by March 31, 2027 by the non-systemically important NBFCs with customer interface or public funds. For this purpose, the Master Directions have defined "net owned fund" to mean:

Net Owned Fund - means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any;

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs (unless specifically exempted by RBI) to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such a fund is to be created by every NBFC irrespective of whether it is a ND NBFC or not. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such appropriation.

Maintenance of liquid assets

The RBI through notification dated January 31, 1998, as amended has prescribed that every NBFC (unless specifically exempted by RBI) shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

NBFCs such as our Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-D (NBFC-ML and NBFC-UL) and are governed by the Master Directions.

An NBFC-ND-NSI (NBFC-BL) is required to inform the RBI of any change in the address, telephone no's, etc. of its registered office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND-NSI (NBFC-BL) would need to ensure that its registration with the RBI remains current.

Under the terms of Master Directions, NBFCs-BL having an asset base of ₹10,000 lakh or more as per their last audited balance sheet are required to comply with the RBI Guidelines on liquidity Risk Management Framework ("**LRM Framework**").

Similarly, all NBFCs having customer interface are required to comply with "Know Your Customer Guidelines - Anti Money Laundering Standards" issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

NBFCs shall constitute grievance redressal machinery as contained in RBI's circular on Grievance Redressal Mechanism, vide DNBS. CC. PD. No. 320/03.10. 01/2012-13 dated February 18, 2013 which states that at the operational level, all NBFCs shall display the name and contact details of the grievance redressal officer prominently at their branches/ places where business is transacted. The designated officer shall ensure that genuine grievances of customers are redressed promptly without involving any delay. It shall be clearly indicated that NBFCs' grievance redressal machinery shall also deal with the issue relating to services provided by the outsourced agency. Generally, a time limit of 30 (thirty) days may be given to the customers for preferring their complaints/ grievances. The grievance redressal procedure of the NBFC and the time frame fixed for responding to the complaints shall be placed on the NBFC's website.

Lending against security of gold

The RBI pursuant to the Master Directions, as amended from time to time has prescribed that all NBFCs shall maintain a loan to value ratio not exceeding 75% for loans granted against the collateral of gold jewellery. The Value of gold jewellery, for the purpose of determining maximum permissible limit shall be the intrinsic value of the gold content therein and no other cost elements shall be added thereto.

The directions provide for the following requirements to lend against gold:

i. Verification of the Ownership of Gold

(a) Where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams, NBFCs shall keep a record of the verification of the ownership of the jewellery. The ownership verification need not necessarily be through original receipts for the jewellery pledged but a suitable document shall be prepared to explain how the ownership of the jewellery has been determined, particularly in each and every case where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams.

(b) NBFCs shall have an explicit policy in this regard as approved by the Board in their overall loan policy.

ii. Safety and Security measures to be followed

(a) Non-Banking Financial Companies, which are in the business of lending against collateral of gold jewellery, shall ensure that necessary infrastructure and facilities are put in place, including safe deposit vault and appropriate security measures for operating the vault, in each of its branches where gold jewellery is accepted as collateral. This is required to safeguard the gold jewellery accepted as collateral and to ensure convenience of borrowers.

(b) No new branch/es shall be opened without suitable arrangements for security and for storage of gold jewellery, including safe deposit vault

iii. Opening Branches exceeding one thousand in number

Non-Banking Financial Company which are in the business of lending against collateral of gold jewellery, shall obtain prior approval of RBI to open branches exceeding 1000. However, NBFCs which already have more than 1,000 branches shall approach RBI for prior approval for any further branch expansion. Besides, no new branches shall be allowed to be opened without the facilities for storage of gold jewellery and minimum-security facilities for the pledged gold jewellery. Further, NBFC's are also required to not grant any advance against bullion / primary gold, gold bullion, gold jewellery, gold coins, units of Exchange Traded Funds (ETF) and units of gold mutual fund. NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets) are required to maintain a minimum Tier I capital of 12.00%.

*Reserve Bank of India (Know Your Customer (KYC)) Master Directions, 2016 dated February 25, 2016, 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. The RBI KYC Directions were updated on April 20, 2018 to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002 and in accordance with the Prevention of Money-Laundering Rules vide Gazette Notification GSR 538 (E) dated June 1, 2017 and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The Directions were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement. The RBI KYC Directions were further updated on January 9, 2020 with a view to leveraging the digital channels for customer identification process by regulated entities, whereby the RBI has decided to permit video based customer identification process as a consent based alternate method of establishing the customer's identity, for customer onboarding.

Accounting Standards & Accounting policies

NBFCs that are required to implement Indian Accounting Standards ("**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. The said circular is applicable on NBFCs covered by Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015. 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. NBFCs whose equity or debt securities are listed or in the process of listing on any stock exchange in India or outside India and having net worth less than rupees five hundred crore shall comply with the Indian Accounting Standards (Ind AS) for accounting periods beginning on or after the 1st April, 2019, with comparatives for the periods ending on 31stMarch, 2019, or thereafter.

Master Circular dated July 1, 2015 on returns to be submitted by NBFCs

The circular lists down detailed instructions in relation to submission of returns, including their periodicity, reporting time, due date, purpose and the requirement of filing such returns by various categories of NBFCs, including an NBFC-ND-NSI (NBFC-BL). RBI, vide notification dated November 26, 2015 titled "Online Returns to be submitted by NBFCs-Revised" changed the periodicity of NDSI returns from monthly to quarterly.

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.

Reporting by Statutory Auditor

The statutory auditor of the NBFC-ND-NSI (NBFC-BL) is required to submit to the Board of Directors of the Company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC-ND-NSI (NBFC-BL), the auditor shall make a separate report to the Board of Directors of the company on *inter alia* examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on 31st March of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and whether the non-banking financial company has been correctly classified as NBFC Micro Finance Institutions (MFI).

Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. An NBFC-ND-NSI (NBFC-BL) is required to file on a quarterly basis a return on important financial parameters, including components of assets and liabilities, profit and loss account, exposure to sensitive sectors etc., NBS-7 on prudential norms on a quarterly basis, multiple returns on asset-liability management to address concerns regarding inter alia asset liability mismatches and interest rate risk, quarterly report on branch information, and Central Repository of Information on Large Credits ("CRILC") on a quarterly basis as well as all Special Mention Accounts-2 ("SMA-2") status on a weekly basis to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

Master Circular dated July 1, 2015 on returns to be submitted by NBFCs

The circular lists down detailed instructions in relation to submission of returns, including their periodicity, reporting time, due date, purpose and the requirement of filing such returns by various categories of NBFCs, including an NBFC-ND-NSI (NBFC-BL). RBI, vide notification dated November 26, 2015 titled "Online Returns to be submitted by NBFCs-Revised" changed the periodicity of NDSI returns from monthly to quarterly.

Master Direction on Information Technology Framework for the NBFC Sector, 2017

All NBFCs-BL may start with developing basic IT systems mainly for maintaining the database. The Company shall have a board approved Information Technology policy/Information system policy. This policy may be designed considering the basic standards stipulated in the Master Directions and must be implemented by applicable NBFCs by September 30, 2018.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs ("Risk Management Directions"). The Risk Management Directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

Financing of NBFCs by bank

The RBI has issued guidelines vide a circular dated bearing number DBR.BP.BC.No.5/21.04.172/2015-16 dated July 1, 2015 relating to bank financing of NBFCs predominantly engaged in lending against Gold has directed banks to (i) reduce their regulatory exposure ceiling on a single NBFC, having gold loans to the extent of 50% or more of its total financial assets 10% of banks' capital funds. However, the exposure ceiling may go up by 5%, i.e., up to 15% of banks' capital funds if the additional exposure is on account of funds on-lent by NBFCs to the infrastructure sector and (ii) to have an internal sub-limit on their aggregate exposures to all such NBFCs, having gold loans to the extent of 50% or more of their total financial assets, taken together. The sub-limits should be within the internal limit fixed by the banks for their aggregate exposure to all NBFCs put together.

Norms for excessive interest rates

In addition, the RBI has introduced vide a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 1, 2015 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by NBFCs-BL, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution with requirement to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalisation of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013 the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred relating to the above, is unfavourable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI , it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the registered office of the company is located.

Ombudsman scheme for customers of NBFCs

The RBI has on February 23, 2018 introduced the Ombudsman Scheme for Non-Banking Financial Companies, 2018 (the "**Scheme**"). The stated objective of the Scheme is to enable the resolution of complaints free of cost, relating to certain aspects of services rendered by certain categories of NBFCs registered with the RBI to facilitate the satisfaction or settlement of such complaints, and matters connected therewith. The Scheme provides for the appointment by RBI of one or more officers not below the rank of general manager as ombudsmen (the "**Ombudsmen**") for a period not exceeding three years at a time, to carry out the functions entrusted to Ombudsmen under the Scheme. The Scheme describes the nature of complaints which any person could file with an Ombudsman alleging deficiency in services by an covered NBFC, which include *inter alia* failure to convey in writing the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof, failure or refusal to provide adequate notice on proposed changes being made in the sanctioned terms in vernacular or a language understood by the borrower, levying of charges without adequate prior notice to the borrower/customer and failure or inordinate delay in releasing the securities documents to the borrower on repayment of all dues. The complaints may be settled by the covered NBFC within a specified period or may be decided by an award passed by Ombudsman after affording the parties a reasonable opportunity to present their case, either in writing or in a meeting. Where the Ombudsman decides to allow the complaint, the award passed is required to contain the direction/s, if any, to the covered NBFC for specific performance of its obligations and in addition to or otherwise, the amount, if any, to be paid by the covered NBFC to the complainant by way of compensation for any loss suffered by the complainant, arising directly out of the act or omission of the covered NBFC. The covered NBFC is required to implement the settlement arrived at with the complainant or the award passed by the Ombudsman when it becomes final and send a report in this regard to the RBI within 15 days of the award becoming final. The Ombudsman is required to send a report to the RBI governor annually (as on June 30 every year) containing general review of the activities of his office during the preceding financial year and provide such other information as may be required by the RBI.

The RBI has prescribed the Guidelines for asset liability management ("ALM") system in relation to NBFCs through LRM 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 NBFC shall appoint risk management committee ("**RMC**") consisting of chief executive officer ("**CEO**")/

managing director ("**MD**") and heads of various risk verticals, who shall be responsible for evaluating the overall risks faced by the NBFC including liquidity risk. 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 (ED) 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. The maturity profile should be used for measuring the future cash flows of NBFCs in different time buckets. Within each time bucket, there could be mismatches depending on cash inflows and outflows. While the mismatches up to one year would be relevant since these provide early warning signals of impending liquidity problems, the main focus shall be on the short-term mismatches, viz., 1-30/ 31 days. The net cumulative negative mismatches in the statement of structural liquidity in the maturity buckets 1-7 days, 8-14 days, and 15-30 days shall not exceed 10 percent, 10 percent and 20 per cent of the cumulative cash outflows in the respective time buckets. NBFCs, however, are expected to monitor their cumulative mismatches (running total) across all other time buckets upto 1 year by establishing internal prudential limits with the approval of the board of directors. NBFCs shall also adopt the above cumulative mismatch limits for their structural liquidity statement for consolidated operations. Other than liquidity risk the applicable NBFC has to currency risk and interest rate risk under the terms of LRM Framework.

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 DIPP issued the Standard Operating Procedure (SOP) 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.

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 lakh; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 10 lakh where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 10 lakh. 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.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act")

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. 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 a Non - Performing Asset ("NPA"). Securitisation Companies and Reconstruction Companies ("SCs/RCs") are required to obtain, for the purpose of enforcement of security interest, the consent of secured creditors holding not less than 60 per cent of the amount outstanding to a borrower as against 75 per cent. While taking recourse to the sale of secured assets in terms of Section 13(4) of the SARFAESI Act, a SC/RC may itself acquire the secured assets, either for its own use or for resale, only if the sale is conducted through a public auction.

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 issued 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 ₹ 10,000 lakh and above) has been reduced from ₹ 1 Crore to ₹ 50 lakh.

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 *inter alia* 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") *inter alia* 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.

Companies Act, 2013

The Companies Act, 2013 ("Companies Act") has been notified by the Government of India on August 30, 2013 (the "Notification"). Under the Notification, Section 1 of the Companies Act has come into effect and the remaining provisions of the Companies Act have and shall come into force on such dates as the Central Government has notified and shall notify. Section 1 of the Companies Act deals with the commencement and application of the Companies Act and among others sets out the types of companies to which the Companies Act applies. Further the Ministry of Corporate Affairs has by their notifications dated September 12, 2013 and March 26, 2014 notified certain sections of the Companies Act, which have come into force from September 12, 2013 and April 1, 2014.

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act. As mentioned above, certain provisions of the Companies Act, 2013 have already come into force and the rest shall follow in due course.

Under the Companies Act every company having net worth of ₹50,000 lakh or more, or turnover of ₹1,00,000 lakh or more or a net profit of ₹ 500 lakh or more during the immediately preceding financial year shall formulate a corporate social responsibility policy. Further, the board of every such company shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its corporate social responsibility policy.

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. The Company is required to comply with certain labour laws, which include the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972 and the Payment of Wages Act, 1936, amongst others.

Intellectual Property

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trademarks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

At the meeting of the Board of Directors of our Company held on February 1, 2022, the Board approved the public issue of Secured, Redeemable, Non-Convertible Debenture for an amount amounting up to ₹5,000 lakh with an option to retain oversubscription up to ₹5,000 lakh, aggregating up to ₹10,000 lakh.

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 174.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Listing Agreement, SEBI Listing Regulations, and the Companies Act, 2013, the RBI Act, the terms of this Draft Prospectus, the Prospectus the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the Government of India, and other statutory/regulatory authorities relating to the offer, issue and listing of NCDs and any other documents that may be executed in connection with the NCDs.

The key common terms and conditions of the NCDs / term sheet are as follows:

Principal Terms and Conditions of the Issue

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs

Issuer	**Chemmanur Credits and Investments Limited**
Type of instrument	Secured, Redeemable, Non-Convertible Debentures
Nature of the Instrument	Secured, Redeemable, Non-Convertible Debentures
Mode of the Issue	Public Issue
Mode of Allotment	In dematerialised form
Mode of Trading	NCDs will be traded in dematerialised form
Minimum Subscription	Minimum subscription is 75% of the Base Issue, i.e., ₹3,750 lakh
Lead Manager	Vivro Financial Services Private Limited
Debenture Trustee	Mitcon Credentia Trusteeship Services Limited (Formerly known as MITCON Trusteeship Services Limited)
Issue Size	Public issue of Secured, Redeemable, Non-convertible Debentures of our Company of face value of ₹1,000 each amounting up to ₹5,000 lakh, with an option to retain over-subscription up to ₹5,000 lakh, aggregating up to ₹10,000 lakh, on the terms and in the manner set forth herein
Base Issue	₹5,000 lakh
Seniority	Senior
Stock Exchange proposed for listing of the NCDs	BSE Limited
Listing and timeline for Listing	The NCDs shall be listed within 6 Working Days of Issue Closure
Depositories	NSDL and CDSL
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, replacement of security, interest of the debenture holder over and	The principal amount of the NCDs to be issued in terms of 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 existing secured creditors, on all movable assets, including book debts and receivables, cash and bank balances, loans and advances both present and future of the Company (excluding (a) reserves created in accordance with law; (b) receivables of the Company, fixed deposits, cash collateral, immovable and movable assets over which exclusive charge is created in favour of State bank of India, Canara Bank, Dhanlaxmi Bank or any other lender), such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.

above the coupon rate as specified in the Debenture Trust Deeds and disclosed in this Draft Prospectus	The securities so created pursuant to the security documents shall be registered with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI), Depository or any other institution, as applicable, within 30 days of creation of charge. The tentative date of creation of the security for the NCDs shall be finalised upon execution of the Debenture Trust Deed. Replacement of security – Our Company shall within such period as may be permitted by the Debenture Trustee, furnish to the Debenture Trustee as additional security, if the Debenture Trustee is of the opinion that during the subsistence of these presents, the security for the NCDs has become inadequate on account of the margin requirement as provided in the financial covenants and conditions and the Debenture Trustee has, accordingly, called upon our Company to furnish such additional security. In such case, our Company shall, at its own costs and expenses, furnish to the Debenture Trustee such additional security, in form and manner satisfactory to the Debenture Trustee, as security for the NCDs and upon creation of such additional security, the same shall vest in the Debenture Trustee subject to all the trusts, provisions and covenants contained in these presents. For further details, please refer to the Debenture Trust Deed. Minimum security cover: Please refer to "- Security Cover" below. Interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deeds and disclosed in the Draft Prospectus.
Security Cover	Our Company shall maintain a minimum 100% security cover or higher on the outstanding balance of the NCDs plus accrued interest thereon.
Who can apply*	Category I • Resident public financial institutions as defined in Section 2(72) of the Companies Act 2013, statutory corporations including state industrial development corporations, scheduled commercial banks, co-operative banks and regional rural banks, and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds of minimum corpus of ₹2,500 lakh, pension funds of minimum corpus of ₹2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative investment funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident venture capital funds registered with SEBI; • Insurance Companies registered with the IRDAI; • National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India); • Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India; • Mutual Funds registered with SEBI; and • Systemically Important NBFCs. Category II • Companies falling within the meaning of Section 2(20) of the Companies Act 2013; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorised to invest in the NCDs; • Trust including public/private charitable/religious trusts which are authorised to

<table>
<tr><td></td><td>invest in the NCDs;
• Association of persons;
• Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
• Partnership firms in the name of the partners;
• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and
• Resident Indian individuals and Hindu undivided families through the Karta aggregating to a value exceeding ₹5 lakh.

Category III*

• Resident Indian individuals; and
• Hindu undivided families through the Karta.
* applications aggregating to a value not more than ₹5 lakh</td></tr>
<tr><td>Credit Rating</td><td><table><tr><th>Rating agency</th><th>Instrument</th><th>Rating symbol</th><th>Date of credit rating letter</th><th>Amount rated (in ₹ lakh)</th><th>Rating Definition</th></tr><tr><td>CRISIL Ratings Limited</td><td>Non-Convertible Debentures</td><td>CRISIL BBB-/Stable</td><td>August 25, 2022</td><td>10,000</td><td>Instrument with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instrument carry moderate credit risk.</td></tr></table></td></tr>
<tr><td>Pay-in date</td><td>Application Date. The entire Application Amount is payable on Application</td></tr>
<tr><td>Application money</td><td>The entire Application Amount is payable on submitting the Application</td></tr>
<tr><td>Mode of payment</td><td>Please see “Issue Procedure” on page 188.</td></tr>
<tr><td>Record Date</td><td>The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 7 Working 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</td></tr>
<tr><td>All covenants of the Issue (including side letters, accelerated payment clause, etc.)</td><td>Please refer chapter titled “Terms of the Issue” on page 174.</td></tr>
<tr><td>Issue Schedule</td><td>The Issue shall be open from [•] to [•] with an option to close earlier as may be determined by a duly authorised committee of the Board and informed by way of newspaper publication on or prior to the earlier closer date/date of closure up to maximum 30 days from the date of this Draft Prospectus.</td></tr>
<tr><td>Objects of the Issue</td><td>Please refer to the chapter titled “Objects of the Issue” on page 46.</td></tr>
<tr><td>Put/Call Option</td><td>None</td></tr>
<tr><td>Put date</td><td>Not Applicable</td></tr>
<tr><td>Put price</td><td>Not Applicable</td></tr>
<tr><td>Call date</td><td>Not Applicable</td></tr>
<tr><td>Call price</td><td>Not Applicable</td></tr>
<tr><td>Put notification time</td><td>Not Applicable</td></tr>
<tr><td>Call notification time</td><td>Not Applicable</td></tr>
<tr><td>Face Value</td><td>₹ 1,000 (₹/NCD)</td></tr>
</table>

Details of the utilisation of the proceeds of the Issue	Please refer to the chapter titled "Objects of the Issue" on page 46.
Coupon rate and redemption premium	Please refer to the chapter titled "Terms of Issue" on page 174.
Step Up/Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Please refer chapter titled "Terms of the Issue" on page 174.
Coupon Payment Dates	Please refer chapter titled "Terms of the Issue" on page 174.
Coupon types (fixed, floating or other structure)	Please refer chapter titled "Terms of the Issue" on page 174.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc)	Not Applicable
Working Days convention	If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. In case the redemption date (also being the last interest payment date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.
Issue Opening Date	[●]
Issue Closing Date	[●]
Issue Timing	The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a period of maximum 30 days from the date of Prospectus) as may be decided by the Board of Directors of our Company ("Board") or the Debenture Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper and a regional newspaper in the state of Kerala with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.
Default Interest Rate	In the event of any default in fulfilment of obligations by our Company under the Debenture Trust Deed, the Default Interest Rate payable to the Applicant shall be as prescribed under the Debenture Trust Deed
Depository	NSDL and CDSL
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 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
Day count basis	Actual
Interest on Application Money	Not Applicable
Tenor	Please refer chapter titled "Terms of the Issue" on page 174.
Redemption Amount	The principal amount of the NCDs along with interest accrued on them, if any, as on the Redemption Date
Redemption Date	Please refer chapter titled "Terms of the Issue" on page 174.
Redemption premium/ discount	Not Applicable
Transaction documents	The Draft Prospectus and the Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trusteeship Agreement, the Debenture Trust Deed and other security documents, if applicable, and various other

	documents/agreements/undertakings, entered or to be entered by the Company with Lead Manager and/or other intermediaries for the purpose of this Issue including but not limited to the Public Issue Account and Sponsor Bank Agreement, the Agreement with the Registrar and the Agreement with the Lead Manager. Refer to section titled "Material Contracts and Documents for Inspection" on page 229.
Affirmative and Negative covenants precedent and subsequent to the Issue	The covenants precedent and subsequent to the Issue will be finalised upon execution of the Debenture Trust Deed which shall be executed within timeline as specified under Regulation 18 of SEBI NCS Regulations. Further, in the event our Company fails to execute the Debenture Trust Deed within a period specified under Regulation 18 of SEBI NCS Regulations, our Company shall pay interest of at least 2% p.a. to each NCD Holder, over and above the agreed coupon rate, till the execution of the Debenture Trust Deed
Conditions precedent to disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions precedents to disbursement.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions precedents to disbursement.
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" on page 177.
Creation of recovery expense fund	The creation of recovery expense fund will be finalised upon the execution of the Debenture Trust Deed, as applicable in accordance with the applicable provisions of SEBI NCS Regulations and other applicable laws.
Conditions for breach of covenants (as specified in the Debenture Trust Deed)	The conditions for breach of covenants will be finalised upon execution of the Debenture Trust Deed which shall be executed within the period specified under Regulation 18 of SEBI NCS Regulations.
Cross Default	Please refer to the chapter titled "Terms of Issue – Events of Default" on page 177.
Roles and responsibilities of the Debenture Trustee	Please refer to the chapter titled "Terms of Issue – Debenture Trustees for the NCD Holders" on page 176.
Risk Factors pertaining to the Issue	Please refer to the chapter titled "Risk Factors" on page 16.
Settlement Mode	Please refer to the chapter titled "Terms of Issue - Payment on Redemption" on page 184.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Thrissur, Kerala.

Note:

(a) *The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a period of maximum 30 days from the date of Prospectus) as may be decided by the Board of Directors of our Company ("**Board**") or the Debenture Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper and a regional newspaper in the state of Kerala with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

(b) *In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this Issue of NCDs in dematerialized form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfil such request through the process of rematerialisation, if the NCDs were originally issued in dematerialized form.*

**Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.*

In case of Application Form being submitted in joint names, the Applicants should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please refer to "*Issue Procedure*" on page 188.

Terms of NCDs

Tenure	**366 Days**	**18 Months**	**24 Months**	**36 Months**	**60 Months**	**24 Months**	**36 Months**	**74 Months**
Nature	**Secured**							
Options	**I**	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**
Frequency of interest Payment	Monthly	Monthly	Monthly	Monthly	Monthly	Cumulative	Cumulative	Cumulative
Minimum Application	10 NCDs (₹10,000) (across all options of NCDs)							
In multiples, of	1 NCD after the minimum application							
Face Value of NCDs (₹/NCD)	₹ 1,000							
Issue Price (₹/NCD)	₹ 1,000							
Mode of Interest Payment/ Redemption	Through Various options available							
Coupon rate % Per Annum	9.50%	10.50%	10.75%	11.00%	11.50%	NA	NA	NA
Effective Yield % Per Annum	9.92%	11.02%	11.30%	11.57%	12.13%	10.75%	11.00%	11.90%
Redemption Amount of ₹ 1000	1,000	1,000	1,000	1,000	1,000	1,227	1,368	2,000
Coupon Type	Fixed							
Put and Call Option	Not Applicable							
Deemed Date of Allotment	The date on which the Board or a duly authorised committee approves the Allotment of NCDs. All benefits 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 options

Interest would be paid monthly under Options I, II, III, IV and V at the following rates of interest in connection with the relevant categories of Debenture 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**				
	Option I	**Option II**	**Option III**	**Option IV**	**Option V**
	366 Days	**18 Months**	**24 Months**	**36 Months**	**60 Months**
All categories (%)	9.50%	10.50%	10.75%	11.00%	11.50%

For avoidance of doubt where interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till the last date of every month on an actual/actual basis during the tenor of such NCDs and paid on the first day of every subsequent month. For the first interest payment for NCDs under the monthly options if the Deemed Date of Allotment is on or 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. Cumulative interest payment options

Option VI, VII and VIII of the NCDs shall be redeemed as below:

Category of NCD Holder	Redemption Amount (per NCD)		
	Option VI	Option VII	Option VIII
	24 Months	36 Months	74 Months
All categories (₹)	1,227	1,368	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 Operational Circular.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs subject to such Transferee holding the NCDs on the Record Date.

Terms of Payment

The entire face value per NCDs is payable on Application. The entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms of specified in "*Terms of The Issue – Manner of Payment of Interest / Redemption Amounts*" on page 182.

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue. For further details, please see the chapter titled "*Issue Procedure*" on page 188.

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company held on February 1, 2022, approved the public issue of Secured, Redeemable, Non-Convertible Debenture amounting up to of ₹ 5,000 lakh, with an option to retain over-subscription up to ₹5,000 lakh, aggregating up to ₹10,000 lakh.

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 AGM held on September 29, 2014.

Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Prospectus, the Application Forms, the terms and conditions of the Debenture Trusteeship Agreement, the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the Government of India, BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs

The NCDs being offered through this Issue would constitute direct and secured obligations of the Company and shall rank *pari passu inter se*, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first ranking pari passu charge with existing secured creditors, on all movable assets, including book debts and receivables, cash and bank balances, loans and advances both present and future of the Company (excluding (a) reserves created in accordance with law; (b) receivables of the Company, fixed deposits, cash collateral, immovable and movable assets over which exclusive charge is created in favour of State bank of India, Canara Bank, Dhanlaxmi Bank or any other lender), such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.

Security

The Issue comprises of public issue of NCDs of face value of ₹1,000 each.

The principal amount of the NCDs to be issued in terms of this Draft Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with existing secured creditors, on all movable assets, including book debts and receivables, cash and bank balances, loans and advances both present and future of the Company (excluding (a) reserves created in accordance with law; (b) receivables of the Company, fixed deposits, cash collateral, immovable and movable assets over which exclusive charge is created in favour of State bank of India, Canara Bank, Dhanlaxmi Bank or any other lender), such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.

Our Company will create the security for the NCDs in favour of the Debenture Trustee for the Debenture Holders holding the NCDs on the assets to ensure 100.00% security cover of the amount outstanding including interest in respect of the NCDs at any time.

Our Company has entered into the Debenture Trusteeship Agreement and in furtherance thereof intends to enter into a deed of agreement with the Debenture Trustee, ("**Debenture Trust Deed**"), the terms of which shall govern the appointment of the Debenture Trustee and the issue of the NCDs.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Debenture Holders holding the NCDs the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on the NCDs at the rate specified in this Draft Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security subject to prior written consent of the Debenture Trustee and/or may replace with another asset of the same or a higher value.

Our Company confirms that the Issue Proceeds shall be kept in the Public Issue Account until the documents for creation of security i.e., the Debenture Trust Deed, is executed.

Further, in the event our Company fails to execute the Debenture Trust Deed within a period as specified under Regulation 18 of SEBI NCS Regulations, our Company shall pay interest of at least 2% p.a. to each Secured NCD Holder, over and above the agreed coupon rate, till the execution of the Debenture Trust Deed.

Debenture Redemption Reserve

Pursuant to Regulation 16 of the SEBI NCS Regulations and Section 71(4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, As amended by Companies (Share Capital and Debentures) Amendment Rules, 2019, a NBFC is not required to create a DRR in case of public issue of debentures. The rules further mandate that the company which is coming with a Public Issue shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures issued through public issue, maturing during the year ending on the 31st day of March of the next year in any one or more prescribed methods.

Accordingly, our Company is not required to create a DRR for the NCDs proposed to be issued through this Issue. Further, our Company shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures issued through public issue, maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year, in terms of the applicable laws.

Recovery Expense Fund

Pursuant to the SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 (read along with SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022), the creation of the recovery expense fund shall be in accordance with the aforementioned circular, as may be amended from time to time.

Face Value

The face value of each NCD to be issued under this Issue shall be ₹1,000.

Debenture Holder not a Shareholder

The Debenture Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided under the Companies Act, 2013, our Memorandum of Association and Articles of Association and/or the Debenture Trust Deed, confer upon the NCD Holders thereof any rights or privileges available to our members including the right to receive notices or annual reports of, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. The opinion of the Debenture Trustee as to whether such resolution is affecting the right attached to the NCDs is final and binding on NCD Holders. In terms of Section 136 of the Companies Act, 2013, the NCD

Holders shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to us.

2. Subject to applicable statutory/ regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by them.

4. The NCDs are subject to the provisions of the SEBI NCS Regulations, the applicable provisions of Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Prospectus, the Abridged Prospectus, the Application Form, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. For the NCDs issued in dematerialized form, the Depositories shall also maintain updated records of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD Holders.

6. Subject to compliance with applicable statutory requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 15 days' prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the NCDs of all the NCD Holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of this Draft Prospectus and the Debenture Trust Deed.

Debenture Trustees for the NCD Holders

We have appointed MITCON Credentia Trusteeship Services Limited (formerly known as MITCON Trusteeship Services Limited) to act as the Debenture Trustees for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us with respect to the NCDs. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the Debenture Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost. It is it the duty of the debenture trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Our Company shall not create any further encumbrances on the Security except with the prior approval of the Debenture Trustee. In the event of such request by our Company, the Debenture Trustee shall provide its approval for creation of further charges provided that our Company provides a certificate from a chartered accountant stating that after creation of such further charges, the required Security cover is maintained.

At any time before the Security constituted hereunder becomes enforceable, the Debenture Trustee, may, at the request of our Company and without any consent of the NCD Holders, do or concur our Company in doing all or any of the things which our Company might have done in respect of the Security as if no security had been created and particularly, but not by way of limitation, the following assent to any modification of any contracts or arrangements which may be subsisting in relation to the Security.

Events of Default

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee, at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the Debenture Holders, (subject to being indemnified and/or secured by the Debenture Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular options of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice inter alia if any of the events listed below occurs. The description below is indicative and a complete list of events of default including cross defaults, if any, and its consequences will be specified in the Debenture Trust Deed:

(i) default is committed in payment of the principal amount of the NCDs on the due date(s); and
(ii) default is committed in payment of any interest on the NCDs on the due date(s).

Market Lot and Trading Lot

Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

Allotment in the Issue will be in Demat form in multiples of one NCD. For details of allotment, see "*Issue Procedure*" on page 188.

Nomination facility to Debenture Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") and Section 72 of the Companies Act, 2013, the sole Debenture Holder, or first Debenture Holder, along with other joint Debenture Holders' (being individual(s)), may nominate, in the **Form No. SH.13,** any one person in whom, in the event of the death of Applicant the NCDs Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No. SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue.

Debenture Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the Debenture Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, the Board may thereafter withhold payment of all interests or redemption amounts or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the Debenture Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

For all NCDs held in the dematerialised form and since the allotment of NCDs pursuant to this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. The nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialised form.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Thrissur, Kerala, India.

Application in the Issue

Applicants shall apply in this Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will rematerialize the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialised form only.

Form of Allotment and Denomination of NCDs

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of one (1) NCD ("**Market Lot**"). Allotment in this Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD.

For details of allotment please see "*Issue Procedure*" on page 188.

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 Debenture Holders as Debenture Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the Debenture Holder.

No transfer of title of NCD will be valid unless and until entered on the Register of Debenture Holders or the register and index of Debenture Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of Debenture Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act/ the relevant provisions of the Companies Act applicable as on the date of this Draft Prospectus shall apply, mutatis mutandis (to the extent applicable) to the NCD(s) as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the Debenture Holder(s). It will be sufficient for our Company to delete the name of the deceased Debenture Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased Debenture Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, the Company will recognise the executors or administrator of the deceased Debenture Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of the Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of Debenture Holders who are holding NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased Debenture Holder. He shall approach the respective Depository Participant of the Debenture Holder for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased Debenture Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for Re-materialization of NCDs

Debenture Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose to**

rematerialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs Allotted pursuant to this Issue. 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 national daily newspaper and a regional newspaper in the state of Kerala, with wide circulation.

Issue Programme

ISSUE OPENING DATE	**[•]**
ISSUE CLOSING DATE	**[•]#**

*# The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a period of maximum 30 days from the date of Prospectus) as may be decided by the Board of Directors of our Company ("**Board**") or the Debenture Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper and a regional daily newspaper in the state of Kerala, with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

*Application (including Application under the UPI Mechanism) and any further changes to the Applications shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "**IST**") during the Issue Period as mentioned above by the Designated Intermediaries at the bidding centre and by the SCSBs directly at the Designated Branches of SCSBs, except that on the Issue Closing Date when the Applications and any further changes in details in Applications, if any, shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchange. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange platform would be rejected.*

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

Such Applications that cannot be uploaded will not be considered for Allocation under the Issue. Applications will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Manager, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or Designated Branches of SCSBs are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of Investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

Basis of payment of Interest

NCDs once Allotted under any particular category of NCDs shall continue to bear the applicable tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of Debenture Holder on any Record Date, and such Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

Payment of Interest/Maturity Amount will be made to those Debenture Holders whose names appear in the Register of

Debenture Holders (or to first holder in case of joint-holders) as on Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the Interest Payment Date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help Debenture Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Please see, *"Terms of The Issue- Manner of Payment of Interest / Redemption Amounts"* on page 182.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 working (seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialised form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

If the date of interest payment falls on a Saturday, Sunday or a public holiday in Mumbai or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest would be paid on the next working day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention

Interest shall be computed on actual/actual basis i.e., on the principal outstanding on the NCDs as per the SEBI Operational Circular.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the "**Effective Date**"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Operational Circular shall be disclosed in the Prospectus.

Maturity and Redemption

The NCDs issued pursuant to this Draft Prospectus have a fixed maturity date. The NCDs will be redeemed at the expiry of 366 days from the Deemed Date of Allotment for Option I, 18 months from the Deemed Date of Allotment for Option II, 24 months from the Deemed Date of Allotment for Option III, 36 months from the Deemed Date of Allotment for Option IV, 60 months from the Deemed Date of Allotment for Option V, 24 months from the Deemed Date of Allotment for Option VI, 36 Months from the Deemed Date of Allotment for Option VII, 74 Months from the Deemed Date of Allotment for Option VIII.

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof. The minimum Application size for each Application would be ₹10,000 (for all kinds of Options I to VIII) NCDs either taken individually or collectively) and in multiples of ₹1,000 thereafter.

Applicants can apply for any or all options of NCDs offered hereunder provided the Applicant has applied for minimum Application size using the same Application Form.

Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹1,000 per NCD is blocked in the ASBA Account on Application itself. In case of Allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on Application in accordance with the terms of this Draft Prospectus.

Manner of Payment of Interest / Redemption Amounts

The manner of payment of interest / redemption in connection with the NCDs is set out below:

For NCDs held in dematerialised form:

The bank details will be obtained from the Depositories for payment of interest / redemption amount as the case may be. Holders of the NCDs, are advised to keep their bank account details as appearing on the records of the Depository Participant updated at all points of time. Please note that failure to do so could result in delays in credit of interest/redemption amounts at the Applicant's sole risk, and the Lead Manager, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

For NCDs held in physical form on account of re-materialization:

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see "*Terms of The Issue- Procedure for Re-materialization of NCDs*" on page 179.

The mode of payment of interest/redemption amount shall be undertaken in the following order of preference:

1. **Direct Credit/ NACH/ RTGS:** Investors having their bank account details updated with the Depository shall be eligible to receive payment of interest / redemption amount, through:

    (i) **Direct Credit**. interest / redemption amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

    (ii) **NACH:** National Automated Clearing House which is a consolidated system of ECS. Payment of interest / redemption amount would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of interest / redemption amount through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the interest / redemption amount through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get interest / redemption amount through NEFT or Direct Credit or RTGS.

    (iii) **RTGS:** Applicants having a bank account with a participating bank and whose interest / redemption amount exceeds ₹2 lakh, or such amount as may be fixed by RBI from time to time, **have** the option to receive the interest / redemption amount through RTGS. Such eligible Applicants who indicate their preference to receive interest / redemption amount through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest / redemption amount shall be made through NECS subject to availability of complete bank account details for the same as stated above.

(iv) **NEFT:** Payment of interest / redemption amount shall be undertaken through NEFT wherever the Applicants' bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be **linked** to a Magnetic Ink Character Recognition, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of the interest / redemption amounts, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest / redemption amount will be made to the Applicants through this method.

2. **Registered Post/Speed Post:** For all other Debenture Holders, including those who have not updated their bank particulars with the MICR code, the interest payment / redemption amount shall be paid by way of interest/ redemption warrants dispatched through speed post/ registered post only to Applicants that have provided details of a registered address in India.

Printing of Bank Particulars on Interest/ Redemption Warrants

As a matter of precaution against possible fraudulent encashment of interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs held dematerialised form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form on account of rematerialisation, the Investors are advised to submit their bank account details with our Company / Registrar at least seven (7) working days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCD as available in the records of our Company. Bank account particulars will be printed on the warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the Debenture Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements.

Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Procedure for Redemption by Debenture Holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialization:

No action would ordinarily be required on the part of the Debenture Holder at the time of redemption and the redemption proceeds would be paid to those Debenture Holders whose names stand in the register of Debenture Holders maintained by us on the Record Date fixed for the purpose of redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) be surrendered for redemption on maturity and should be sent by the Debenture Holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. Debenture Holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those Debenture Holders whose names stand in the register of Debenture Holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see "*Terms of The Issue- Payment on Redemption*" on page 184.

NCDs held in electronic form:

No action is required on the part of Debenture Holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of re-materialisation

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s)). Dispatch of cheques/pay order, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those Debenture Holders whose names stand in the Register of Debenture Holders maintained by us/Registrar to the Issue on the Record Date fixed for the purpose of redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us at least 7 (seven) working days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 (seven) working days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties *inter se* and no claim or action shall lie against us or the Registrar.

Our liability to holder(s) towards their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the Debenture Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those Debenture Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of Debenture Holders.

Our liability to Debenture Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the Debenture Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the Debenture Holders available with us, and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the Debenture Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Kerala and/or will be sent by post/ courier or through email or other electronic media to the registered holders of the NCD(s) from time to time.

Issue of duplicate NCD Certificate(s)

If any NCD certificate(s), issued pursuant to rematerialisation, if any, is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, *pari passu* or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, provided stipulated security cover is maintained on the NCDs and after obtaining the consent of, or intimation to, the NCD Holders or the Debenture Trustee regarding the creation of a charge over such security.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

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

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

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

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

Pre-closure

Our Company, in consultation with the Lead Manager reserves the right to close this Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription (75% of the Base Issue, i.e. ₹3,750 lakh). Our Company shall allot NCDs with respect to the Application Forms received at the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of this Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date for this Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given.

Minimum Subscription

If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹ 3,750 lakh, prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within six Working Days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within six Working Days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule V of SEBI NCS Regulations in compliance with the Regulation 30 of SEBI NCS Regulations. Material updates, if any, between the date of filing of the Prospectus with RoC and the date of release of the statutory advertisement, will be included in the statutory advertisement.

Listing

The NCDs offered through this Draft Prospectus are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter dated [●]. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the Stock Exchange is taken within six Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the option, such option(s) of NCDs shall not be listed. If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus.

Guarantee/Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Arrangers

No arrangers have been appointed for this Issue.

Monitoring & Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. Our Board shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in the Company's financial statements for the relevant financial year commencing from financial year 2022-23, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue

Lien

Not Applicable

Lien on Pledge of NCDs

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the Debenture Holder against pledge of such NCDs as part of the funding.

ISSUE PROCEDURE

This chapter applies to all Applicants. Pursuant to the SEBI Operational 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 Operational Circular, SEBI has introduced the UPI Mechanism as a payment mechanism for the Issue, wherein a UPI Investor, may submit the Application Form with a SCSB or a Designated Intermediary or through the app/web based interface platform of the Stock Exchange and use their bank account linked UPI ID for the purpose of blocking of funds, if the Application being made is for a value of ₹5 lakh or less. The UPI Mechanism is applicable for public issue of debt securities which open for subscription on or after January 1, 2021. Accordingly, payment through the UPI Mechanism shall be available for the Issue. SEBI, vide the SEBI Operational Circular has also introduced an additional mode for application in public issues of debt securities through an online (app/web) interface to be provided by the stock exchanges. In this regard, SEBI has also stipulated that the stock exchanges formulate and disclose the operational procedure for applying through the app/web based interface developed by them for making applications in public issues through the stock exchange's website. Since, BSE is the Designated Stock Exchange for the Issue, BSE's online platform BSE Direct, shall be available to UPI Investors to make an application under the UPI Mechanism, in accordance with the operational procedures notified by BSE vide notifications dated December 28, 2020.

Applicants should note that they may submit their Application Forms (including in cases where Applications are being made under the UPI mechanism) at (i) the Designated Branches of the SCSBs or (ii) at the Collection Centres, i.e., to the respective Members of the Consortium at the Specified Locations, the Trading Members at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations or (iii) through BSE Direct, the app and/or web based interface/platform of the Stock Exchange, as applicable. For further information, please see "Issue Procedure - Submission of Completed Application Forms" on page 206.

Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Prospectus.

Please note that this section has been prepared based on the requirements notified by the SEBI Operational Circular and the notifications issued by BSE, in relation to the UPI Mechanism.

Further, our Company, the Lead Manager and the Members of the Syndicate do not accept any responsibility for any adverse occurrence consequent to the implementation of the UPI Mechanism for application in the Issue.

THE DESIGNATED INTERMEDIARIES (OTHER THAN TRADING MEMBERS), SCSBS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATION THROUGH TRADING MEMBERS REGISTERED WITH THE STOCK EXCHANGE.

For purposes of this Issue, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in Mumbai. Furthermore, for the purpose of post issue period, i.e., period beginning from the Issue Closure to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Saturday, Sundays and bank holidays in Mumbai, as per the SEBI NCS Regulations.

The information below is given for the benefit of the Investors. Our Company and the Members of Syndicate are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus.

PROCEDURE FOR APPLICATION

Availability of the Abridged Prospectus and Application Forms

The Abridged Prospectus containing the salient features of this Draft Prospectus together with Application Form may be obtained from:

(a) Our Company's Registered Office;
(b) Offices of the Lead Manager/Syndicate Member;
(c) the CRTA at the Designated RTA Locations;
(d) the CDPs at the Designated CDP Locations;
(e) Trading Members at the Broker Centres; and
(f) Designated Branches of the SCSBs.

Electronic copies of this Draft Prospectus and the Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Manager, the Stock Exchange, SEBI and the SCSBs.

Electronic Application Forms may be available for download on the website of the Stock Exchange and on the websites of the SCSBs that permit submission of Application Forms electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the website of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such website as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the website of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

UPI Investors making an Application up to ₹5 lakh, using the UPI Mechanism, must provide the UPI ID in the relevant space provided in the Application Form. Application Forms that do not contain the UPI ID are liable to be rejected. UPI Investors applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Who can apply?

The following categories of persons are eligible to apply in this Issue:

Category I

- Resident public financial institutions as defined in Section 2(72) of the Companies act 2013, statutory corporations including state industrial development corporations, scheduled commercial banks, co-operative banks and regional rural banks, and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds of minimum corpus of ₹2,500 lakh, pension funds of minimum corpus of ₹2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative investment funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident venture capital funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India);
- Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India;
- Mutual funds registered with SEBI; and
- Systemically Important NBFCs.

Category II

- Companies falling within the meaning of Section 2(20) of the Companies Act 2013; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorised to invest in the NCDs;
- Trust including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Association of persons;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;

- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and
- Resident Indian individuals and Hindu undivided families through the Karta applying for an amount aggregating to a value exceeding ₹5 lakh.

Category III*#

- Resident Indian individuals; and
- Hindu undivided families through the Karta.

** applications aggregating to a value not more than ₹5 lakh.*
 # applications upto a value of ₹5 lakh can be made under the UPI Mechanism.

For Applicants applying for NCDs, the Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID, Client ID and where applicable the UPI ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Members of the Syndicate or the Trading Members, as the case may be.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue.

The Lead Manager and its respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in this Issue and any Application from such persons and entities are liable to be rejected:

(a) Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Application by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
(b) Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
(c) Persons resident outside India and other foreign entities;
(d) Foreign Portfolio Investors;
(e) Foreign Venture Capital Investors;
(f) Qualified Foreign Investors;
(g) Overseas Corporate Bodies; and
(h) Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Application Forms belonging to an account for the benefit of a minor (under guardianship). In case of such Application, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in this Issue.

Please see "Issue Procedure- *Rejection of Applications*" on page 208 for information on rejection of Applications.

Method of Application

In terms of the SEBI Operational Circular, an eligible Investor desirous of applying in this Issue can make Applications through the ASBA mechanism only. Applicants are requested to note that in terms of the SEBI Operational 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 Operational Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the SEBI Operational Circular and the Direct Online Application Mechanism infrastructure for the implementation of the SEBI Operational Circular and the Direct Online Application Mechanism. Further, SEBI vide the SEBI Operational Circular has directed the stock exchanges in India to formulate and disclose the operational procedure for making an application through the app/web based interface developed by them in order for investors to apply in public issue on their websites.

All Applicants shall mandatorily apply in the Issue either through:

1. the ASBA process (including UPI Investors). Applicants intending to subscribe in the Issue shall submit a duly filled Application Form to any of the Designated Intermediaries; or

2. UPI Investors having a valid UPI ID, through the app/web based interface platform of the Stock Exchange (BSE Direct) wherein the application would automatically be uploaded onto the Stock Exchange's bidding platform and the amount will be blocked using the UPI Mechanism.

Additionally, certain SEBI registered UPI handles which can be accessed at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40may also be used for making an Application through the UPI Mechanism.

Application process through physical Application Form

Applicants opting for the physical mode of Application process, should submit the Application Form (including for Applications under the UPI Mechanism) only at the Collection Centres, i.e., to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the registered broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available on SEBI's website *for Applications under the UPI Mechanism* at https://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of Application Forms from ASBA Applicants (including for Applications under the UPI Mechanism), shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit the Application Forms (except Application Forms submitted by UPI Investors under the UPI Mechanism) with the SCSB with whom the relevant ASBA Accounts are maintained. An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB, with the SCSB and can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. For Applicants submitting the physical application Form who wish to block the funds in their respective UPI linked bank account through the UPI Mechanism, post uploading of the details of the Application Forms into the online platform of the Stock Exchange, the Stock Exchange shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such UPI Investors for blocking of funds.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

APPLICATION PROCESS THROUGH APP/WEB BASED INTERFACE OF THE STOCK EXCHANGE – *BSE DIRECT*

SEBI, *vide* the SEBI Operational 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 upto ₹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 194.

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 Stock Exchange shall make this Draft Prospectus and Issue related details available on its website under the 'Forthcoming Issues' a day prior to the Issue Opening Date and the details of the Issue shall also be made available on the issue page of BSE Direct.

iv. 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.

v. The mode of allotment for Applications made through the BSE Direct platform, shall mandatorily be in dematerialised form only.

b. **Order Entry Parameters –**

Pursuant to the SEBI Operational 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 199.

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 next Working Day. As the Company reserves the right to close the issue prior to the Issue Closing Date, hence is advisable that the Applicants should accept the UPI mandate by 5:00 pm on the Working Day subsequent to date of submission of the Application on BSE Direct.

ii. The transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.

iii. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.

iv. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.

v. Please note that the display of status of acceptance of the UPI Mandate/fund blocking shall be solely based on the data received from the Sponsor Bank.

e. **Order book and T+1 Modification**

i. The order book will be available in the Debt module of the Stock Exchange in real time basis.

ii. An Applicant shall be allowed to modify selected fields such as their DP ID/Client ID or PAN (Either DP ID/Client ID or PAN can be modified but not both) on T+1 day for a validated bid.

f. **Applicant's responsibilities**

i. Applicants shall check the Issue details before making an Application.

ii. Applicants shall only be able to make an Application for an amount upto ₹5 lakh.

iii. Applicants shall have only UPI as the payment mechanism with ASBA.

iv. Applicants must check and understand the UPI Mandate acceptance and the fund blocking process before making an Application.

v. The receipt of SMS for UPI Mandate acceptance depends upon the system response/ integration of UPI on the Debt Public Issue System.

vi. Applicants must check their respective mobiles for an SMS or the mobile app, associated with the UPI ID linked bank account, for receipt of the UPI Mandate.

vii. Applicants must accept the UPI Mandate request within stipulated timelines.

viii. Applicants must note that the transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.

vi. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.

vii. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager, the Registrar to the Issue or the Stock Exchange shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons.

Process of Registration and Application on BSE Direct Platform/Mobile App

a. **Process of Registration for Investor**

i. To make an Application on the BSE Direct platform/ mobile app an Applicant is required to register themselves with the platform/mobile app.
ii. At the time of registration, the Applicant shall be required to select the option of "New Registration Without Broker" and enter their respective PAN along with details of their demat account (i.e., DP ID and Client ID) and UPI ID.
iii. The Stock Exchange shall verify the PAN and demat account details entered by the Applicant with the Depository, within one Working Day.
iv. The Applicant shall be required to accept the terms and conditions and also enter the correct 'One Time Password' ("**OTP**") sent on their respective mobile phones and email IDs to complete the registration process.
v. Upon the successful OTP confirmation, the Applicant's registration request shall be accepted, and a reference number shall be provided to them for checking their registration status.
vi. At the time of demat account verification, the Stock Exchange shall also validate Applicant's client type (investor category) present in demat account.
vii. An Applicant's registration shall be rejected if an incorrect investor category and/or demat account details have been entered.
viii. Post the verification of the demat account, the Stock Exchange shall activate the Applicant's profile for making an Application and also provide a user ID (which is PAN) and password for login onto the BSE Direct platform.
ix. An Applicant shall be able to view their respective details including their demat account, by accessing the tab 'My Profile'.
x. To modify their details, an Applicant must login to the BSE Direct portal and click on 'My profile'.
xi. The Stock Exchange shall revalidate the modified details with Depository.
xii. No modification request shall be accepted during the Issue Period if the Applicant has made an Application in the Issue.
xiii. To re-generate a new password, the Applicant can use the 'Forget Password' option.
xiv. Existing investors who are already registered for "GSEC AND T-Bills investment", can also use the facility for applying in the Issue by using the UPI Mechanism for blocking of funds for Applications with a value upto ₹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 upto ₹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 199.

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 193.

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 circular SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016 ("**SEBI Circular 2016**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.0% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector towards HFCs is reduced from 10.0% of net assets value to 5.0% of net assets value and single issuer limit is reduced to 10.0% of net assets value (extendable to 12% of net assets value, after trustee approval). The SEBI Circular 2016 also introduces group level limits for debt schemes and the ceiling be fixed at 20.0% of net assets value extendable to 25.0% of net assets value after trustee approval.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements and a net worth certificate from its statutory auditor(s). Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by commercial banks, co-operative banks and regional rural banks

Commercial banks, co-operative banks and regional rural banks can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making Applications on their own account using ASBA Facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making Application in public issues and clear demarcated funds should be available in such account for applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority of India ("**IRDAI**"), a certified copy of certificate of registration issued by IRDAI must be lodged along with Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason, therefore.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time including the IRDA (Investment) Regulations, 2000.

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of SEBI registration certificate. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason, therefor.

Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by 'Associations of Persons' and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or Statutory Corporations, which are authorised to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorised person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of incorporation/ registration under any act/rules under which they are incorporated. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Fund

The Application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

The Application must be accompanied by certified true copies of certified copy of certificate of the partnership deed or registration issued under the Limited Liability Partnership Act, 2008, as applicable. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non-Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants, a certified copy of the power of attorney must be submitted with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company and the Lead Manager may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

APPLICATIONS FOR ALLOTMENT OF NCDs

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Manager and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our Directors, affiliates, associates and their respective directors and officers, the Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications (including Applications under the UPI Mechanism) accepted by and/or uploaded by and/or accepted but not uploaded by Trading Members, registered brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs or failure to block the Application Amount under the UPI Mechanism. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (https://www.sebi.gov.in) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (https://www.sebi.gov.in) as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of registered brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the registered brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Submission of Applications

Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.

In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

(b) Physically through the Designated Intermediaries at the respective Collection Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Collection Center where the Application Form is submitted (a list of such branches is available at https://www.sebi.gov.in).

(c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is up to ₹5 lakh, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

(d) A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange. Post which:

(i) ***for Applications other than under the UPI Mechanism*** – the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at https://www.sebi.gov.in). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form.

(ii) ***for Applications under the UPI Mechanism*** – once the Application details have been entered in the bidding platform through Designated Intermediaries or BSE Direct, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. Post uploading of the Application details on the Stock Exchange's platform, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with the Applicants UPI ID, with the Sponsor Bank appointed by our Company. The Sponsor Bank shall then initiate a UPI Mandate Request on the Applicant. The request raised by the Sponsor Bank, would be electronically received by the Applicant as an SMS or on the mobile app, associated with the UPI ID linked bank account. The Applicant shall then be required to authorise the UPI Mandate Request. Upon successful validation of block request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account. The status of block request would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the Designated Intermediary.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

(a) Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries at the respective Collection Centres; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Physical Application

Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that this Draft Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

(b) The Designated Branches of the SCSBs shall accept Application Forms directly from Applicants only during the Issue Period. The SCSBs shall not accept any Application Forms directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 39. Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialised form only.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- All Applicants need to tick the Series of NCDs in the Application Form that they wish to apply for. Applications for all the Series of the NCDs may be made in a single Application Form only.
- Application Forms must be completed in **BLOCK LETTERS IN ENGLISH**, as per the instructions contained in this Draft Prospectus and the Application Form;
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names;
- It shall be mandatory for subscribers to the Issue to furnish their PAN and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction;
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta;
- Applicants must provide details of valid and active DP ID, Client ID and PAN, clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same option or across different option;
- If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form;
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8^{th} Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- All Applicants are required to ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/Designated Branch of the SCSB;
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Acknowledgement Slip. This Acknowledgement Slip will serve as the duplicate of the Application Form for the records of the Applicant;
- Applicants must ensure that the requisite documents are attached to the Application Form prior to submission

and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be;

- All Applicants are required to check if they are eligible to apply as per the terms of this Draft Prospectus and applicable law, rules, regulations, guidelines and approvals;
- Every Applicant should hold valid Permanent Account Number and mention the same in the Application Form;
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form;
- All Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected;
- A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be; and
- In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchange, the Applicants should ensure that they have first withdrawn their original Application and submit a fresh Application.

The option, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for Allotment.

Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

B. Applicant's Beneficiary Account Details

Applicants must mention their DP ID, Client ID and UPI ID (wherever applicable) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID, PAN and UPI ID (wherever applicable) mentioned in the Application Form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID, PAN and UPI ID (wherever applicable) available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected.

On the basis of the Demographic Details as appearing on the records of the DP, the Registrar to the Issue will take steps towards demat credit of NCDs. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in demat credit and neither our Company, Designated Intermediaries, SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of power of attorney to request the Registrar that for the purpose of printing particulars on the Allotment Advice, the Demographic Details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue. Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Registrar to the Issue, Public Issue Account Bank, Sponsor Bank nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of such

Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the parameters, namely, DP ID, Client ID, PAN and UPI ID (wherever applicable) then such Application are liable to be rejected.

C. Permanent Account Number

The Applicant should mention his or her Permanent Account Number allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN Field i.e., either Sikkim category or exempt category.

D. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications all interest / redemption amount payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other option of NCDs, subject to a minimum Application size as specified in this Draft Prospectus and in multiples of thereafter as specified in this Draft Prospectus. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹5 lakh shall be deemed such individual Applicant to be an HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the Basis of Allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under this Issue, Applications shall be grouped based on the PAN, i.e., Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of this Draft Prospectus and applicable law, rules, regulations, guidelines and approvals.

2. Read all the instructions carefully and complete the Application Form in the prescribed form.

3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to

apply for, subscribe to and/or seek Allotment of NCDs pursuant to this Issue.

4. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID, Client ID, PAN and UPI ID (wherever applicable) are correct and the depository account is active as Allotment of the Equity Shares will be in dematerialized form only. The requirement for providing Depository Participant details is mandatory for all Applicants.

5. Ensure that you have mentioned the correct ASBA Account number (for all Applicants other than UPI Investors applying using the UPI Mechanism) in the Application Form. Further, UPI Investors using the UPI Mechanism must also mention their UPI ID.

6. UPI Investors applying using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking, is certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries.

7. UPI Investors applying using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected.

8. Ensure that the Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) in case the Applicant is not the ASBA account holder. Applicants (except UPI Investors making an Application using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Application Form. UPI Investors applying using the UPI Mechanism should ensure that they have mentioned the correct UPI- linked bank account number and their correct UPI ID in the Application Form.

9. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.

10. UPI Investors making an Application using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to Application Amount and subsequent debit of funds in case of Allotment, in a timely manner.

11. UPI Investors making an Application using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using their UPI PIN. Upon the authorization of the mandate using their UPI PIN, the UPI Investor may be deemed to have verified the attachment containing the application details of the UPI Investor making and Application using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to issue a request to block the Application Amount mentioned in the ASBA Form in their ASBA Account.

12. UPI Investors making an Application using the UPI Mechanism should mention valid UPI ID of only the Applicants (in case of single account) and of the first Applicant (in case of joint account) in the ASBA Form.

13. UPI Investors making an Application using the UPI Mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in their account and in case of Allotment in a timely manner.

14. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/Designated Branch of the SCSB.

15. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Collection Centre.

16. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form.

17. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

18. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta.

19. Ensure that the Applications are submitted to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 39.

20. **Permanent Account Number:** Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

21. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

22. All Applicants should choose the relevant option in the column "Category of Investor" in the Application Form.

23. Choose and mark the option of NCDs in the Application Form that you wish to apply for.

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.

Don'ts:

1. Do not apply for lower than the minimum Application size.

2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.

3. Do not send Application Forms by post. Instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be.

4. Do not submit the Application Form to any non-SCSB bank or our Company.

5. Do not apply through an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.

6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue Size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.

7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

8. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (wherever applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.

9. Do not submit the Application Form without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of UPI Investors making and Application using the UPI Mechanism, in the UPI-linked bank account where funds for making the Application are available.

10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.

11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.

13. Do not submit Applications to a Designated Intermediary at a location other than Collection Centres.

14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.

15. Do not apply if you are a person ineligible to apply for NCDs under this Issue including Applications by Persons Resident Outside India, NRI (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA).

16. Do not make an Application of the NCD on multiple copies taken of a single form.

17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue.

18. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Investors using the UPI Mechanism.

19. Do not submit more than five Application Forms per ASBA Account.

Please also see "*Issue Procedure- Operational Instructions and Guidelines – Applicant's Responsibilities*" on page 193.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries, to deposit such Application Forms (A list of such branches is available at https://www.sebi.gov.in).

Please see "*Issue Procedure- Rejection of Applications*" on page 208 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., upto ₹5 lakh, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. The blocking of funds in such case (not exceeding ₹5 lakh) shall happen under the UPI Mechanism.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs or the Sponsor Bank (as the case maybe) to unblock the excess amount in the ASBA Account.

For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

For Applications submitted under the UPI Mechanism, post the successful validation of the UPI Mandate Request by the

Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

A UPI Investor applying through the UPI Mechanism should ensure that, they check the relevant SMS generated for the UPI Mandate Request and all other steps required for successful blocking of funds in the UPI linked bank account, which includes accepting the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchange (except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day), have been completed.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs or the Sponsor Bank (in case of Applications under the UPI Mechanism) on the basis of the instructions issued in this regard by the Registrar to the respective SCSB or the Sponsor Bank, within six Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of this Issue or until rejection of the Application, as the case may be.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
ASBA Applications	(i) If using physical Application Form, (a) to the Designated Intermediaries at relevant Collection Centres, or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available.
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 option, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for Allotment/rejection of Application.

(b) The Stock Exchange will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on this Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 39.

(c) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Option of NCDs applied for
- Number of NCDs Applied for in each option of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(d) With respect to Applications submitted to the Designated Intermediaries, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Option of NCDs applied for

- Number of NCDs Applied for in each option of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(e) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.

(f) Applications can be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect.

(g) The permission given by the Stock Exchange to use its network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange

(h) **Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment**. The Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or the Debenture Committee thereof, reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

(a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Applications by persons prohibited from buying, selling or dealing in securities, directly or indirectly, by SEBI or any other regulatory authority;

(c) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicants' ASBA Account maintained with an SCSB;

(d) Applications not being signed by the sole/joint Applicant(s);

(e) Investor Category in the Application Form not being ticked;

(f) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may Allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;

(g) Applications where a registered address in India is not provided for the non-Individual Applicants;

(h) In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);

(i) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;

(j) PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian when PAN of the Applicant is not mentioned;

(k) DP ID, Client ID or UPI ID (wherever applicable) not mentioned in the Application Form;

(l) GIR number furnished instead of PAN;

(m) Applications by OCBs;

(n) Applications for an amount below the minimum Application size;

(o) Submission of more than five ASBA Forms per ASBA Account;

(p) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

(q) Applications under power of attorney or by limited companies, corporate, trust etc. submitted without relevant documents;

(r) Applications accompanied by stock invest/ cheque/ money order/ postal order/ cash;

(s) Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);

(t) Applications by persons debarred from accessing capital markets, by SEBI or any other appropriate regulatory authority;

(u) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant;

(v) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;

(w) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediary, as the case may be;

(x) ASBA Applications not having details of the ASBA Account or the UPI-linked Account to be blocked;

(y) In case no corresponding record is available with the Depositories that matches the parameters namely, DP ID, Client ID, UPI ID and PAN;

(z) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

(aa) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

(bb) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;

(cc) Authorization to the SCSB for blocking funds in the ASBA Account not provided;

(dd) Applications by any person outside India;

(ee) Applications not uploaded on the online platform of the Stock Exchange;

(ff) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;

(gg) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, this Draft Prospectus and as per the instructions in the Application Form and this Draft Prospectus;

(hh) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

(ii) Applications providing an inoperative demat account number;

(jj) Applications submitted to the Designated Intermediaries other than the Collection Centres or at a Branch of a SCSB which is not a Designated Branch;

(kk) Applications submitted directly to the Public Issue Bank (except in case the ASBA Account is maintained with the said bank as a SCSB);

(ll) Investor category not ticked;

(mm) In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application;

(nn) A UPI Investor applying through the UPI Mechanism, not having accepted the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the stock exchange except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day; and

(oo) A non-UPI Investor making an Application under the UPI Mechanism, i.e., an Application for an amount more than ₹5 lakh.

For information on certain procedures to be carried out by the Registrar to the Issue for finalization of the Basis of Allotment, please see "*Information for Applicants*" below.

Information for Applicants

Upon the closure of the Issue, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID, UPI ID (where applicable) and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database and prepare list of technical rejection cases. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such Applications or treat such Applications as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchange and determine the valid Application for the purpose of drawing the basis of allocation.

Allocation Ratio

The Registrar will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchange and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the following manner:

Grouping of Applications and Allocation Ratio: Applications received from various applicants shall be grouped together on the following basis:

(a) *Applications received from Category I applicants:* Applications received from Category I, shall be grouped together, **("*Institutional Portion*")**;

(b) *Applications received from Category II applicants:* Applications received from Category II, shall be grouped together, **("*Non-Institutional Portion*")**;

(c) *Applications received from Category III applicants:* Applications received from Category III, shall be grouped together, **("*Retail Individual Portion*")**.

For removal of doubt, "***Institutional Portion***", "***Non-Institutional Portion***" and "***Retail Individual Portion***" are individually referred to as "***Portion***" and collectively referred to as **"*Portions*".**

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be Allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Issue up to ₹10,000 lakh. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the **"*Overall Issue Size*".**

Basis of Allotment for NCDs

Allotments in the first instance:

(i) Applicants belonging to the Category I, in the first instance, will be allocated NCDs up to 10% of overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Lead Manager and their respective affiliates/SCSB (Designated Branch or online acknowledgement));

(ii) Applicants belonging to the Category II, in the first instance, will be allocated NCDs up to 40% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement));

(iii) Applicants belonging to the Category III, in the first instance, will be allocated NCDs up to 50% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement));

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e., a first-come first-serve basis, based on the date of upload of each Application in to the electronic book with Stock Exchange, in each Portion subject to the Allocation Ratio. However, on the date of oversubscription, the Allotments would be made to the Applicants on proportionate basis.

(a) Under Subscription:

Under subscription, if any, in any Portion, priority in Allotments will be given in the following order:

(i) Individual Portion

(ii) Non-Institutional Portion and Resident Indian individuals and Hindu undivided families through the Karta applying who apply for NCDs aggregating to a value exceeding ₹5 lakh;

(iii) Institutional Portion

(iv) on a first come first serve basis.

Within each Portion, priority in Allotments will be given on a first-come-first-serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchange.

For each Portion, all Applications uploaded into the electronic book with the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where Applications uploaded into the Platform of the Stock Exchange on a particular date exceeds NCDs to be allotted for each Portion, respectively.

Minimum allotment of 10 NCD and in multiples of 1 (one) NCD thereafter would be made in case of each valid Application.

(b) Allotments in case of oversubscription:

In case of an oversubscription, Allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full Allotment of NCDs to the valid Applicants on a first come first serve basis for forms uploaded up to 5 pm of the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the valid Applicants on the date of oversubscription (based on the date of upload of the Application on the Stock Exchange Platform, in each Portion). In case of over subscription on date of opening of the Issue, the Allotment shall be made on a proportionate basis. Applications received for the NCDs after the date of oversubscription will not be considered for Allotment.

In view of the same, the Investors are advised to refer to the Stock Exchange website at www.bseindia.com for details in respect of subscription.

(c) Proportionate Allotments: For each Portion, on the date of oversubscription:

(i) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer;

(ii) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue Size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference;

(iii) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the Basis of Allotment is finalised by draw of lots in a fair and equitable manner; and

(iv) The total Allotment under Option I to Option VIII of the NCDs shall not exceed a value more than ₹10,000 lakh.

(d) Applicant applying for more than one Options of NCDs:

If an Applicant has applied for more than one Options of NCDs, and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for due to such Applications received on the date of oversubscription, the option-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each option, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Manager and Designated Stock Exchange.

In cases of odd proportion for Allotment made, our Company in consultation with the Lead Manager will Allot the residual NCD (s) in the following order:

(i) first with monthly interest payment in decreasing order of tenor i.e., Options V, IV, III, II and I;

(ii) followed by payment on cumulative options in decreasing order of tenor i.e., Options VIII, VII and VI.

Hence using the above procedure, the order of Allotment for the residual NCD(s) will be: V, IV, III, II, I, VIII, VII and VI.

All decisions pertaining to the Basis of Allotment of NCDs pursuant to the Issue shall be taken by our Company in consultation with the Lead Manager, and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Draft Prospectus.

Our Company would allot Option I NCDs to all valid applications, wherein the Applicants have not indicated their choice of the relevant options of the NCDs.

Valid applications where the Application Amount received does not tally with or is less than the amount equivalent to value of number of NCDs applied for, may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹1,000 in accordance with the pecking order mentioned above.

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 six Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants upon approval of Basis of Allotment. The Allotment Advice for successful Applicants will be mailed by speed post/registered post to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within six Working Days from the Issue Closing Date.

Application Amount shall be unblocked within six Working Days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the Application Amount shall be unblocked in the ASBA Accounts or the UPI linked bank accounts (for Applications under the UPI Mechanism) of the Applicants forthwith, failing which interest shall be due to be paid to the Applicants in accordance with applicable law.

Our Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Applicants can withdraw their Applications until the Issue Closing Date. In case an Applicant wishes to withdraw the Application during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite.

In case of Applications (other than under the UPI Mechanism) were submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and intimating the Designated Branch of the SCSB unblock of the funds blocked in the ASBA Account at the time of making the Application. In case of Applications (other than under the UPI Mechanism) submitted directly to the

Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account, directly.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalisation of the Basis of Allotment.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary and the Designated Branch of the SCSBs, as the case may be. For Applications made under the UPI Mechanism, an Applicant shall not be allowed to add or modify the details of the Application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the Applicant may withdraw the Application and reapply.

However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/ modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by the Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/ or the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. Please also see, "*Issue Procedure - Operational Instructions and Guidelines – Modification and cancellation of orders*" on page 193.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialised form. In this context:

(i) Tripartite agreement dated November 23, 2022 among our Company, the Registrar and CDSL and tripartite agreement dated November 11, 2022 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

(iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(v) Non-transferable Allotment Advice will be directly sent to the Applicant by the Registrar to this Issue.

(vi) It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.

(vii) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those Debenture Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue (except the Applications made through the Trading Members of the Stock Exchange) should be addressed to the Registrar to the Issue, quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of the Application Form, name and address of the Designated Intermediary or Designated Branch of the SCSBs, as the case may be, where the Application was submitted.

Applicants may contact our Compliance Officer and Company Secretary or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice or credit of NCDs in the respective beneficiary accounts, as the case may be.

Interest in case of delay

Our Company undertakes to pay interest, in connection with any delay in Allotment and demat credit, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including SEBI nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of investors is invited to the statement of '*Risk factors*' on page 16.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Prospectus contains all information with regard to the issuer and the issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/offer document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed."

Our Company undertakes that:

(a) All monies received pursuant to this Issue shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013;

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

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

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

(e) Undertaking by our Company for execution of the Debenture Trust Deed. Further, as per Regulation 18 of SEBI NCS Regulations, in the event our Company fails to execute the Debenture Trust Deed within a period specified under the said Regulation, our Company shall pay interest of at least 2% p.a. to each NCD Holder, over and above the agreed coupon rate, till the execution of the Debenture Trust Deed;

(f) We shall utilize the Issue proceeds only upon execution of the Debenture Trust as stated in this Draft Prospectus and the Prospectus, on receipt of the minimum subscription of 75% of the Base Issue i.e., ₹ 3,750 lakh and receipt of listing and trading approval from the Stock Exchange;

(g) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property business, dealing in equity of listed companies or lending/investment in group companies; and

(h) Application money shall be unblocked within six Working Days from the closure of this Issue or such lesser time as may be specified by SEBI, or else the Application money shall be refunded to the Applicants in accordance with applicable law, failing which interest shall be due to be paid to the Applicants for the delayed period, if applicable in accordance with applicable law.

Other undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Trading Members) will be attended to by our Company expeditiously and satisfactorily;

(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;

(c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within six Working Days of this Issue Closing Date;

(d) Funds required for dispatch of Allotment Advice/NCD Certificates (only upon rematerialisation of NCDs at the specific request of the Allottee/ Holder of NCDs) will be made available by our Company to the Registrar to the Issue;

(e) Our Company will forward details of utilisation of the proceeds of this Issue, duly certified by the Statutory Auditor, to the Debenture Trustee on a half-yearly basis;

(f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of this Issue as contained in this Draft Prospectus;

(g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report;

(h) Our Company shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time; and

(i) The allotment of NCDs will be done on a first come, first serve basis. On the successful allotment of the NCDs, the issue proceeds will be released to the issuer to use in pursuance of the objects specified in this Draft Prospectus.

SECTION VIII - SUMMARY OF MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

1. In these regulations-

a) "the Act" means the Companies Act, 2013

b) "the seal" means the common seal of the Company

2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

SHARE CAPITAL AND VARIATION OF RIGHTS

3. The authorized share capital of the company shall be as stated in clause V of the Memorandum of Association with power to increase or reduce, reconvert or subdivide the capital in accordance with the provisions of the Companies Act, 2013. Subject to the provisions of the Act and these Articles the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

4. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the Memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of the issue shall be provided;-

(a) One certificate for all his shares without payment of any charges, or

(b) Several certificate each for one or more of his hares, upon payment of 20 Rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

5.(i). If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii). The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.

6. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize(even when notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or(except only as by these regulations or by law otherwise provided)any other rights in respect of any share except an absolute right to the entirety thereof in he registered holder.

7. (i) The company may exercise the powers of paying commissions conferred by subsection 6 of section 40, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.

(ii) The rate or the amount of the commission shall not exceed the rate or amount prescribed in rules made under Subsection 6 of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

8. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the issue of shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of 3/4th of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least 2 persons holding at least 1/3rd of the issued shares of the class in question.

9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

10. Subject to the provisions of section55, any preference shares may, with the sanction of an ordinary resolution be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

LIEN

11.(i) The company shall have a first and paramount lien-

(a) on every share (not being a fully paid share) , for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by the or his estate to the Company;

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of the clause.

(ii) The company's lien, if any, on a share shall extent to all dividends payable and bonuses declared from time to time in respect of such shares.

12. The company may sell, in such manner as the board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made –

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

13. (i) To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

14. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

15. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of their nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
Provided that no calls shall exceed one fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, paid to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

16. A call shall be deemed to have been made at the time when the resolution of the Board approving such call was passed and may be required to be paid by installments.

17. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

18. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at 10% per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

19. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

20. The Board –

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, 12% p.a., as may be agreed upon between the board and the member paying the sum in advance.

TRANSFER OF SHARES

21. (i) The instrument of transfer of any shares in the company shall be executed by or on behalf of both the transferor and the transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

22. The Board may, subject to the right of appeal conferred by section 58 decline to register-

(a) The transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) Any transfer of shares on which the company has a lien.

23. The Board may decline to recognize any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1)of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares, to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

24. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

TRANSMISSION OF SHARES

25.(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

26. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii)The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

27. (i) if the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so selects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

28. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

29. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

30. The notice aforesaid shall-

(a) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

31. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

32. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

33. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

34. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

(iii) The transferee shall thereupon be registered as the holder of the share.

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

35. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

36. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

37. Subject to the provisions of section 61, the company may, by ordinary resolution,—

(a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed buy the memorandum;

(d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

38. Where shares are converted into stock,—

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same

regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) Such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

39. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
(a) Its share capital;

(b) Any capital redemption reserve account; or

(c) Any share premium account.

CAPITALISATION OF PROFIT

40. (i) the company in general meeting may, upon the recommendation of the Board, resolve-

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) the sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause

(iii), either in or towards—

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(c) Partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

41. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) Make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) Generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

a) To make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

b) To authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

BUY BACK OF SHARES

42. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

GENERAL MEETINGS

43. All general meetings other than annual general meeting shall be called extraordinary general meeting.

44. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

45. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

46. The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

47. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

48. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

ADJOURNMENT OF MEETING

49.(i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

50. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) On a show of hands, every member present in person shall have one vote; and

(b) On a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

52. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

53. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

54. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

55. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

56. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

57. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

59. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

60. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them

61. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

(iii) The Directors may also be paid sitting fees as decided by the Board from time to time within the limit prescribed by the Act as per rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

62. The Board may pay all expenses incurred in getting up and registering the company.

63. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

64. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

65. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

66.(i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

PROCEEDINGS OF THE BOARD OF DIRECTORS

67. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

68. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

69. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

70. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.

71. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

72. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

73. (i) a committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

74. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

75. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER.

76. Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

77. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

78. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDENDS AND RESERVE

79. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

80. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company:

81. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

82. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

83. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

84.(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who, is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

85. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
86. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

87. No dividend shall bear interest against the company.

ACCOUNTS

88. (i) The Board shall from time to time determine whether and to what extend and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by Law or authorized by the Board or by the Company in General Meeting.

WINDING UP

89. Subject to the provisions of Chapter XX of the Act and rules made there under—

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in-space or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

90. Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil, criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the Court or the Tribunal.

SECRECY

91. Every Director, Manager, Treasurer, Trustee, Member of Committee, Officer, Servant, Agent, Accountant, or other persons employed in the business of the company shall if so required by the Directors, before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the company with the customers and the state of Accounts with individuals and Pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by law or the person to whom such matters relate, except so far as may be necessary in order to comply with any of the provisions of these presents contained.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and documents (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material have been entered into by our Company. These contracts which are or may be deemed material shall be attached to the copy of the Prospectus to be delivered to the Registrar of Companies, Kerala and Lakshadweep for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 10.00 am to 4.00 pm on Working Days from the date of the filing of the Prospectus with the RoC until the Issue Closing Date.

Material Contracts

1. Issue Agreement dated November 29, 2022 between the Company and the Lead Manager;

2. Registrar Agreement dated September 26, 2022 between the Company and the Registrar to the Issue;

3. Debenture Trustee Agreement dated September 26, 2022 between the Company and MITCON Credentia Trusteeship Services Limited, the Debenture Trustee (Formerly known as MITCON Trusteeship Services Limited);

4. Public Issue Account and Sponsor Bank Agreement dated [•] executed by the Company, the Registrar, the Public Issue Account Bank, the Sponsor Bank, the Refund Bank and the Lead Manager;

5. Syndicate Agreement dated [•] executed between the Company and the Syndicate Members;

6. Tripartite Agreement dated November 23, 2022 between CDSL, the Company and the Registrar to the Issue; and

7. Tripartite Agreement dated November 11, 2022 between NSDL, the Company and the Registrar to the Issue.

Material Documents

1. Certificate of Incorporation of Company dated December 16, 2008, issued by Registrar of Companies, Kerala and Lakshadweep;

2. Memorandum and Articles of Association of the Company, as amended to date;

3. Certificate of commencement of business dated November 10, 2010, issued by the RoC.

4. Certificate of registration (no. N16-00185) June 10, 2010, issued by RBI under Section 45IA of the Reserve Bank of India Act, 1934.

5. Credit rating letter dated August 25, 2022 from CRISIL Ratings Limited, granting credit ratings to the NCDs;

6. At the meeting of the Board of Directors of our Company held on February 1, 2022, the Board approved the public issue of Secured, Redeemable, Non-Convertible Debenture, amounting up to ₹5,000 lakh with an option to retain oversubscription up to ₹5,000 lakh aggregating up to ₹10,000 lakh;

7. Copy of the resolution passed by the Shareholders of the Company at the Annual General Meeting held on September 29, 2014, approving the overall borrowing limit of Company;

8. Copy of the resolution of the Board of Directors dated November 29, 2022 approving the Draft Prospectus and Debenture Committee resolution dated November 30, 2022 approving the Draft Prospectus for filing with Stock Exchange;

9. Copy of the resolution of the Board of Directors dated [•] approving the Prospectus;

10. Consents in writing of Directors of our Company, Chief Executive Officer, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, legal advisor to the Issue, Lead Manager, the Registrar to the Issue, Credit Rating Agency, the Lenders/Bankers to our Company, Public Issue Account Bank, Refund Bank,

Sponsor Bank, Syndicate Member, the Debenture Trustee, FSIAPL, 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;

11. Our Company has received written consent from the Statutory Auditor, namely V K S Narayan & Co, Chartered Accountants, to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as a statutory auditor, in respect of the: (a) Reformatted Indian GAAP Financial Statements dated November 28, 2022; and (b) Audited Financial Statements of our Company for the three months period ended on June 30, 2022, included in this Draft Prospectus. The consent of the Statutory Auditors has not been withdrawn as on the date of this Draft Prospectus;

12. Industry report titled "Gold Loan Industry in India", dated July 19, 2022 prepared and issued by Fitch Solutions India Advisory Private Limited (formerly known as IRR Advisory Services Private Limited)

13. The Reformatted Indian GAAP Financial Report of the Statutory Auditors dated November 28, 2022 in relation to the Reformatted Indian GAAP Financial Statements included herein;

14. Reformatted Indian GAAP Financial Statements of the Company for period ended June 30, 2022 and financial year ending 2022, 2021 and 2020.

15. Annual Reports of the Company for financial years 2022, 2021 and 2020;

16. Due diligence certificate dated [●] filed with SEBI by the Lead Manager;

17. In-principle listing approval letter dated [●] issued by BSE, for the Issue; and

18. Due diligence certificate dated November 28, 2022 filed with BSE by the Debenture Trustee.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Applicants subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including all the relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Draft Prospectus are true and correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Draft Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Draft Prospectus is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association.

Signed by the Directors of our Company

Chemmanur Devassykutty Boby
Chairman & Managing Director
DIN: 00046095

Panamittath Madhavan Nair Rajagopal
Independent Director
DIN: 07177470

Lijo Moothedan
Non- Executive Director
DIN: 00877403

Edathole Habeebul Rahiman
Independent Director
DIN: 06973269

Smitha Boby
Non- Executive Director
DIN: 00046059

Date : November 30, 2022
Place : Thrissur

ANNEXURE I

DAY COUNT CONVENTION

Interest on the NCDs shall be computed on an actual/actual basis for the broken period, if any. For Options I, II, III, IV and V 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 VI, VII and VIII 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	**Chemmanur Credits and Investments Limited**	
Face Value	₹[●]	
Day and Date of Allotment (tentative)	[●] day, [●]	
Options	[●]	[●]
Tenure	[●]	[●]
Coupon (%) for NCD Holders in Category I, II and III	[●]	[●]
Frequency of the Interest Payment with specified dates starting from date of allotment	[●]	[●]
Day Count Convention	[●]	

Option [●]

Company	**Chemmanur Credits and Investments Limited**
Face Value	[●]
Day and date of Allotment (tentative)	[●]
Day and date of Redemption (tentative)	[●]
Tenure	[●]
Coupon (%) for NCD Holders in Category I, II and III	[●]
Frequency of the Interest Payment with specified dates starting from date of allotment	[●]
Day Count Convention	[●]

Cash flow	**Date of interest/redemption payment** [(2)]	**No. of days in Coupon/maturity period**	**Amount (in ₹)**
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]

Cash flow	**Date of interest/redemption payment** (2)	**No. of days in Coupon/maturity period**	**Amount (in ₹)**
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]			

Option [●]

Company	Chemmanur Credits and Investments Limited
Face Value	[●]
Day and Date of Allotment (tentative)	[●]
Day and date of Redemption (tentative)	[●]
Tenure	[●]
Redemption Amount (₹/NCD) for NCD Holders in Category I, II and III	[●]
Frequency of the Interest Payment with specified dates starting from date of allotment	[●]
Day Count Convention	[●]

Cash flow	**Date of interest/redemption payment** (2)	**No. of days in Coupon/maturity period**	**Amount (in ₹)**
[●]	[●]	[●]	[●]

NOTES:

1. *Effect of public holidays has been ignored as these are difficult to ascertain for future period except January 26, April 1, May 1, 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 [●].*
4. *The last coupon payment will be paid along with maturity amount at the redemption date.*

ANNEXURE II

CREDIT RATING LETTER AND RATIONALE

APPENDED OVERLEAF

Ratings

CONFIDENTIAL

CRISIL
An S&P Global Company

RL/CHCAIL/294014/NCD/0822/41596/109897987
August 25, 2022

Mr. Pramod M
Chief Financial Officer
Chemmanur Credits and Investments Limited
Mangalodhayam Building Round South
Thrissur - 680001
4872424010

Dear Mr. Pramod M,

Re: CRISIL Rating on the Rs.100 Crore Non Convertible Debentures of Chemmanur Credits and Investments Limited

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL BBB-/Stable (pronounced as CRISIL triple B minus rating with Stable outlook) rating on the captioned debt instrument. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.

Further, in view of your decision to accept the CRISIL Rating, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

P. P. Mane

Prashant Pratap Mane
Associate Director - CRISIL Ratings

Nivedita

Nivedita Shibu
Associate Director - CRISIL Ratings

CRISIL

Details of the Rs.100 Crore Non Convertible Debentures of Chemmanur Credits and Investments Limited

	1st tranche		***2nd tranche***		***3rd tranche***	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

Ratings
CRISIL Ratings Limited (A subsidiary of CRISIL Limited)

CRISIL
An S&P Global Company

Rating Rationale

August 25, 2022 | Mumbai

Chemmanur Credits and Investments Limited

Rating outlook revised to 'Stable'; 'CRISIL BBB-/Stable' assigned to Non Convertible Debentures

Rating Action

Total Bank Loan Facilities Rated	**Rs.25 Crore**
Long Term Rating	**CRISIL BBB-/Stable (Outlook revised from 'Negative'; Rating Reaffirmed)**

Rs.100 Crore Non Convertible Debentures	**CRISIL BBB-/Stable (Assigned)**

1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has revised its rating outlook on the long-term bank facility of Chemmanur Credits and Investments Ltd (Chemmanur Credits) to '**Stable**' while reaffirming the rating at 'CRISIL BBB-'**.** CRISIL Ratings has also assigned its **'CRISIL BBB-/Stable'** rating to the Rs.100 crore non- convertible debentures of Chemmanur Credits.

The revision in outlook primarily factors in improvement in Chemmanur Credit's asset quality metrics as reflected in improvement of 90+dpd (days past due) to 3% as on March 31, 2022, from 22% as on March 31, 2021. Since the company largely operates out of Kerala, it faced significant impact due to state and local lockdowns. Furthermore, the company was not able to hold its auctions due to lockdowns in Kerala, which resulted in delay in recovery from non-performing asset (NPA) accounts. Nevertheless, the company started its auctions process from early October 2021 and has made considerable progress in recoveries from NPA accounts. On absolute basis, the company's 90+ dpd (under gold loans) was Rs 6.6 crore as on March 31, 2022, against Rs 98.6 crore as on June 30, 2021. The ability of the company to further improve its asset quality performance will be a monitorable.

In terms of scale of operations, the company registered year-on-year growth of about 4% with assets under management (AUM) improving to Rs 355 crore as of March 2022 from Rs 341 crore as of March 2021. In terms of profitability, the company reported profit after tax (PAT) of Rs 4.3 crore for the period ended March 31, 2022, against PAT of Rs 9.23 crore in the corresponding period of the previous fiscal. Since the company was not able to hold auctions in a timely manner during the first half of fiscal 2022, it resulted in higher interest accrual impacting profitability.

The rating continues to reflect the established brand of Chemmanur in the gold jewellery business in Kerala and adequate capitalisation for its scale of operations. These strengths are partially offset by small scale of operations with regional-level concentration and modest resource profile.

Analytical Approach

For arriving at its rating, CRISIL Ratings has evaluated the standalone business and financial risk profiles of Chemmanur Credits.

Key Rating Drivers & Detailed Description

Strengths:

Established brand of Chemmanur Jewellers

The promoters have been operating in the jewellery business for more than a century. The jewellery business has its presence in USA, Middle East and India. Chemmanur has emerged as an established brand in Kerala, which has enabled the promoters to establish Chemmanur Credits' presence in the gold loan segment within a period of around 10 years. The established brand has enabled Chemmanur Credits to expand its operations across Kerala.

Adequate capitalisation for the current scale of operations

The company's capital position remains adequate for its scale of operations. With steady accretions its networth grew and stood at Rs 88.1 crore as on March 31, 2022 (Rs 87.6 crore as on March 31, 2021). However, the capital position was affected during the first quarter of fiscal 2022 because the company reported loss of Rs 14.5 crore. This resulted in networth reducing to Rs 73.5 crore as on June 30, 2021. Chemmanur Credits' adjusted gearing stood at 3.0 times as on March 31, 2022 (2.9 times as on March 31, 2021). The promoters have infused equity capital of Rs 20 crore during the past six years and have the ability to infuse more equity when required. Additionally, they have extended Rs 45 crore unsecured loans in the past. The company has indicated that it expects to maintain a steady-state gearing of around 5 times. Any increase in gearing beyond the committed threshold and further deterioration in networth will be a key rating sensitivity factor.

Weakness:

Small scale of operations with regional concentration

Chemmanur Credit's scale of operations remains small with a loan portfolio of around Rs 355 crore (Rs 341 crore as on March 31, 2021), with a network of 147 branches, as on March 31, 2022. Operations have been largely restricted to Kerala and Tamil Nadu, which accounted for about 87% and 13% of AUM, respectively, as on March 31, 2022. The higher concentration within Kerala has resulted in significant impact primarily during the second wave of the Covid-19 pandemic. During the first half of fiscal 2022, the company was not able to undertake auctions due to pandemic-related restrictions and lockdowns, which resulted in deterioration in asset quality. However, the company started auctions from early October 2021 and has made considerable progress in recoveries from NPA accounts. The auction process was completed by the fourth quarter of fiscal 2022. As on March 31, 2022, the company was able to recover either through auctions or normal collections. CRISIL Ratings believes that higher concentration within Kerala has been the primary reason for deterioration in both asset quality and profitability. However, with steps been taken by the management to have aggressive follow-ups for recoveries and conducting auctions may benefit the company over the near to medium term. Also, the company has started diversifying its portfolio in other regions and during fiscal 22 the company has begun expansion process by opening ten branches in Karnataka. Furthermore, the ability of the company to increase its scale and diversify in other regions/states will be critical to avoid such concentration risks in future.

Modest resource profile
The resource profile is largely concentrated with a high proportion of privately placed non-convertible debentures and subordinate debt, which account for around 85% of the overall borrowings. The company had only one banking relationship till last year. However, during fiscal 2022, the company made some progress on raising funds through bank loans. The company raised around Rs 15 crore in the form of term loan and cash credit from two more banks. Nevertheless, diversification of resource profile and increasing share of bank loans will be key monitorables.

Liquidity: Adequate
As per the asset liability maturity profile as on June 30, 2022, the company has no negative cumulative mismatches up to six months. The company has a policy of typically maintaining a liquidity cover of one time for debt obligation arising over the next one month, in addition to the sanctions in the pipeline. As on June 30, 2022, Chemmanur had liquidity of Rs 20.4 crore including cash and cash equivalent and unutilised cash credit limit. The liquidity buffer to cover total debt and loan repayment and operating expenses is adequate. The liquidity position has improved from October 2021 onwards with significant upward traction in collections from NPAs. In terms of raising debt, the company raised around Rs 15 crore of bank loans.

Outlook: Stable
CRISIL Ratings believes Chemmanur Credits will benefit from its established brand in the jewellery business and remain adequately capitalised over the medium term.

Rating Sensitivity Factors
Upward Factors
- Significant improvement in the earnings profile, with return on assets (ROA) improving to 3-4% over the medium term
- Improvement in the scale of operations, with reduction in regional concentration; proportion of portfolio within Kerala reducing to below 70%
- Asset quality being maintained with 90+dpd below 1%

Downward factors
- Increase in overall gearing to over 5 times
- Significant deterioration in asset quality

About the Company
Chemmanur Credits was registered in 2008 and started operations in 2011. The company is promoted by Chemmanur International Jewellers Group. The chief promoter is Mr Chemmanur Devassykutty Boby, popularly referred to as Boby Chemmanur. The promoter has expanded the family-run retail gold jewellery business of more than 150 years to branches in USA, Middle East, and India. The promoter has other business interests in real estate, Nidhi and chit funds. At present the company has 147 branches spread across Kerala, Tamil Nadu and Karnataka. It has a major presence in Kerala and a few branches in Tamil Nadu as on 31/03/2022

Key Financial Indicators

Particulars March 31	Unit	FY2022*	2021	2020
Total Assets	Rs crore	393	385	339
Total Income	Rs crore	73	75	72
Profit after tax	Rs crore	4.3	9.2	8.5
Gross NPA (180+dpd)	%	1.08	0.7	0.3
90+dpd	%	3.0	22.0	6.5
Gearing	Times	3.0	2.9	3.0
Return On Assets	%	1.1	2.5	2.6

**Based on provisional financials*

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Cr)	Complexity Level	Rating Assigned with Outlook
NA	Non Convertible Debentures^	NA	NA	NA	100	Simple	CRISIL BBB-/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	25	NA	CRISIL BBB-/Stable

^Yet to be issued

Annexure - Rating History for last 3 Years

	Current			2022 (History)		2021		2020		2019		Start of 2019
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	25.0	CRISIL BBB-/Stable		--	03-11-21	CRISIL BBB-/Negative	04-08-20	CRISIL BBB-/Stable		--	CRISIL BBB-/Stable
			--		--		--	06-05-20	CRISIL BBB-/Watch Negative		--	--
			--		--		--	26-03-20	CRISIL BBB-/Stable		--	--
Non Convertible Debentures	LT	100.0	CRISIL BBB-/Stable		--		--		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Rating
Proposed Long Term Bank Loan Facility	**25**	**CRISIL BBB-/Stable**

Criteria Details

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies

Media Relations	Analytical Contacts	Customer Service Helpdesk
Aveek Datta Media Relations **CRISIL Limited** M: +91 99204 93912 B: +91 22 3342 3000 AVEEK.DATTA@crisil.com **Prakruti Jani** Media Relations **CRISIL Limited** M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com **Rutuja Gaikwad** Media Relations **CRISIL Limited** B: +91 22 3342 3000 **Rutuja.Gaikwad@ext-crisil.com**	Krishnan Sitaraman Senior Director and Deputy Chief Ratings Officer **CRISIL Ratings Limited** D:+91 22 3342 8070 krishnan.sitaraman@crisil.com Ajit Velonie Director **CRISIL Ratings Limited** D:+91 22 4097 8209 ajit.velonie@crisil.com Shruti Hazari Manager **CRISIL Ratings Limited** B:+91 22 3342 3000 Shruti.Hazari@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com For Analytical queries: ratingsinvestordesk@crisil.com

Note for Media:

About CRISIL Ratings Limited (A subsidiary of CRISIL Limited)

CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

CRISIL Ratings Limited ('CRISIL Ratings') is a wholly-owned subsidiary of CRISIL Limited ('CRISIL'). CRISIL Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About CRISIL Limited

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. We are India's leading ratings agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations.

CRISIL is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

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CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: https://www.crisil.com/en/home/our-businesses/ratings/credit-ratings-scale.html

ANNEXURE III

CONSENT OF THE DEBENTURE TRUSTEE

APPENDED OVERLEAF

Consent letter from the Debenture Trustee to the Issue

Date: 24/11/2022

To,

Chemmanur Credits and Investments Limited
Mangalodayam Building, Round South,
Thrissur - 680 001, Kerala

Dear Ma'am/Sir

Sub: Proposed public offering of Secured Redeemable Non-Convertible Debenture ("NCDs") ₹ 50 crore ("Base Issue"), with an option to retain over-subscription up to ₹ 50 crore, aggregating up to ₹ 100 crore ("Issue") of Chemmanur Credits and Investments Limited ("Company" or "Issuer").

We, the undersigned, hereby consent to be named as the debenture trustee to the Issue ("**Debenture Trustee**") and to our name being inserted as the Debenture Trustee to the Issue in the Draft Prospectus to be filed with the BSE Limited ("**Stock Exchanges**") and to be forwarded to Securities and Exchange Board of India ("**SEBI**") and the Prospectus to be filed with the Registrar of Companies, Ernakulam("**RoC**"), Stock Exchanges and to be forwarded to SEBI in respect of the Issue and also in all related advertisements and communications sent pursuant to the Issue. The following details with respect to us may be disclosed:

Name:	MITCON Credentia Trusteeship Services Limited
Address:	1402/1403, B wing, Dalamal Tower, 14th Floor, Free Press Journal Marg, 211 Nariman Point, Mumbai 400 021
Tel:	(91) (22) 22828200
Fax:	(91) (22) 22024553
Email:	contact@mitconcredentia.in
Website:	www.mitconcredentia.in
Contact Person:	Ms. Vaishali Urkude
SEBI Registration No:	IND000000596
Logo:	MITCON CREDENTIA PARTNER WITH TRUSTED CREDENTIALS

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues. We confirm that we have not been prohibited to act as a debenture trustee by the SEBI.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

We confirm that we will immediately inform the Company and the 'Lead Manager' of any change to the above information until the date when the proposed public issue of NCDs commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This letter may be relied upon by you, the 'Lead Manager' and the legal advisor to the Issue in respect of the Issue.

Sincerely
For MITCON Credentia Trusteeship Services Limited

MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED

Name: Vaishali Urkude
Designation: Managing Director
CC:

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

Khaitan & Co
One World Centre
10th& 13th Floor, Tower 1C,
841 Senapati Bapat Marg,
Mumbai 400 013
Maharashtra, India

Annexure A

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA
(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000280

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED
Kubera Chambers, 1st Floor
Shivajinagar,
Pune-411005, Maharashtra

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000596**

This Certificate of registration shall be valid for permanent, unless suspended or cancelled by the Board

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **Mumbai**
तारीख Date : **March 17, 2022**

DINESH JOSHI
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

Annexure B

Date: 24/11/2022

To,
Chemmanur Credits and Investments Limited
Mangalodayam Building, Round South,
Thrissur - 680 001, Kerala

Dear Ma'am/Sir

Sub: Proposed public offering of Secured Redeemable Non-Convertible Debenture ("NCDs") ₹ 50 crore ("Base Issue"), with an option to retain over-subscription up to ₹ 50 crore, aggregating up to ₹ 100 crore ("Issue") of Chemmanur Credits and Investments Limited ("Company" or "Issuer").

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India ("**SEBI**") as a Debenture Trustee is true and correct:

1.	Registration Number	IND000000596
2.	Date of registration/ Renewal of registration	March 17, 2022
3.	Date of expiry of registration	Permanent registration
4.	If applied for renewal, date of application	Not Applicable
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	None
6.	Any enquiry/ investigation being conducted by SEBI	None
7.	Details of any penalty imposed by SEBI	None

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 Exchanges. In the absence of any such communication the listing and trading of the non-convertible debentures on the relevant Stock Exchanges.

For MITCON Credentia Trusteeship Services Limited

Name: Vaishali Urkude
Designation: Managing Director

MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED